

# BASE PROSPECTUS



## **Macquarie Capital Securities (Malaysia) Sdn. Bhd.**

(Company Number 463469-W)  
(A Participating Organisation of Bursa Malaysia Securities Berhad)  
(Incorporated in Malaysia under the Companies Act, 2016)

### **Base Prospectus**

relating to the  
offering of Structured Warrants  
to be issued by  
Macquarie Capital Securities (Malaysia) Sdn. Bhd.

This Base Prospectus is published in connection with the offering of Structured Warrants to be issued from time to time (within the validity period of this Base Prospectus which expires on 20 October 2020) by Macquarie Capital Securities (Malaysia) Sdn. Bhd. ("**Issuer**") and to be guaranteed by Macquarie Financial Holdings Pty Limited ("**Guarantor**"). The Structured Warrants are non-collateralised and comprise of American and/or European style(s) cash-settled call or put warrants over a single equity, American and/or European style(s) cash-settled call or put warrants over a single index, American and/or European style(s) cash-settled call or put warrants over a single exchange-traded fund, European style cash-settled callable bull/bear certificates over a single equity, European style cash-settled callable bull/bear certificates over a single index, European style cash-settled callable bull/bear certificates over a single exchange-traded fund and bull equity-linked structures (collectively "**Structured Warrants**").

This Base Prospectus is published to provide information on the Issuer, the Guarantor and the Structured Warrants. The specific terms relating to each series of the Structured Warrants will be set out in the term sheets to be issued for the relevant Structured Warrants, which will be supplemental to, and should be read in conjunction with this Base Prospectus.

The Structured Warrants are to be listed and traded on the Structured Warrants Board of Bursa Malaysia Securities Berhad.

The date of this Base Prospectus is 21 October 2019

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**YOU ARE ADVISED TO READ AND UNDERSTAND THE CONTENTS OF THIS BASE PROSPECTUS. IF IN DOUBT, PLEASE CONSULT A PROFESSIONAL ADVISER. THERE ARE CERTAIN RISK FACTORS WHICH YOU SHOULD CONSIDER. TURN TO PAGE 42 OF THIS BASE PROSPECTUS FOR "RISK FACTORS".**

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#### RESPONSIBILITY STATEMENTS

OUR DIRECTORS HAVE SEEN AND APPROVED THIS BASE PROSPECTUS. OUR DIRECTORS COLLECTIVELY AND INDIVIDUALLY ACCEPT FULL RESPONSIBILITY FOR THE ACCURACY OF THE INFORMATION CONTAINED IN THIS BASE PROSPECTUS AND CONFIRM, HAVING MADE ALL REASONABLE ENQUIRIES, THAT TO THE BEST OF THEIR KNOWLEDGE AND BELIEF, THERE ARE NO FALSE OR MISLEADING STATEMENTS OR OTHER FACTS THE OMISSION OF WHICH WOULD MAKE ANY STATEMENT IN THIS BASE PROSPECTUS FALSE OR MISLEADING.

WE ACKNOWLEDGE THAT, BASED ON ALL AVAILABLE INFORMATION, AND TO THE BEST OF OUR KNOWLEDGE AND BELIEF, THIS BASE PROSPECTUS CONSTITUTES A FULL AND TRUE DISCLOSURE OF ALL MATERIAL FACTS CONCERNING THE OFFERING OF THE STRUCTURED WARRANTS (“**OFFER**”).

#### STATEMENTS OF RISK

**YOU ARE WARNED THAT THE PRICE OR LEVEL (AS THE CASE MAY BE) OF THE UNDERLYING FINANCIAL INSTRUMENTS AND THE PRICE OF THE STRUCTURED WARRANTS MAY FALL IN VALUE AS RAPIDLY AS IT MAY RISE AND YOU MAY SUSTAIN A TOTAL LOSS OF YOUR INVESTMENT. YOU SHOULD THEREFORE MAKE SURE YOU UNDERSTAND THE TERMS AND CONDITIONS OF THE STRUCTURED WARRANTS OFFERED, THE RISK FACTORS INVOLVED, AND WHERE NECESSARY, SEEK PROFESSIONAL ADVICE BEFORE INVESTING IN THE STRUCTURED WARRANTS.**

THE STRUCTURED WARRANTS CONSTITUTE GENERAL UNSECURED CONTRACTUAL OBLIGATIONS OF THE ISSUER AND OF NO OTHER PERSON AND THE GUARANTEE CONSTITUTES THE GENERAL UNSECURED CONTRACTUAL OBLIGATIONS OF THE GUARANTOR AND OF NO OTHER PERSON. THEREFORE, IF YOU PURCHASE THE STRUCTURED WARRANTS, YOU ARE RELYING ON THE CREDITWORTHINESS OF THE ISSUER AND THE GUARANTOR AND HAVE NO RECOURSE/RIGHTS AGAINST THE UNDERLYING COMPANY, THE UNDERLYING EXCHANGE TRADED-FUNDS OR THE UNDERLYING INDEX SPONSOR THAT COMPILES AND PUBLISHES THE UNDERLYING INDEX.

#### STATEMENTS OF DISCLAIMER

A COPY OF THIS BASE PROSPECTUS HAS BEEN REGISTERED WITH THE SECURITIES COMMISSION MALAYSIA (“**SC**”). THE REGISTRATION OF THIS BASE PROSPECTUS SHOULD NOT BE TAKEN TO INDICATE THAT THE SC RECOMMENDS THE OFFER OR ASSUMES RESPONSIBILITY FOR THE CORRECTNESS OF ANY STATEMENT MADE OR OPINION OR REPORT EXPRESSED IN THIS BASE PROSPECTUS.

THE SC IS NOT LIABLE FOR ANY NON-DISCLOSURE ON OUR PART AND TAKES NO RESPONSIBILITY FOR THE CONTENTS OF THIS BASE PROSPECTUS, MAKES NO REPRESENTATION AS TO ITS ACCURACY OR COMPLETENESS AND EXPRESSLY DISCLAIMS ANY LIABILITY WHATSOEVER FOR ANY LOSS HOWSOEVER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THIS BASE PROSPECTUS. **YOU SHOULD RELY ON YOUR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE OFFER AND THE INVESTMENT IN THE STRUCTURED WARRANTS. IN CONSIDERING THE INVESTMENT, IF YOU ARE IN ANY DOUBT AS TO THE ACTION TO BE TAKEN, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISERS IMMEDIATELY.**

APPROVAL WILL BE OBTAINED FROM BURSA MALAYSIA SECURITIES BERHAD (“**BURSA SECURITIES**”) FOR THE LISTING OF AND QUOTATION FOR THE STRUCTURED WARRANTS BEING OFFERED. ADMISSION OF THE STRUCTURED WARRANTS TO THE OFFICIAL LIST OF BURSA SECURITIES IS NOT TO BE TAKEN AS AN INDICATION OF OUR MERITS, THE MERITS OF THE OFFER, THE STRUCTURED WARRANTS, THE UNDERLYING EQUITIES, UNDERLYING EXCHANGE-TRADED FUNDS OR THE UNDERLYING INDEX.

A COPY OF THIS BASE PROSPECTUS HAS ALSO BEEN LODGED WITH THE REGISTRAR OF COMPANIES. THE REGISTRAR OF COMPANIES DOES NOT TAKE ANY RESPONSIBILITY FOR THE CONTENTS OF THIS BASE PROSPECTUS.

#### OTHER STATEMENTS

YOU ARE ADVISED TO NOTE THAT RECOURSE FOR FALSE OR MISLEADING STATEMENTS OR ACTS MADE IN CONNECTION WITH THIS BASE PROSPECTUS IS DIRECTLY AVAILABLE THROUGH SECTIONS 248, 249 AND 357 OF THE CAPITAL MARKETS AND SERVICES ACT 2007 ("**CMSA**").

SECURITIES LISTED ON BURSA SECURITIES ARE OFFERED TO THE PUBLIC PREMISED ON FULL AND ACCURATE DISCLOSURE OF ALL MATERIAL INFORMATION CONCERNING THE ISSUE FOR WHICH ANY OF THE PERSONS SET OUT IN SECTION 236 OF THE CMSA, E.G. DIRECTORS AND ADVISERS, ARE RESPONSIBLE.

THE DISTRIBUTION OF THIS BASE PROSPECTUS AND THE OFFER ARE SUBJECT TO THE LAWS OF MALAYSIA. THIS BASE PROSPECTUS WILL NOT BE DISTRIBUTED OUTSIDE MALAYSIA. NO ACTION HAS BEEN TAKEN TO PERMIT THE OFFERING OF THE STRUCTURED WARRANTS IN ANY JURISDICTION OTHER THAN MALAYSIA. ACCORDINGLY, THIS BASE PROSPECTUS MAY NOT BE USED FOR THE PURPOSE OF AND DOES NOT CONSTITUTE AN OFFER FOR SUBSCRIPTION OR PURCHASE OR INVITATION TO SUBSCRIBE FOR OR PURCHASE, ANY STRUCTURED WARRANTS IN ANY JURISDICTION IN WHICH SUCH OFFER OR INVITATION IN ANY JURISDICTION OR IN ANY CIRCUMSTANCES IN WHICH SUCH AN OFFER IS NOT AUTHORISED OR LAWFUL OR TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE SUCH OFFER OR INVITATION. THE DISTRIBUTION OF THIS BASE PROSPECTUS AND THE SALE OF STRUCTURED WARRANTS IN CERTAIN JURISDICTIONS OUTSIDE MALAYSIA MAY BE RESTRICTED BY LAW. YOU ARE REQUIRED TO BE AWARE AND OBSERVE THE LAWS OF COUNTRIES OR JURISDICTION OTHER THAN MALAYSIA THAT YOU ARE OR MIGHT BE SUBJECT TO.

OTHER THAN MACQUARIE BANK LIMITED ("**MBL**"), ANY MACQUARIE GROUP ENTITY NOTED IS NOT AN AUTHORISED DEPOSIT-TAKING INSTITUTION FOR THE PURPOSES OF THE BANKING ACT 1959 (COMMONWEALTH OF AUSTRALIA) AND THAT ENTITY'S OBLIGATIONS DO NOT REPRESENT DEPOSITS OR OTHER LIABILITIES OF MBL. MBL DOES NOT GUARANTEE OR OTHERWISE PROVIDE ASSURANCE IN RESPECT OF THE OBLIGATIONS OF THAT ENTITY, UNLESS NOTED OTHERWISE.

**THIS BASE PROSPECTUS CAN ALSO BE VIEWED OR DOWNLOADED FROM BURSA SECURITIES' WEBSITE AT [WWW.BURSAMALAYSIA.COM](http://www.bursamalaysia.com).**

#### PRIVACY NOTICE

PURSUANT TO SECTION 7 OF THE PERSONAL DATA PROTECTION ACT 2010, WE ARE REQUIRED TO ISSUE A PRIVACY NOTICE TO YOU WITH REGARD TO COLLECTION AND MANAGEMENT OF YOUR PERSONAL DATA. THE PRIVACY NOTICE (IN ENGLISH AND BAHASA MALAYSIA VERSIONS) IS ATTACHED AS "ANNEXURE II" FOR YOUR REFERENCE AND IS ALSO AVAILABLE AT OUR WEBSITE, <http://www.macquarie.my/mgl/my/about/en/privacy-policy-malaysia>.

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## DEFINITIONS

All references to “our Company” or “the Issuer” or “MCSM” in this Base Prospectus are to Macquarie Capital Securities (Malaysia) Sdn. Bhd. (463469-W) and references to “we”, “us”, “our” and “ourselves” are to our Company. Unless the context otherwise requires, references to “Management” are to our Directors and key management personnel as at the date of registration of this Base Prospectus with the SC, and statements as to our beliefs, expectations, estimates and opinions are those of our Management.

References to the “Government” are to the Government of Malaysia; references to “Ringgit”, “Ringgit Malaysia”, “RM” or “sen” are to the lawful currency of Malaysia; references to “AUD” are to the lawful currency of Australia and references to a time of day are to Malaysian time, unless otherwise stated. Words importing the singular shall, where applicable, include the plural and vice versa and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. References to persons shall include companies and corporations. Any reference in this Base Prospectus or any Term Sheet to any enactment is a reference to that enactment as for the time being amended or re-enacted.

References to a “series” of the Structured Warrants are to each type of the Structured Warrants to be issued by us based on this Base Prospectus and a term sheet to be issued for each series of the Structured Warrants.

The following terms in this Base Prospectus bear the same meanings as set out below, unless the term is defined otherwise or the context otherwise requires:

|                              |   |
|------------------------------|---|
| Act.....                     | Companies Act 2016  |
| Board .....                  | Board of Directors  |
| Bull ELS .....               | Bull equity-linked structures   |
| Bursa Depository .....       | Bursa Malaysia Depository Sdn Bhd (165570-W)  |
| Bursa Securities .....       | Bursa Malaysia Securities Berhad (635998-W)   |
| Bursa Securities LR.....     | Main Market Listing Requirements of Bursa Securities  |
| CBBC(s) .....                | Callable bull/ bear certificate(s)  |
| Central Depositories Act.... | Securities Industry (Central Depositories) Act 1991   |
| Central Depository System    | The central depository system as approved by the Minister of Finance, Malaysia pursuant to Section 5 of the Central Depositories Act, and fully owned and operated by Bursa Depository  |
| CMSA .....                   | Capital Markets and Services Act 2007   |
| Deed Poll .....              | Deed Poll dated 16 October 2019 executed by us for the Structured Warrants, as supplemented from time to time. The Term Sheet to be issued for each series of the Structured Warrants will form a new supplement to the Deed Poll. The Structured Warrants are constituted by the detailed provisions of the Deed Poll. An extract of the principal terms of the Deed Poll is set out in Annexure I to this Base Prospectus. It is important to read the provisions of the Deed Poll as it contains the obligations of the Issuer, the terms of the Structured Warrants and your rights as an investor. |
| ETF .....                    | Exchange-traded fund  |
| Guarantee Deed Poll.....     | Guarantee Deed Poll dated 16 October 2019 executed by MFHPL to guarantee the obligations of MCSM under the Terms in the event MCSM fails to perform such obligations, as supplemented from time to time   |
| Holder(s) .....              | The person or persons whose names for the time being appear on the Record of Depositors for the Structured Warrants   |
| Listing .....                | Listing of and quotation for the Structured Warrants on the Structured Warrants Board of Bursa Securities   |

**DEFINITIONS** (cont'd)

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|                                     |  |
|-------------------------------------|--|
| LPD.....                            | 30 September 2019, being the latest practicable date before the registration of this Base Prospectus   |
| Macquarie Group.....                | MGL and its subsidiaries   |
| Market Day .....                    | A day (other than Saturday, Sunday or public holiday) on which the relevant securities exchanges are open for trading during the normal trading hours in the respective place where the relevant: <ul style="list-style-type: none"> <li>(i) Underlying Equity is quoted and traded;</li> <li>(ii) Underlying ETF is quoted and traded; or</li> <li>(iii) Underlying Index is compiled and published,</li> </ul> as the case may be, and the Structured Warrants are quoted and traded   |
| Market Maker.....                   | A person who performs Market Making and is registered as a market maker under the Rules of Bursa Securities  |
| Market Making .....                 | The act of entering bid and offer prices in the automated trading system of Bursa Securities   |
| MBL .....                           | Macquarie Bank Limited (ACN 008 583 542)   |
| MCSM.....                           | Macquarie Capital Securities (Malaysia) Sdn. Bhd. (463469-W)   |
| MCSSPL.....                         | Macquarie Capital Securities (Singapore) Pte. Limited (Registration No 198702912C)   |
| MFHPL.....                          | Macquarie Financial Holdings Pty Limited (ACN 124 071 398), our penultimate holding company  |
| MGL.....                            | Macquarie Group Limited (ACN 122 169 279), our ultimate holding company  |
| MGL Board .....                     | Board of Voting Directors of MGL   |
| Offer.....                          | Our offering of the Structured Warrants  |
| Record of Depositors.....           | The record provided by Bursa Depository to MCSM or the Structured Warrants Registrar pursuant to the Rules of Bursa Depository   |
| ROC.....                            | Registrar of Companies   |
| Rules of Bursa Depository..         | The Rules of Bursa Depository as issued under the Central Depositories Act   |
| SC.....                             | Securities Commission of Malaysia  |
| Structured Warrant(s) .....         | The following are the non-collateralised structured warrants which we propose to issue: <ul style="list-style-type: none"> <li>(i) American and/or European style(s) cash-settled call or put warrants over a single equity;</li> <li>(ii) American and/or European style(s) cash-settled call or put warrants over a single index;</li> <li>(iii) American and/or European style(s) cash-settled call or put warrants over a single ETF;</li> <li>(iv) European style cash-settled CBBCs over a single equity;</li> <li>(v) European style cash-settled CBBCs over a single index;</li> <li>(vi) European style cash-settled CBBCs over a single ETF; and</li> <li>(vii) Bull ELS,</li> </ul> where the equity and ETF are listed on, and indices are based on Bursa Securities and/or securities exchanges outside Malaysia which are members of the World Federation of Exchanges or are approved by Bursa Securities |
| Structured Warrants Registrar ..... | Macquarie Capital Securities (Malaysia) Sdn. Bhd. (463469-W), being the Registrar for the Structured Warrants  |

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**DEFINITIONS** *(cont'd)*


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|  |   |
|--|---|
| Successor Underlying Index Sponsor ..... | In relation to particular Structured Warrants, the successor to the Underlying Index Sponsor  |
| Take-Over Rules .....                    | Rules on Take-Overs, Mergers and Compulsory Acquisitions  |
| Term Sheet.....                          | The document containing the specific Terms and information on a specific series of Structured Warrants, to be issued by us from time to time and which shall be supplemental to and should be read in conjunction with this Base Prospectus   |
| Terms.....                               | Terms and conditions in relation to the Structured Warrants   |
| Underlying Company(ies) ...              | In relation to a series of Structured Warrants, the company(ies) that has(have) issued the Underlying Equity(ies)   |
| Underlying ETF.....                      | In relation to a series of Structured Warrants, the ETF which is the subject of the series of Structured Warrants, as specified in the relevant Term Sheet. Such ETF is listed and quoted on Bursa Securities and/or a securities exchange outside Malaysia which is a member of the World Federation of Exchanges or is approved by Bursa Securities       |
| Underlying ETF Assets.....               | In relation to an Underlying ETF, the assets of the Underlying ETF, as specified in the relevant Term Sheet   |
| Underlying Equity(ies) .....             | In relation to a series of Structured Warrants, the equity which is the subject of the series of Structured Warrants, as specified in the relevant Term Sheet. Such equity is listed and quoted on Bursa Securities and/or a securities exchange outside Malaysia which is a member of the World Federation of Exchanges or is approved by Bursa Securities |
| Underlying Index.....                    | In relation to a series of Structured Warrants, the index which is the subject of the series of Structured Warrants, as specified in the relevant Term Sheet. Such index shall be based on Bursa Securities and/or a securities exchange which is approved by Bursa Securities  |
| Underlying Index Sponsor ..              | In relation to a series of Structured Warrants, the underlying index sponsor that compiles and publishes the Underlying Index, as specified in the relevant Term Sheet  |
| Underlying Instrument(s) ....            | In relation to a series of Structured Warrants, the Underlying Equity(ies), Underlying Index or Underlying ETF, as specified in the relevant Term Sheet   |

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**FINANCIAL TERMS**

|                          |  |
|--------------------------|--|
| Bull ELS                 | : Bull ELS gives the Holder an actual, contingent or prospective right to receive on settlement date: <ul style="list-style-type: none"> <li>(i) a predetermined cash amount where the settlement price of the Underlying Equity(ies) is equal to or exceeds the exercise price; or</li> <li>(ii) a specified number of Underlying Equity(ies) or a cash amount calculated by reference to the value of the Underlying Equity(ies) where the settlement price of the Underlying Equity(ies) is below the exercise price</li> </ul> |
| Call price or call level | : Means the pre-specified price or level of the Underlying Instrument at which the Issuer must call the CBBC before its expiry date subject to any adjustments as may be necessary in accordance to the Terms and as specified in the relevant Term Sheet  |
| Call warrant             | : Instrument under which the Holder has the right to buy the Underlying Instrument from the Issuer for a particular price or to receive a cash payment (cash-settled) based on a particular price or level when the call warrant has an intrinsic value at a future date   |
| Cash Settlement Amount   | : The amount of cash to be paid to the Holder on valid exercise of the Structured Warrants in accordance with the Terms  |
| CBBC(s)                  | : CBBC means a contract: <ul style="list-style-type: none"> <li>(i) which upon the occurrence of a mandatory call event, will be called by the Issuer and terminated before its expiry date; and</li> <li>(ii) under which a person has an actual, contingent or prospective right to receive a cash amount, depending on the fluctuations in the value or price of the Underlying Instrument and the amount will be calculated in accordance with the contract</li> </ul>   |
| Exercise level           | : In relation to a series of Structured Warrants, the pre-specified level as determined by the Issuer at which the Holders may exercise the right under the series of Structured Warrants subject to any adjustment as may be necessary in accordance with the Terms and as specified in the relevant Term Sheet   |
| Exercise price           | : In relation to a series of Structured Warrants, the pre-specified price as determined by the Issuer at which the Holders may exercise the right under the series of Structured Warrants subject to any adjustment as may be necessary in accordance with the Terms and as specified in the relevant Term Sheet   |
| Exercise style           | : Structured Warrants can be exercised, according to the terms of issue, in European or American style<br><br>European style Structured warrants may only be exercised on the expiry date whereas American style Structured warrants may be exercised at any time up to and including the expiry date  |
| Intrinsic value          | : The amount by which the price of the Underlying Instrument exceeds the exercise price/level for a call warrant or callable bull certificate, or the amount by which the price of the Underlying Instrument is below the exercise price/level for a put warrant or callable bear certificate. If a structured warrant has negative intrinsic value, it shall be deemed to have no intrinsic value   |

**FINANCIAL TERMS** (cont'd)

**Mandatory call event** : In relation to CBBC, means the first occurrence at any time before the CBBC's expiry date where the transacted price or level of the Underlying Instrument is at or below (in respect of callable bull certificate) or at or above (in respect of callable bear certificate) the call price or call level and upon which the CBBC will be called by the Issuer

**Put warrant** : Instrument under which the Holder has the right to sell the Underlying Instrument to the Issuer for a particular price or to receive a cash payment (cash-settled) based on a particular price or level when the put warrant has an intrinsic value at a future date

**Warrants** : Warrants are leveraged financial instruments which derive their value from some other Underlying Instrument and can provide exposure to the Underlying Instrument for a fraction of the price

**Delta** : The relationship between the estimated change in the price for each warrant and the corresponding change in the Underlying Instrument price, as follows:

$$\text{Delta} = \frac{\text{Change in warrant price} \times \text{Exercise ratio}}{\text{Change in Underlying Instrument price}}$$

For example, for a call warrant with an exercise ratio of 2, a delta of 50% implies that if the Underlying Instrument price changes by 20 sen, then the call warrant price is expected to change by 5 sen.

For example, for a put warrant with an exercise ratio of 5, a delta of 50% implies that if the Underlying Instrument price changes by 10 sen, then the put warrant price is expected to change by 1 sen.

**Effective gearing** : A measure of the theoretical change in the call/put warrant price for a 1% change in the Underlying Instrument price. The formula for effective gearing is as follows:

$$\text{Effective gearing} = \text{Gearing} \times \text{Delta}$$

For illustrative purposes only, a gearing of 10 and a delta of 50% would equate to an effective gearing multiple of 5 times, which implies that every RM1.00 exposure in a call warrant could equate to an effective exposure of RM5.00 in the Underlying Instrument.

**Exercise ratio** : The number of warrants to which one unit of the Underlying Instrument relates as determined by the Issuer and as specified in the relevant Term Sheet

**Gearing** : A measure of the ratio of Underlying Instrument to which exposure is gained by purchasing 1 call/put warrant.

The formula for gearing is as follows:

$$\text{Gearing} = \frac{\text{Underlying Instrument price}}{\text{Warrant price} \times \text{Exercise ratio}}$$

For example, for a call warrant with an exercise ratio of 2, a gearing of 10 implies that every RM1.00 exposure in the call warrant could equate to an exposure of RM20.00 in the Underlying Instrument.

**Implied volatility** : The implied volatility of a warrant is that value of the volatility of the Underlying Instrument which, when input in a warrant pricing model (such as Black-Scholes) will return a theoretical value equal to the current market price of the warrant

All things being equal, generally, the higher the expected volatility, the higher the warrant price



**FINANCIAL TERMS** (cont'd)

Premium : The premium of a call warrant is based on the following computation:

$$\frac{(\text{Call warrant price} \times \text{Exercise ratio}) + \text{Exercise price} - \text{Underlying Instrument price}}{\text{Underlying Instrument price}} \times 100\%$$

The premium of a put warrant is based on the following computation:

$$\frac{(\text{Put warrant price} \times \text{Exercise ratio}) + \text{Underlying instrument price} - \text{Exercise price}}{\text{Underlying Instrument price}} \times 100\%$$

- In-the-money : (i) A call warrant or callable bull certificate is in-the-money when the price/level of the Underlying Instrument is above the exercise price/level of the call warrant or callable bull certificate, i.e. when the call warrant or callable bull certificate has intrinsic value;
- (ii) A put warrant or callable bear certificate is in-the-money when the price/level of the Underlying Instrument is below the exercise price/level of the put warrant or callable bear certificate, i.e. when the put warrant or callable bear certificate has intrinsic value
- Out-of-the-money : (i) A call warrant or callable bull certificate is out-of-the-money when the price/level of the Underlying Instrument is below the exercise price/level of the call warrant or callable bull certificate, i.e. when the call warrant or callable bull certificate does not have any intrinsic value;
- (ii) A put warrant or callable bear certificate is out-of-the-money when the price/level of the Underlying Instrument is above the exercise price/level of the put warrant or callable bear certificate, i.e. when the put warrant or callable bear certificate does not have any intrinsic value

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## 1. CORPORATE DIRECTORY

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### 1. CORPORATE DIRECTORY

#### Directors

| Name  | Address   | Occupation | Nationality |
|---|---|------------|-------------|
| Nik Hadi Bin Nik Mahmood<br>(Executive Director)  | No. 49, Taman Hillview<br>Jalan Ulu Kelang<br>68000 Ampang<br>Selangor                            | Director   | Malaysian   |
| Ruben Boopalan<br>(Non-Executive Director)        | 9, Jalan Rumbia<br>The Imperial, #01-13<br>Singapore 239620                                       | Director   | Malaysian   |
| Dean Ryan Herbert<br>(Non-Executive Director)     | 7C Kensington Hill,<br>98 High Street, Sai Ying Pun<br>Hong Kong                                  | Director   | Australian  |
| Fazellah Binti Mohd Yusuf<br>(Executive Director) | A-12-2, Infiniti 3 Residence,<br>No.1, Jalan Seri Wangsa 2,<br>Wangsa Maju, 53300<br>Kuala Lumpur | Director   | Malaysian   |

#### Audit Committee (“AC”)

MCSM does not have its own AC. The internal audit function of MCSM resides at the Macquarie Group level.

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**1. CORPORATE DIRECTORY (cont'd)**

|   |  |
|---|--|
| <b>Issuer</b>                             | : Macquarie Capital Securities (Malaysia) Sdn. Bhd. (463469-W)<br>10th floor Menara Hap Seng<br>No. 1 & 3 Jalan P. Ramlee<br>50250 Kuala Lumpur, Malaysia<br>Telephone no.: 03-2059 8840<br>Website: <a href="http://www.malaysiawarrants.com.my">http://www.malaysiawarrants.com.my</a> |
| <b>Company Secretary</b>                  | : Ms Ng Sally (MAICSA 7060343)<br>TMF Administrative Services Malaysia Sdn Bhd<br>10th floor Menara Hap Seng<br>No. 1 & 3 Jalan P. Ramlee<br>50250 Kuala Lumpur, Malaysia  |
| <b>Registered Office/<br/>Head Office</b> | : 10th floor Menara Hap Seng<br>No. 1 & 3 Jalan P. Ramlee<br>50250 Kuala Lumpur, Malaysia<br>Telephone no.: 03-2059 8840<br>Website: <a href="http://www.macquarie.my/mgl/my/en">http://www.macquarie.my/mgl/my/en</a>   |
| <b>Guarantor</b>                          | : Macquarie Financial Holdings Pty Limited (ACN: 124 071 398)<br>Level 6, 50 Martin Place<br>Sydney NSW 2000<br>Australia<br>Telephone no.: +61 2 8232 3333<br>Website: <a href="http://www.macquarie.com.au">http://www.macquarie.com.au</a>  |
| <b>Auditors</b>                           | : PricewaterhouseCoopers PLT (LLP0014401-LCA & AF 1146)<br>Level 10, 1 Sentral<br>Jalan Rakyat<br>Kuala Lumpur Sentral<br>P.O. Box 10192<br>50706 Kuala Lumpur, Malaysia<br>Telephone no.: 03-2173 1188<br>Website: <a href="http://www.pwc.com/my">http://www.pwc.com/my</a>            |
| <b>Solicitors</b>                         | : Zaid Ibrahim & Co.<br>Level 19, Menara Milenium<br>Pusat Bandar Damansara<br>50490 Kuala Lumpur, Malaysia<br>Telephone no.: 03-2087 9999<br>Website: <a href="http://www.zicolaw.com">www.zicolaw.com</a>  |
| <b>Structured Warrants<br/>Registrar</b>  | : Macquarie Capital Securities (Malaysia) Sdn. Bhd. (463469-W)<br>10th floor Menara Hap Seng<br>No. 1 & 3 Jalan P. Ramlee<br>50250 Kuala Lumpur, Malaysia<br>Telephone no.: 03-2059 8840   |
| <b>Rating Agency</b>                      | : Malaysian Rating Corporation Berhad<br>19-07, Level 19, Q Sentral<br>2A Jalan Stesen Sentral 2<br>Kuala Lumpur Sentral<br>50470 Kuala Lumpur, Malaysia<br>Telephone no.: 03-2717 2900<br>Website: <a href="http://www.marc.com.my">www.marc.com.my</a>                                 |

**1. CORPORATE DIRECTORY** *(cont'd)*

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**Listing**

: We will seek the approval of Bursa Securities for the listing of and quotation for the Structured Warrants on the Structured Warrants Board of Bursa Securities

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## 2. INTRODUCTION

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### 2. INTRODUCTION

This Base Prospectus is dated 21 October 2019 and is valid until 20 October 2020.

We have registered a copy of this Base Prospectus with the SC. We have also lodged a copy of this Base Prospectus with the ROC. Neither the SC nor the ROC takes any responsibility for the contents of this Base Prospectus.

The Structured Warrants will be listed and traded on the Structured Warrants Board of Bursa Securities, subject to the approval of Bursa Securities.

Under Section 14(1) of the Central Depositories Act, the Structured Warrants are prescribed securities which are required to be deposited into the Central Depository System. Consequently, any dealings in these Structured Warrants will be carried out in accordance with the Central Depositories Act and Rules of Bursa Depository.

The completion of the Offer and Listing for each series of the Structured Warrants depends on the following:

- (i) for all Structured Warrants, there must be at least 100 Holders holding not less than 1 board lot of the relevant series of Structured Warrants each, or at least 50 Holders holding not less than 1 board lot each provided that each of these Holders subscribes for a minimum of RM100,000.00 of the relevant series of Structured Warrants each according to the Bursa Securities LR. 1 board lot comprises 100 Structured Warrants or such other number of Structured Warrants as permitted by the SC and/or Bursa Securities; and
- (ii) each issue of the relevant series of the Structured Warrants must be for a minimum total face amount of RM5 million according to the Bursa Securities LR.

The above mentioned requirement in (i) does not apply to an Issuer that provides liquidity for the Structured Warrants via Market Making in accordance with the Bursa Securities LR.

You should rely only on the information contained in this Base Prospectus and the relevant Term Sheets in respect of the Offer. We have not authorised anyone to give you any information that is not contained in this Base Prospectus and the relevant Term Sheets. You should also note that this Base Prospectus or any sale of the Structured Warrants shall not represent or imply that there has been no change in our affairs since the respective dates stated in this Base Prospectus.

We may update or amend this Base Prospectus from time to time by way of successor documents. You should ask us if any supplement to this Base Prospectus or any later Base Prospectus has been issued. Any supplement to this Base Prospectus or any later Base Prospectus will be available on Bursa Securities' website, [www.bursamalaysia.com](http://www.bursamalaysia.com). These documents will also be available for inspection at our registered office during office hours for a period of 12 months from the date of this Base Prospectus.

The distribution of this Base Prospectus and the sale of the Structured Warrants are subject to Malaysian laws. We take no responsibility for the distribution of this Base Prospectus and the sale of the Structured Warrants outside Malaysia. This Base Prospectus shall not be used for the purposes of an invitation to purchase or an offer to sell any Structured Warrants in any jurisdiction or to any persons, if it would render such invitation or offer unlawful.

**You should rely on your own evaluation to assess the merits and risks of the Offer and an investment in the Structured Warrants. In considering the investment, if you are in any doubt as to the action to be taken, you should consult your stockbroker, bank manager, solicitor, accountant or other professional advisers immediately.**

### 3. SUMMARY INFORMATION

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### 3. SUMMARY INFORMATION

**This summary highlights some salient information about us and the Offer. You should read and understand the whole Base Prospectus and the relevant Term Sheet before you decide whether to invest in the Structured Warrants.**

#### 3.1 The Offer

We propose to issue the following non-collateralised structured warrants:

- (i) American and/or European style(s) cash-settled call or put warrants over a single equity;
- (ii) American and/or European style(s) cash-settled call or put warrants over a single index;
- (iii) American and/or European style(s) cash-settled call or put warrants over a single ETF;
- (iv) European style cash-settled CBBCs over a single equity;
- (v) European style cash-settled CBBCs over a single index;
- (vi) European style cash-settled CBBCs over a single ETF; and
- (vii) Bull ELS,

where the equity and ETF are listed on, and indices are based on Bursa Securities, and/or securities exchanges outside Malaysia which are members of the World Federation of Exchanges or are approved by Bursa Securities.

The Structured Warrants will primarily be offered by way of Market Making. However, the Issuer may from time to time offer the Structured Warrants by way of placement to selected investors.

We will issue the Structured Warrants from time to time through this Base Prospectus supported by a Term Sheet to be issued before we issue each series of the Structured Warrants. The Structured Warrants will be guaranteed by MFHPL, our penultimate holding company.

Further information on the Offer and the Structured Warrants are set out in Section 6 and Annexure I of this Base Prospectus respectively.

#### 3.2 Information on MCSM

##### 3.2.1 History and background

Our Company was incorporated in Malaysia under the Act on 4 June 1998 as a private company under the name Macquarie (Malaysia) Sdn. Bhd. We subsequently changed our name to our present name Macquarie Capital Securities (Malaysia) Sdn. Bhd. on 3 March 2008.

MCSM is one of the five foreign brokers granted the license by the SC to operate its business in Malaysia in 2005. MCSM currently comprises three business lines:

- Institutional Cash Equities, where MCSM acts as stock broker for onshore and offshore institutional investors by facilitating stock trading and settlement in Malaysia;
- Research, where MCSM provides research and analysis to onshore and offshore institutional clients covering equities listed on Bursa Securities and the broader economy; and
- Equity Derivatives and Trading, where MCSM issues structured warrants listed on Bursa Securities, is the market maker for structured warrants issued on Bursa Securities and



### 3. SUMMARY INFORMATION (cont'd)

engages in proprietary trading for the purpose of hedging its principal risk arising from its obligations as the Issuer of Structured Warrants and its Market Making activities.

As at LPD, our Company's share capital is as follows:

|   | No. of shares | Amount<br>RM |
|---|---------------|--------------|
| <b><i>Issued and paid-up share capital:</i></b> |               |              |
| Ordinary shares                                 | 195,658,669   | 168,000,001  |

#### 3.2.2 Financial highlights

Please refer to Section 4.6 of this Base Prospectus for our historical financial information for the past three (3) financial years ended 31 March 2017 to 2019.

Further details on the Issuer is set out in Section 4 of this Base Prospectus.

### 3.3 Information on the Guarantor

#### 3.3.1 History and business

MFHPL was incorporated in Australia in February 2007 and is a holding company for the entities housing the non-banking operations within Macquarie Group. The non-banking operations under MFHPL comprise businesses specialising in financial services, advisory services, investment services and funds management services.

The following businesses and activities form the non-banking operations under MFHPL:

- Macquarie Asset Management ("**MAM**") is Macquarie Group's asset management business, providing investment management services to clients across a range of capabilities, including infrastructure, real estate, agriculture, equities, fixed income, private credit, liquid alternatives and multi-asset solutions through the Macquarie Infrastructure and Real Assets division and the Macquarie Investment Management division.
- The Macquarie Capital ("**MacCap**") business of Macquarie Group has global capability in corporate advisory and debt/equity capital raising services, providing clients with specialist expertise, advice and flexible capital solutions across a range of sectors and products including investing alongside partners and clients. It also has capability in infrastructure, green and conventional energy, focusing on making principal investments to construct assets, build businesses and create platforms across development, construction and operational phases.
- Certain businesses of the Commodities and Global Markets ("**CGM**") business of Macquarie Group, including:
  - certain assets of the Credit Markets business, which provides asset-backed financing solutions across commercial and residential mortgages, consumer loans and corporate loans;
  - certain activities of the Cash Equities business, which provides equity research, brokerage, sales trading, corporate access and equity capital markets services;
  - certain activities of the Equity Derivatives and Trading business, which issues retail derivatives, and provides derivatives products and equity finance solutions to its institutional client base, and conducts market making activities; and
  - certain activities of the Commodity Markets and Finance business, which provides a full range of services to clients with exposure to commodity markets.

### 3. SUMMARY INFORMATION *(cont'd)*

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In addition to acting as a holding company as described above, MFHPL provides guarantee services to the Macquarie Group of companies and other companies on business transactions / activities involving the Macquarie Group of companies, to, among other purposes, facilitate settlement and/or provide credit intermediation.

MFHPL is not an entity regulated by a financial regulator in Australia.

#### 3.3.2 Financial highlights

Please refer to Section 5.4 of this Base Prospectus for MFHPL's historical financial information for the past three (3) financial years ended 31 March 2017 to 2019.

Further details on the Guarantor is set out in Section 5 of this Base Prospectus.

#### 3.4 Purpose of the Offer

The purpose of the Offer is to participate and contribute to the development of structured warrants market in Malaysia.

The trading of Structured Warrants also enables us to earn revenue in which the proceeds from the Offer will be utilised for our general working capital requirements and to defray expenses for the Offer.

#### 3.5 Risk factors

Structured Warrants are complex instruments and are not suitable for inexperienced investors. You are warned that the price of the Structured Warrants may fall in value as rapidly as it may rise and Holders may sustain a total loss of their investment.

You should therefore ensure that you understand the nature of the Structured Warrants and carefully consider the risk factors summarised below and set out in more detail in Section 7 of this Base Prospectus, and the risk factors on the relevant Underlying Instruments set out in the relevant Term Sheets to be issued, in addition to other information contained elsewhere in this Base Prospectus, the relevant Term Sheets and any such other document or information, before investing in the Structured Warrants. You should also have sufficient financial resources and liquidity to bear all of the risks of an investment in the Structured Warrants.

You should not invest in Structured Warrants, which are complex financial instruments, unless you have the expertise (either alone or with a financial adviser) to evaluate how the Structured Warrants will perform under changing conditions, the resulting effects on the value of the Structured Warrants and the impact this investment will have on your overall investment portfolio:

(i) Risks relating to the Issuer:

- Credit risk

If you intend to purchase the Structured Warrants, you should note that you will be relying on the Issuer's and MFHPL's creditworthiness and of no other person. Credit ratings assigned by rating agencies address only the credit risk, which is only one aspect of any investment decision, and ratings are subject to change.

- Trading by the Macquarie Group

Macquarie Group may at any time purchase or buy-back the Structured Warrants and become the holder of the Structured Warrants. We or any other member of the Macquarie Group may also trade in the Structured Warrants, the Underlying Equity or any other securities and financial products relating to any of the Underlying Companies, Underlying ETF or Underlying Index. These trading

### 3. SUMMARY INFORMATION (cont'd)

activities may affect (positively or negatively) the price at which the Structured Warrants, the Underlying Equity or the Underlying ETF (as the case may be) are traded on Bursa Securities or other securities exchange outside Malaysia.

- Early termination due to liquidation, dissolution or winding-up

Should we be liquidated or dissolved, or a receiver and/or administrator be appointed in respect of the whole or substantial part of our undertakings, properties or assets, there is a risk that the Structured Warrants may be cancelled before the relevant expiry date of such Structured Warrants and cause you to suffer a loss or a reduced profit.

- Exercise of discretion by us

You should note that the Terms confer discretion to us including, amongst others, discretion to make adjustments in certain circumstances contemplated under the Terms, which could affect the price of the Structured Warrants.

- No investigation or review performed on the Underlying Companies, the Underlying ETF or the Underlying Index

We do not and have not carried out any investigation or review of the business operations and prospects of the Underlying Companies, the Underlying ETF, the Underlying Index Sponsor or the companies constituting the Underlying Index. Therefore, you should not assume that the issue of any Structured Warrants represents a recommendation by us of an investment in the Underlying Companies, Underlying Index, Underlying ETF, or the companies constituting the Underlying Index.

- Conflicts of interest

Macquarie Group is a diversified financial institution with relationships in countries around the world which may create conflicts of interests in connection with the issue of Structure Warrants by us. The risk of potential conflict of interests is mitigated by the fact that the decision to issue a particular Structured Warrant is made by the warrants department (referring to the department within MCSM or other entities of the Macquarie Group where the primary business activity is the issuance of and market making for structured warrants) independent of the other business departments within Macquarie Group. The warrants department within the Issuer may operate in conjunction with the warrants departments in other entities within Macquarie Group (such as communicating Market Making strategies with MCSSPL), and where it does so, continues to operate independent of other business departments within Macquarie Group (such as the brokerage, corporate advisory or research departments where they are also operating in these entities).

- Regulatory Risk

The Issuer is regulated by SC and Bursa Securities in Malaysia. In addition, Macquarie Group operates various kinds of businesses across multiple jurisdictions, and some of its businesses operate across more than one jurisdiction or sector and are regulated by more than one regulator. Certain regulatory developments will significantly alter the regulatory framework and may adversely affect the Issuer's and/or Macquarie Group's competitive position and profitability. Macquarie Group's inability to remain in compliance with local laws in a particular market could have a significant and negative effect not only on Macquarie Group's businesses in that market but also on Macquarie Group's reputation generally.

- Information security risk

Our businesses depend on the security and efficacy of our information technology systems, as well as those of third parties with whom we interact or on whom we rely. A technology failure, cyber attack or other information or security breach could have a material impact on Macquarie Group and the Issuer. Any third-party technology failure, cyber attack or other information or security breach,

### 3. SUMMARY INFORMATION (cont'd)

termination or constraint could adversely affect Macquarie Group's and/or the Issuer's businesses.

- Macquarie Group and/or the Issuer may incur losses as a result of ineffective risk management processes and strategies

While Macquarie Group employs a broad and diversified set of risk monitoring and risk mitigation techniques, those techniques and the judgments that accompany their application cannot anticipate every economic and financial outcome or the specifics and timing of such outcomes. There can be no assurance that the risk management processes and strategies that Macquarie Group has developed will adequately anticipate or be effective in addressing market stress or unforeseen circumstances.

(ii) Risks relating to the Structured Warrants and the Underlying Instruments:

- Factors affecting the price of the Structured Warrants

The price at which the Structured Warrants trade on Bursa Securities depends on, amongst others, the liquidity and exercise price/level of the Structured Warrants, the price, volatility and liquidity of the Underlying Equity and the Underlying ETF, the general performance of the Underlying Index, the time remaining to expiration, changes in interim interest rates and dividend/distribution yields of the Underlying Instruments and the depth of the secondary market.

Changes in the price/level of the Underlying Instruments can be unpredictable, sudden and large, and such changes may result in the price of the Structured Warrants to move in a direction which may have a negative impact on the return of your investment.

- General investment risks

The Structured Warrants are considered to be suitable only for those who fully understand the risks involved and are prepared to sustain a complete loss of the purchase price paid for the Structured Warrants. Fluctuations in the price/level of the Underlying Instruments will affect the price of the Structured Warrants but not necessarily in the same magnitude and direction.

- Holders do not have similar rights as the shareholders

The Structured Warrants do not confer on the Holders any rights to the Underlying Equity, the Underlying ETF or the equities of the companies constituting the Underlying Index.

- Holders shall bear the risk of fluctuations in the price/level of the Underlying Instruments

The market price of the Structured Warrants at any time will be affected by, amongst others, fluctuations in the price/level of the Underlying Instruments. The return on your investment will be negatively affected and you may risk losing your entire investment if the price/level of the Underlying Instruments does not move in the anticipated direction.

- Time decay

The Structured Warrants have expiry dates and therefore, a limited life. The value of a Structured Warrant is likely to decrease over time as it nears expiry.

- Risk of "European style" Structured Warrants

European style Structured Warrants are only exercisable on their expiry date. Accordingly, on the expiry date, if the cash settlement amount is zero or negative, you will lose the value of your investment.

- Structured Warrants as hedging instruments by the investor

There is no assurance that the value of the Structured Warrants will correlate with

### 3. SUMMARY INFORMATION (cont'd)

the movements of the Underlying Instrument. Hence, the Structured Warrants may not eliminate all market risk relating to the Underlying Instruments or a portfolio of investments consisting of the Underlying Instruments.

- No assurance of an active market for the Structured Warrants

There can be no assurance that an active market for a particular series of Structured Warrants will develop upon its listing, or if developed, that such market will sustain throughout the life of the Structured Warrants.

- Adjustment to the terms of the Structured Warrants under certain circumstances

Certain events relating to the Underlying Instrument require, or as the case may be, permit us to make adjustments or amendments to, amongst others, the exercise price or exercise level of the Structured Warrants, but only to the extent provided for in the Terms. Events in respect of which no adjustment is made to the exercise price/level, exercise ratio or any part of the Terms may cause the Structured Warrants to be out-of-the-money and/or affect the trading price of the Structured Warrants and your return from the Structured Warrants.

- Suspension in the trading of the Structured Warrants

If the trading in any of the Underlying Equity or Underlying ETF is suspended (which is beyond our control), then trading in the Structured Warrants over a single equity or a single ETF on Bursa Securities may be suspended for a similar period. The trading of a Structured Warrant over a single index may also be suspended if: (a) the trading of options or futures relating to the Underlying Index on any options or futures exchange is suspended, or (b) the Underlying Index for whatever reason is not calculated.

- Delay in or abortion of the Listing

The issuance of the series of Structured Warrants is exposed to the risk that it may be aborted or delayed on the occurrence of any one or more of the following events:

- (a) we are unable to meet the public spread requirement as stipulated by Bursa Securities; or
- (b) the minimum total face amount of RM5 million of each series of Structured Warrants is not met.

The above-mentioned requirement in (a) does not apply to an issuer that provides liquidity for the Structured Warrants via Market Making.

- Delisting of or announcement to delist the Underlying Equity or the Underlying ETF and/or liquidation, dissolution or winding-up of the Underlying Company(ies) or the Underlying ETF

For Structured Warrants over a single equity or a single ETF, if there is delisting of or announcement to delist the Underlying Equities or the Underlying ETF or liquidation, dissolution or winding-up of the Underlying Company(ies) or the Underlying ETF, it is possible that the Structured Warrants will be terminated before the expiry date of the Structured Warrants without the Holders' expectations being realised.

- Early termination due to illegality or impracticality

If we determine that the performance of our obligations under the Structured Warrants has become illegal or impractical in whole or in part, we may at our absolute discretion terminate the Structured Warrants and settle them in cash as determined by us, subject to the terms of the Deed Poll.

- Take-over offer or compulsory acquisition of the Underlying Company(ies)

For Structured Warrants over a single equity, in the event of a take-over offer or compulsory acquisition of equities in the Underlying Company and if you intend to

### 3. SUMMARY INFORMATION (cont'd)

exercise your Structured Warrants during such a take-over offer period or compulsory acquisition period, you should be aware that calculation of closing prices may differ and consequently affect the cash settlement amount.

- Implications of the Take-Over Rules

You should consider the implications of Rule 4 of the Take-Over Rules and Sections 217 and 218 of the CMSA before you buy or exercise Bull ELS.

- Composition of indices

For Structured Warrants over a single index, changes in the composition of indices may have an adverse impact on the relevant Underlying Index and the price of the relevant Structured Warrants.

- Determination of the level of indices

For Structured Warrants over a single index, certain events relating to the index (including a material change in the formula or the method of calculating the index or a failure to publish the index) permit us to determine the level of the index on the basis of the formula and method last in effect prior to such change of formula or determine the level of the index on the basis of the level of futures relating to the relevant index.

- No deposit liability

We are obliged to deliver to you the Cash Settlement Amount (if any) under the Terms upon expiry. As the Structured Warrants are investment products as opposed to deposit products, we do not intend (expressly, implicitly or otherwise) to create a deposit liability of any kind by the issue of any Structured Warrants.

(iii) Risks relating to Structured Warrants over an ETF:

- Yield

Returns on Structured Warrants over an ETF ("**ETF Structured Warrants**") may not be directly comparable to returns that would be earned if investments were made in the units of the Underlying ETF or the Underlying ETF Assets.

- Risks on derivatives transactions entered by the management company of the Underlying ETF

To achieve the investment objective of the Underlying ETF, the management company of the Underlying ETF may use financial derivatives and the use of these derivative contracts bears certain risks.

- Tracking error

Changes in the price of the Underlying ETF units may not result in the exact changes in the net asset value per unit of the Underlying ETF and consequently the value of the ETF Structured Warrants.

- Risks associated with certain Underlying ETF Assets

Certain risks may be associated with investment in particular Underlying ETF Assets which will affect the value of the units of the Underlying ETF, and consequently the ETF Structured Warrants.

- Merger or consolidation of the Underlying ETF

We may in our discretion amend the rights attached to the ETF Structured Warrants where an announcement is made that the Underlying ETF is undertaking a merger or consolidation.

- Manager's decision

Neither we nor any of our affiliates have the ability to control or predict the actions of the trustee or the manager of the relevant Underlying ETF. The manner in which

### 3. SUMMARY INFORMATION (cont'd)

the relevant Underlying ETF is managed and the timing of actions may have a significant impact on the performance of the relevant Underlying ETF.

(iv) Risks relating to the CBBCs:

- General investment risks

The CBBCs are considered to be suitable only for those who fully understand the risks involved and are prepared to sustain a complete loss of the purchase price paid for the CBBCs.

- Irrevocability of mandatory call event

A mandatory call event is irrevocable except in particular circumstances upon our agreement with Bursa Securities.

- Delay in announcement of mandatory call event

There may be a delay in the announcement of a mandatory call event due to technical errors, system failures and/or other factors that are beyond our reasonable control and the control of Bursa Securities.

- Non-recognition of post mandatory call event trades

After the occurrence of the suspension of trading of the CBBCs and termination of the same due to a mandatory call event, all subsequent trades ("**Post MCE Trades**") in the CBBCs executed after the mandatory call event will be cancelled and will not be recognised by us or Bursa Securities.

- Disclaimers relating to mandatory call event

You may suffer losses as a result of the suspension of trading and/or non-recognition of trades after the mandatory call event, notwithstanding that such suspension of trading and/or non-recognition of trades after the mandatory call event may have occurred as a result of an error in the observation of the event.

- Fluctuation in the funding cost

The purchase price paid by you for the CBBCs will include funding cost. When a mandatory call event occurs, the cash settlement amount (if any) may not contain a refund of any part of such funding costs. In general, the longer period remaining to expiration, or the higher the prevailing interest rates, the greater the funding costs element of the trading price of the CBBCs.

- Issuer's hedging and unwinding activities may affect value of CBBCs

Our hedging activities or the hedging activities of the companies within the Macquarie Group related to the CBBCs and/or other financial instruments issued by us from time to time may have an impact on the price or level of the Underlying Instruments and may trigger a mandatory call event.

Upon the occurrence of a mandatory call event, we or our related parties may unwind any hedging transactions relating to the CBBCs. Such unwinding activities after the occurrence of a mandatory call event may affect the price or level of Underlying Instrument and consequently the residual value for the CBBCs.

- Limited life of the CBBCs

The Structured Warrants have expiry dates and therefore, a limited life. In the case of CBBC, the lifespan may even be shorter if a mandatory call event occurs before the expiry date.

- CBBCs can be volatile

The value of the CBBCs may not correlate with the movement of the price or level of the Underlying Instrument and may be more volatile.

### 3. SUMMARY INFORMATION (cont'd)

(v) Other risks:

- Exchange rate risk

There may be an exchange rate risk where the cash settlement amount may be converted from foreign currency into Ringgit Malaysia which will be borne by the Holders.

- Market and settlement disruption events

There may be a delay in the determination and/or payment of the cash settlement or delivery of the physical settlement upon the exercise or expiry of the Structured Warrants if there is a market disruption event or settlement disruption event.

- Economic, political and regulatory risk

The financial and business prospects of an Underlying Company, the performance of the Underlying Index or Underlying ETF may be affected by economic, political and regulatory uncertainties.

- Timeliness and limitation of information regarding the Underlying Companies, Underlying Equity, Underlying ETF or Underlying Index

There is no assurance on the timeliness, completeness, accuracy or availability of information of the Underlying Companies, Underlying Equity, Underlying ETF or Underlying Index.

- Compliance with the relevant laws and regulations by the Underlying Companies, Underlying ETF or Underlying Index Sponsor

The failure of the Underlying Companies, Underlying ETF or Underlying Index Sponsor to fully comply with the relevant laws, rules, regulations, guidelines, requirements or provisions imposed by the relevant authorities in their home countries during the tenure of the Structured Warrants may affect the corresponding Underlying Instruments and in turn the relevant Structured Warrants.

- Taxation in Malaysia

Generally, an investor transacting in the Structured Warrants shall not be treated as carrying on a trade or business in Malaysia. Therefore, the gain on the sale and disposal of investment in the Structured Warrants would normally constitute a capital gain of the investors and should not be subject to Malaysian income tax. Business income from investment trading activities in the Structured Warrants would be subject to Malaysian income tax to the extent that such income is attributable to a business operation carried on in Malaysia or a place of business in Malaysia notwithstanding whether the investor is a Malaysian tax resident or otherwise. The income tax rate applicable shall depend on the legal identity of the investor. Broadly, individual and non-corporate investors shall be subject to progressive income tax rates ranging from 0% to 28% and corporate investors shall be subject to income tax rate of 24%.

The acquisition and disposal of the Structured Warrants would normally attract stamp duty; however, currently there is a stamp duty exemption applicable to Structured Warrants traded on or after 1 January 2018 but not later than 31 December 2020 pursuant to the Stamp Duty (Exemption) No. 2 Order 2017 by the Minister of Finance.

You should be aware that tax laws and regulations and their application by the relevant taxation authorities change from time to time. Accordingly, it may not be possible to predict the precise tax treatment which will apply at any given time.

- Foreign Account Tax Compliance withholding

Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986 ("FATCA") imposes a 30% withholding tax on certain "withholdable payments"



### 3. SUMMARY INFORMATION (cont'd)

made to (i) a foreign financial institution unless the financial institution complies with, among other things, certain information reporting and withholding obligations with respect to its accounts, and (ii) any other Holder or beneficial owner of the Structured Warrants that is not a foreign financial institution and does not comply with the Issuer's or an intermediary financial institution's request for ownership certifications and identifying information ("**FATCA self-certification**"). The Issuer and other intermediary foreign financial institutions may be required to report information regarding the Holders of the Structured Warrants who (i) fail to provide the relevant information (FATCA self-certification) to the issuer or an intermediary financial institution, or (ii) are foreign financial institutions who are not in compliance with applicable information reporting requirements. Since the Issuer is a "foreign financial institution" within the meaning of FATCA, it may be required to withhold 30% of any applicable payments made pursuant to the terms of the Structured Warrants.

We will not be required to pay any additional amounts with respect to amounts withheld in connection with FATCA. No assurance can be given that payments on the Structured Warrants will not be subject to withholding under FATCA.

FATCA is particularly complex and you should consult your own professional tax adviser to obtain a more detailed explanation of FATCA and to determine how this legislation might affect you in your particular circumstances.

- *U.S. backup withholding and information reporting*

If the Structured Warrants generate U.S. source income (for example, where the Underlying Instrument is a U.S. equity, ETF or index), a Holder of the Structured Warrants (whether a U.S. or non-U.S. Holder) may be subject to U.S. backup withholding under the U.S. Internal Revenue Code of 1986 ("**Code**") with respect to certain amounts paid to such Holder, unless the Holder provides a correct U.S. taxpayer identification number, establishes proof of an applicable exemption prescribed by the Code, or otherwise complies with applicable requirements of the backup withholding rules under the Code.

- *Effect of the combination of risk factors unpredictable*

Two or more risk factors may simultaneously have an effect on the value of a series of Structured Warrants such that the effect of any individual risk factor may not be predictable. No assurance can be given as to the effect any combination of risk factors may have on the value of a series of Structured Warrants.

Further details on the above risk factors are set out in Section 7 of this Base Prospectus.

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#### 4. INFORMATION ON MCSM

#### 4. INFORMATION ON MCSM

##### 4.1 History and business

##### 4.1.1 History and background of MCSM

Our Company was incorporated in Malaysia under the Act on 4 June 1998 as a private company under the name Macquarie (Malaysia) Sdn. Bhd. We subsequently changed our name to our present name Macquarie Capital Securities (Malaysia) Sdn. Bhd. on 3 March 2008.

Our Company is wholly-owned by Macquarie International Investments Pty Limited. Macquarie International Investments Pty Limited is wholly-owned by Macquarie Corporate Holdings Pty Limited, which in turn is a wholly-owned subsidiary of MFHPL. MFHPL is a wholly owned subsidiary of MGL, which is our ultimate holding company.

MCSM currently comprises three business lines:

- Institutional Cash Equities, where MCSM acts as stock broker for onshore and offshore institutional investors by facilitating stock trading and settlement in Malaysia;
- Research, where MCSM provides research and analysis to onshore and offshore institutional clients covering equities listed on Bursa Securities and the broader economy; and
- Equity Derivatives and Trading, where MCSM issues structured warrants listed on Bursa Securities, is the market maker for structured warrants issued on Bursa Securities and engages in proprietary trading for the purpose of hedging its principal risk arising from its obligations as the Issuer of Structured Warrants and its Market Making activities.

We are regulated by SC and Bursa Securities.

##### 4.1.2 Group Structure

Our group structure as at the LPD is as follows:



## 4. INFORMATION ON MCSM (cont'd)

### 4.1.3 Business Overview

#### *Institutional Cash Equities*

MCSM provides stock brokerage services to onshore and offshore institutional clients, including stock trading and settlement services in Malaysia. MCSM also offers electronic execution services to its clients (such as direct market access and algorithmic trading), transition management (referring to services provided to fund clients with respect to managing material changes to the fund's portfolio of securities) and direct business transactions for large block trades of shares, supported by its affiliates within the Macquarie Group (such as access to the expertise of affiliates' staff). In conjunction with its affiliates in Hong Kong and Singapore, MCSM also participates in equity capital market transactions that include placement and sell-down of large blocks of shares in Malaysia. In return, MCSM receives commission fee from its institutional clients.

#### *Research*

MCSM's services include research and analysis on economics and equities, provided to our institutional clients. As part of the Research business offering, MCSM offers corporate access events and investor conferences as well as analyst roadshows. Internal policies and procedures on information barriers and confidentiality within Macquarie Group ensures the independence of MCSM's Research business. Research complements and facilitates other services offered by Macquarie Group and MCSM, such as the securities brokerage services. Income from Research is derived via brokerage commissions received by the securities brokerage business and/or research payments from clients.

#### *Equity Derivatives and Trading*

MCSM has been a Structured Warrant issuer and market maker on Bursa Securities since 2014. It issues and provides Market Making for Structured Warrants listed on Bursa Securities. It conducts proprietary trading for the purpose of Market Making and hedging the risk arising from its obligations as the Issuer of Structured Warrants and its Market Making activities. MCSM contributes to the global warrants business of Macquarie Group by performing the issuance, market making and marketing of Structured Warrants in Malaysia. In return for performing these services for the Macquarie Group, MCSM receives payments from the Macquarie Group based on a fixed percentage over the costs incurred by MCSM. MCSM also arranges or facilitates capital raising transactions between clients in Malaysia and other Macquarie Group entities (for example, a transaction where a Macquarie Group entity subscribes for newly issued shares of a Malaysian listed company via a private placement) from time to time in return for fees.

## 4.2 Share capital

As at LPD, our Company's share capital is as follows:

|   | No. of shares | Amount<br>RM |
|---|---------------|--------------|
| <b><i>Issued and paid-up share capital:</i></b> |               |              |
| Ordinary shares                                 | 195,658,669   | 168,000,001  |

## 4.3 Rating profile

As stated in Section 7.1.1, if you intend to purchase the Structured Warrants, you would be taking on the credit risk of our Company and the Guarantor. Please note that MCSM is not currently rated by any rating agencies. You must therefore make your own assessments of the credit risk associated with our Company.

#### 4. INFORMATION ON MCSM (cont'd)

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##### 4.4 Our Board

As at the LPD, our Directors comprise of the following:

| <b>Name</b>               | <b>Directorship</b>    |
|---------------------------|------------------------|
| Nik Hadi Bin Nik Mahmood  | Executive Director     |
| Ruben Boopalan            | Non-Executive Director |
| Dean Ryan Herbert         | Non-Executive Director |
| Fazellah Binti Mohd Yusuf | Executive Director     |

##### 4.5 Our key management team

Our key management team as at the LPD is set out below.

| <b>Name</b>               | <b>Position</b>                            |
|---------------------------|--|
| Nik Hadi Bin Nik Mahmood  | Executive Director of Dealing (Securities) |
| Suhaida Binti Samsudin    | Head of Dealing (Securities)               |
| Premanand Jearajasingam   | Head of Research                           |
| Fazellah Binti Mohd Yusuf | Director & Head of Operations              |
| Sharon Wee Mui Ching      | Head of Compliance                         |

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#### 4. INFORMATION ON MCSM (cont'd)

### 4.6 Financial highlights

#### MCSM's historical financial information

A summary of our historical audited financial statements for the past three (3) financial years ended 31 March 2017 to 2019 are set out below:-

#### Statements of comprehensive income

|  | Financial year ended 31 March |              |              |
|--|-------------------------------|--------------|--------------|
|  | <u>2019</u>                   | <u>2018</u>  | <u>2017</u>  |
|  | RM                            | RM           | RM           |
| Fee and commission income                          | 56,715,032                    | 60,497,635   | 49,488,269   |
| Fee and commission expense                         | (18,539,269)                  | (28,097,362) | (15,766,485) |
| Net fee and commission income                      | 38,175,763                    | 32,400,273   | 33,721,784   |
| Interest and similar income                        | 6,028,485                     | 2,350,567    | 1,586,800    |
| Interest and similar expenses                      | (552,859)                     | (447,891)    | (1,364,202)  |
| Net interest income                                | 5,475,626                     | 1,902,676    | 222,598      |
| Net trading income/(loss)                          | 14,720                        | (53,709)     | 8,987        |
| Other operating income and charges                 | 750,109                       | 1,732,547    | (162,030)    |
| Net operating (loss)/income                        | 764,829                       | 1,678,838    | (153,043)    |
| Employment expenses                                | (15,524,886)                  | (14,168,999) | (13,668,765) |
| Occupancy expenses                                 | (924,231)                     | (847,197)    | (1,042,510)  |
| Non-salary technology expenses                     | (5,392,741)                   | (5,202,687)  | (4,836,828)  |
| Other operating expenses                           | (25,998,507)                  | (19,243,721) | (21,752,932) |
| Total operating expenses                           | (47,840,365)                  | (39,462,604) | (41,301,035) |
| Operating loss before income tax                   | (3,424,147)                   | (3,480,817)  | (7,509,696)  |
| Taxation   | (435,827)                     | (106,529)    | (474,642)    |
| Net loss after income tax                          | (3,859,974)                   | (3,587,346)  | (7,984,338)  |
| Total comprehensive expense for the financial year | (3,859,974)                   | (3,587,346)  | (7,984,338)  |

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**4. INFORMATION ON MCSM (cont'd)****Statements of financial position**

|   | <b>Financial year ended 31 March</b> |                    |                    |
|---|--------------------------------------|--------------------|--------------------|
|   | <b><u>2019</u></b>                   | <b><u>2018</u></b> | <b><u>2017</u></b> |
|   | <b>RM</b>                            | <b>RM</b>          | <b>RM</b>          |
| <b>NON CURRENT ASSETS</b>   |                                      |                    |                    |
| Property and equipment  | 607,743                              | 1,078,277          | 1,066,770          |
|   | <u>607,743</u>                       | <u>1,078,277</u>   | <u>1,066,770</u>   |
| <b>CURRENT ASSETS</b>   |                                      |                    |                    |
| Receivables from financial institutions                             | 187,335,871                          | 204,505,063        | 46,288,075         |
| Clients' and brokers' balances                                      | 449,582,222                          | 612,350,633        | 549,902,563        |
| Derivative assets   | 43,523,136                           | 48,837,491         | 36,647,528         |
| Amounts due from ultimate holding company                           | 10                                   | 7,514              | 18,196             |
| Amounts due from related companies                                  | 6,920,091                            | 5,526,543          | 3,008,435          |
| Tax recoverable   | 2,095,163                            | 2,095,163          | 1,988,988          |
| Other assets  | 4,678,558                            | 3,923,852          | 4,520,319          |
|   | <u>694,135,051</u>                   | <u>877,246,259</u> | <u>642,374,104</u> |
| <b>CURRENT LIABILITIES</b>  |                                      |                    |                    |
| Payable to financial institution                                    | 25,417,000                           | 28,261,131         | 18,527,985         |
| Clients' and brokers' balances                                      | 451,908,014                          | 613,051,180        | 549,588,328        |
| Derivative liabilities  | 42,914,211                           | 47,508,998         | 36,647,528         |
| Amounts due to related companies                                    | 12,292,536                           | 23,564,965         | 5,490,984          |
| Other liabilities   | 7,786,841                            | 7,495,885          | 8,656,327          |
|   | <u>540,318,602</u>                   | <u>719,882,159</u> | <u>618,911,152</u> |
| <b>NET CURRENT ASSETS</b>   | <u>153,816,449</u>                   | <u>157,364,100</u> | <u>23,462,952</u>  |
| <b>NET ASSETS</b>   | <u>154,424,192</u>                   | <u>158,442,377</u> | <u>24,529,722</u>  |
| <b>EQUITY</b>   |                                      |                    |                    |
| Contributed equity  | 168,000,001                          | 168,000,001        | 30,500,000         |
| Equity contribution from ultimate parent entity                     | 1,024,372                            | 1,024,372          | 1,024,372          |
| Accumulated losses  | (14,600,181)                         | (10,581,996)       | (6,994,650)        |
| <b>TOTAL EQUITY ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF MCSM</b> | <u>154,424,192</u>                   | <u>158,442,377</u> | <u>24,529,722</u>  |

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**4. INFORMATION ON MCSM (cont'd)****Statements of cash flows**

|   | <b>Financial year ended 31 March</b> |                    |                    |
|---|--------------------------------------|--------------------|--------------------|
|   | <b><u>2019</u></b>                   | <b><u>2018</u></b> | <b><u>2017</u></b> |
|   | <b>RM</b>                            | <b>RM</b>          | <b>RM</b>          |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                         |                                      |                    |                    |
| Loss before taxation  | (3,424,147)                          | (3,480,817)        | (7,509,696)        |
| Adjustments for:  |                                      |                    |                    |
| Depreciation of property and equipment                              | 549,950                              | 625,690            | 313,511            |
| Unrealised gains on foreign currency exchange                       | (277,976)                            | (1,155,777)        | 1,236,614          |
| Accrued service leave   | 81,727                               | (71,791)           | 70,906             |
| Interest income   | (6,028,485)                          | (2,350,567)        | (1,586,800)        |
| Interest expense  | 552,859                              | 447,891            | 1,364,202          |
| Loss/(gain) on disposal of property and equipment                   | -                                    | (1,673)            | -                  |
| Property and equipment written off                                  | 3,884                                | -                  | -                  |
| Credit impairment charges   | 43,104                               | -                  | -                  |
| Operating loss before changes in working capital                    | (8,499,084)                          | (5,987,044)        | (6,111,263)        |
| Decrease/(increase) in receivables                                  | 161,577,878                          | (61,958,132)       | (266,037,215)      |
| (Decrease)/Increase in payables                                     | (160,933,937)                        | 62,374,201         | 266,032,153        |
| (Increase)/Decrease in net intercompany balances                    | (10,346,615)                         | 25,997,724         | 19,524,295         |
| Cash flows (used in)/generated from operating activities            | (18,201,758)                         | 20,426,749         | 13,407,970         |
| Tax paid  | -                                    | (106,175)          | (299,790)          |
| Net cash (used in)/generated from operating activities              | (18,201,758)                         | 20,320,574         | 13,108,180         |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                         |                                      |                    |                    |
| Purchase of property and equipment                                  | (83,300)                             | (637,197)          | (998,538)          |
| Interest received   | 1,117,552                            | 1,031,937          | 546,791            |
| Disposal proceeds of property and equipment                         | -                                    | 1,673              | -                  |
| Net cash (used in)/generated from investing activities              | 1,034,252                            | 396,413            | (451,747)          |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                         |                                      |                    |                    |
| Issuance of share capital   | -                                    | 137,500,001        | -                  |
| Interest paid   | (1,686)                              | -                  | -                  |
| Net cash (used in)/generated from financing activities              | (1,686)                              | 137,500,001        | -                  |
| <b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>         | (17,169,192)                         | 158,216,988        | 12,656,433         |
| <b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR</b> | 204,505,063                          | 46,288,075         | 33,631,642         |
| <b>CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR</b>       | 187,335,871                          | 204,505,063        | 46,288,075         |

## 4. INFORMATION ON MCSM (cont'd)

### 4.7 Risk management

The Issuer does not have its own risk management committee and its risk management functions are outsourced to Macquarie Group. As part of the larger Macquarie Group, the Issuer adheres to the Macquarie Group's risk management framework. Accordingly, the Issuer's risks are managed in conjunction with and with support from other entities within Macquarie Group. Many of the risk management functions are located in Macquarie Group's regional hub offices such as Sydney, Hong Kong and Singapore. These centralised risk management functions apply the Macquarie Group-wide risk management framework to the operations of the Issuer. For example, credit risk staff located in Hong Kong may implement credit limits to the clients of Institutional Cash Equities business of the Issuer in accordance with the Macquarie Group-wide credit risk policies; whereas operational risk staff located in Singapore may impose measures to manage the operational risk arising from the Issuer's activities by reference to Macquarie Group's operational risk policies. By applying the same set of policies from the Macquarie Group-wide risk management framework, Macquarie Group employs an integrated approach to address the risks across different entities and regions, including the Issuer in Malaysia. The MCSM Board is responsible for overseeing the risk management of the Issuer, and where local expertise and understanding is crucial in managing the risk, such as regulatory and compliance risk, local staff are also utilised. The Issuer has therefore employed local Compliance to manage the regulatory and compliance risk of the Issuer in Malaysia.

The MGL Board is committed to oversight of Macquarie Group's risk management. The group heads of Macquarie Group's operating business groups<sup>1</sup> are responsible for the implementation of the risk management framework in their business groups, and are required semi-annually to attest that key risks have been identified and are adequately controlled in their groups. In accordance with the risk management framework, risks identified are reported to the Issuer's senior management. The relevant business within the Issuer shall seek to address and manage such risks together with the relevant risk management functions (whether located within the Issuer or its affiliate entities within Macquarie Group) by applying the Macquarie Group-wide risk management policies. Any risk assessment conclusions or remedial actions shall also be reported to the Issuer's senior management for their consideration.

#### 4.7.1 Risk management framework

##### **Overview**

Macquarie Group's risk management framework is the totality of systems, structures, policies, processes and people within Macquarie Group that identify, measure, monitor, report and control or mitigate internal and external sources of material risk. Material risks are those that could have a material impact, financial or non-financial, on Macquarie Group. Macquarie Group's material risks include conduct, reputation, environmental and social (including climate change), credit, equity, market, liquidity, operational, cyber and information security, regulatory and compliance, legal and tax risks.

The Risk Management Group ("**RMG**") is an independent and centralised function within Macquarie Group responsible for assessing, accepting and managing risks across Macquarie Group. It designs and oversees implementation of the risk management framework.

RMG is structured into specialist teams (the Credit, Market Risk, Operational Risk, Compliance, Financial Crime Risk, Regulatory Affairs and Aggregate Risk, Quantitative Applications, Behavioural Risk, Internal Audit and Enterprise Support divisions) and employs an integrated approach to risk analysis and management across risk classes. RMG's assessment and monitoring of risk involves a collaborative effort across the teams to ensure a detailed analysis takes place both at the individual and aggregate risk level.

<sup>1</sup> Macquarie Group is consisted of four operating business groups (Macquarie Asset Management, Banking and Financial Services Group, Commodities and Global Markets and Macquarie Capital). The warrants business lies within the Commodities and Global Markets group. For more information, you can refer to Macquarie Group's business overview in <https://www.macquarie.com/about/company>.



#### 4. INFORMATION ON MCSM (cont'd)

Macquarie Group's business group heads<sup>1</sup> are responsible for ownership of all material risks that arise in, or because of, the business' operations, including identification, measurement, control and mitigation of these risks. Before taking decisions, clear analysis of the risks is sought to ensure the decisions taken are consistent with the risk appetite and strategy of Macquarie Group. Primary responsibility for risk management lies with the relevant business. The risk owner is the first line of defence. An important part of the role of all staff throughout Macquarie Group is to ensure they manage risks appropriately. All staff are required to know, understand and manage the risk and obligations associated with their roles. They shall work within Macquarie Group's risk management principles and comply with the Macquarie Group-wide policies. The owner of a risk is the relevant business operations giving rise to that risk. Each business shall understand the worst-case outcome in a particular scenario and obtain independent sign-off by the relevant RMG team in their day-to-day operations. In addition, all staff are encouraged to be proactive in identifying and managing risk and escalate to RMG if they have concerns or observe any potential issues. They are also required to deal fairly and honestly and reflect on whether their actions and decisions have the potential to create adverse consequences for clients, counterparties or markets in which Macquarie Group operates. The Issuer's key management team and staff, as part of Macquarie Group, are responsible for risk management in the same manner. In particular, each of the businesses within the Issuer, being Institutional Cash Equities, Research and Equity Derivatives and Trading, is responsible for managing risks in their own business lines respectively. Each staff within the Issuer, with the help of RMG, is required to identify, address and mitigate risks in accordance with the Macquarie Group-wide risk management framework.

RMG's responsibility covers the whole of Macquarie Group. It assesses risks from a Macquarie Group-wide perspective and provides a consistent approach across Macquarie Group including the Issuer. RMG continually reviews risks to account for changes in market circumstances and developments within Macquarie Group's business. The risk profile of Macquarie Group, including the Issuer, with respect to all material risks is monitored by RMG on an ongoing basis. Centralised systems exist to allow RMG to monitor financial risks daily. Reporting on all material risks is provided to senior management and the Boards of Macquarie Group entities including the Issuer.

##### 4.7.2 Key risks managed

###### ***Credit Risk***

Credit risk is defined as the risk of a counterparty failing to complete its contractual obligations when they fall due. The consequent loss is either the amount of the loan or financial obligation not repaid, or the loss incurred in replicating a trading contract with a new counterparty.

The different business operations within Macquarie Group, including the business teams operating within the Issuer, own credit risk arising from their activities. Each business is responsible for calculating their credit exposures to ensure that they stay within credit limits. In addition, these exposures are supplied to RMG Credit on a daily basis for centralised limit monitoring. Any credit exposures which exceed prescribed credit limits are identified as "excesses". Excesses are investigated and escalated as appropriate to both the business line and RMG management. All reportable excesses are summarised and reported to the MGL Board monthly.

The Institutional Cash Equities business within the Issuer is mainly subject to credit risk arising in connection with its institutional clients' whereas the Equity Derivatives and Trading business within the Issuer is mainly subject to credit risk arising in connection with its trade counterparties. RMG Credit independently assesses, approves, and monitors credit risk across the Macquarie Group. Where businesses have established business credit teams, these are subject to RMG Credit oversight. The heads of each business credit team have a functional reporting line to the head of RMG Credit (or delegate).

Macquarie Group enforces a strict 'no limit, no dealing' principle. All proposed transactions are analysed and approved by individuals with discretion authority before they can proceed. Each proposal to incur a material credit exposure is assessed independently by RMG Credit. This assessment includes a comprehensive review of the creditworthiness of the counterparty and related entities, key risks and mitigants, and downside case scenarios. The assessment confirms consistency with risk appetite and portfolio limits.

#### 4. INFORMATION ON MCSM (cont'd)

Credit risk as considered across several dimensions:

- **Single counterparty risk** – Credit risk events associated with a single counterparty including default risk and migration risk.
- **Portfolio concentration risk** – Risk of over-concentration of particular types of credit exposure in the portfolio.
- **Country risk** – Risk associated with events or conditions that arise within a country including economic risk, political risk and business environment risk.

Across these dimensions, credit risk is assessed for different exposure types, including committed, contingent and settlement risk.

RMG Credit is responsible for reporting on credit risk to senior RMG Credit staff, Macquarie Group's Chief Executive Officer ("CEO"), MGL Group Risk and Compliance Committee ("GRCC"), MGL Board Risk Committee ("BRC"), and the MGL Board. The objective is to create transparency and visibility of accurate, relevant and timely information on credit risk to key decision makers at Macquarie Group.

#### **Market Risk**

Market risk is the risk of a change in the value of Macquarie Group's positions as a result of changes in market conditions. Macquarie Group, including the Issuer, are subject to two main types of market risk, namely traded market risk and non-traded market risk, each further explained below.

The different business operations within Macquarie Group, including the business teams operating within the Issuer, own market risk arising from their activities. The Equity Derivatives and Trading business within the Issuer is subject to market risk arising from, among others, fluctuation of the value of the Underlying Instruments. RMG Market Risk is responsible for the market risk management framework and independent oversight of market risk. Limits are imposed on the Equity Derivatives and Trading business regarding the Malaysia market by RMG Market Risk and any trading in the market should be conducted within such limit.

New products and markets require approval by RMG Market Risk prior to execution, in accordance with Macquarie Group's New Product and Business Approval policy.

RMG Market Risk provides regular reporting to the GRCC, BRC and to the MGL Board. Oversight of the market risk management framework is provided by MGL's Market Risk Committee.

RMG Market Risk undertakes regular reviews of market risk taking areas and limit structures to confirm that the application of the risk management framework is current for each business reviewed. This includes a review of the appropriateness of the limit structure, and integrity of the RMG Market Risk monitoring process.

#### Traded Market Risk

Traded market risk is market risk arising in Macquarie Group's trading book.

Macquarie Group has long favoured transparent scenario analysis as the cornerstone of risk management, whereby RMG Market Risk would consider the worst-case scenarios that shock prices and volatilities by more than that which has occurred historically. Multiple scenarios are set for each market to capture the non-linearity and complexity of exposures arising from derivatives. A wide range of assumptions about the correlations between markets is applied. RMG Market Risk sets limits for all exposures in all markets. Limits are applied at a granular level to individual trading desks, through increasing levels of aggregation to divisions and ultimately to Macquarie Group.

Limits are approved by senior management with appropriate authority for the size and nature of the risk and Macquarie Group adheres to a strict 'no limit, no dealing' policy, whereby traded positions taken must be within traded market risk limits and must be approved by RMG Market Risk prior to dealing.

#### 4. INFORMATION ON MCSM (cont'd)

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Traded market risk exposures are monitored by RMG Market Risk and reported daily to senior management. Limit breaches are immediately investigated by RMG Market Risk; a resolution sought with the trading desk concerned; and reported to senior management.

Value at Risk (VaR) exposures are calculated daily by RMG Market Risk for use in the daily calculation of regulatory capital requirements. RMG Market Risk also examines daily profits and losses for consistency with limits and riskiness of position.

Management flags are also used to supplement the monitoring of exposures. Management flags are trigger levels for discussion around risks that are not of an immediate or certain nature but may warrant further discussion between RMG and the business.

##### Non-traded Market Risk

Non-traded market risk (“**NTMR**”) is the risk of loss in Macquarie Group’s non-traded portfolios as a result of adverse movements in interest rates and foreign exchange rates. Macquarie Group has limited appetite for NTMR.

Some residual risks are unavoidable as a result of underlying business activity. Macquarie Group’s policy is to hold capital against these residual exposures and to constrain them within an approved limit framework. Interest rate exposures are reported to senior management on a monthly basis. The Issuer may hedge interest rate risk by entering into derivatives transactions to manage its interest rate exposures.

##### **Operational Risk**

Macquarie Group defines operational risk as the risk of loss resulting from inadequate or failed internal processes, people or systems or from external events.

RMG Operational Risk is responsible for the establishment and oversight of the Operational Risk Management Framework (“**ORMF**”), which provides a framework for identifying, assessing and managing operational risks within the organisation. The three key objectives of the ORMF are:

- Risk identification, analysis and remediation or acceptance
- Execution and monitoring of risk management practices
- Reporting and escalation of risk information on a routine and exception basis

In accordance with the Macquarie Group-wide risk management framework, the same ORMF managed by RMG Operational Risk is communicated and applied to the Issuer as well.

All staff of the Issuer are required to escalate any material operational risk incidents. An operational risk incident is an event leading to an unexpected outcome due to inadequate or failed processes, people and systems, or due to external circumstances. Incidents which must be reported include:

- resulting in an actual or potential gross loss or gain of AUD\$10,000 (or equivalent in another currency) or more, including incidents averted (i.e. near-misses) or those with non-financial impacts of similar severity;
- incidents which could have significant negative impact on clients, counterparties or the markets in which the Issuer operates, or Macquarie Group’s reputation;
- legal or tax incidents arising from internal failures and/or external causes;
- incidents where profit and loss has been mistakenly over- or under-stated due to a breakdown or inadequacy in internal controls;
- suspected and actual instances of fraud whether involving internal or external parties;
- a material exception to the Issuer’s or other Macquarie Group policies (excluding compliance policies); or
- rapidly recovered payment errors

#### 4. INFORMATION ON MCSM (cont'd)

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RMG Operational Risk will analyse the particular circumstances and monitor any remediation applicable to the incident in accordance with the ORMF. The incident and any remedial actions will also be reported to the senior management of the Issuer by RMG Operational Risk.

All business groups within Macquarie Group are responsible for the management of operational risk and implementation of the ORMF in their business group. The business groups are required to report and escalate significant operational incidents and unmitigated risks to business management, RMG, the MGL Board and subsidiary boards as appropriate.

RMG Operational Risk sets and actively oversees and assesses the effectiveness of the implementation of the ORMF and provides insight on Macquarie Group's operational risk profile. RMG Operational Risk reports regularly to the GRCC and to the MGL Board or board committees on Macquarie's operational risk profile.

##### ***Regulatory and Compliance Risk***

Regulatory and compliance risk is the risk of failure to comply with laws, regulations, rules, statements of regulatory policy, and codes of conduct applicable to its financial services and other regulated activities.

Regulatory and compliance risks are assessed from a Macquarie Group-wide perspective to ensure that these risks are identified, and appropriate standards are applied consistently to manage these risks. Risks are identified as new businesses are developed, and through an understanding of changes to laws, regulations, regulatory sentiment or regulatory enforcement trends, both domestically and internationally. Macquarie Group seeks to maintain constructive relationships with its regulators, including through regular engagement at senior management levels.

Macquarie Group operates in multiple jurisdictions and has employed compliance officers locally to facilitate compliance with local regulations. In Malaysia, the Issuer employs local compliance officer and staff to oversee regulatory and compliance risk locally. To mitigate the risk of failure of compliance at both the Macquarie Group level and the Issuer's level, there are three lines of defence: The first line of defence is the operating business groups within Macquarie Group and within the Issuer. The business groups are primarily responsible for risk management. They are required to understand and manage risk in accordance with the risk management framework. In the case of the Issuer, each of the three business lines, namely Institutional Cash Equities, Research and Equity Derivatives and Trading, are required to take ownership of risks that arise from their own business activities. They should proactively identify, escalate and manage risk. The second line of defence is RMG (including RMG Compliance). RMG independently assesses all material risks. Any new products, services and business changes are subject to independent sign-off by RMG. In the case of the Issuer, RMG assesses risks for the Issuer in the same manner and is also responsible for approving new initiatives of the Issuer. The third line of defence is Internal Audit. Internal Audit provides independent and objective risk-based assurance on the management of compliance risk. It provides an additional check and balance on the operations of Macquarie Group. In the case of the Issuer, Internal Audit conducts audits on the various business lines of the Issuer from time to time.

Management of regulatory and compliance risk is supported by RMG Compliance who establish policies, provide advice, training and independent monitoring of certain risks. On a Macquarie Group level, RMG Compliance provide regular reporting to the MGL Board Governance and Compliance Committee ("**BGCC**") and the MGL Board to facilitate senior management oversight of regulatory and compliance risk.

##### ***Other Managed Risks***

RMG's Financial Crime Risk division develops and maintains the anti-money laundering, sanctions and anti-bribery and corruption control frameworks. Macquarie Group, including the Issuer, are required to comply with various obligations with respect to anti-money laundering, sanctions and anti-bribery, in accordance with the policies developed by and in consultation with the Financial Crime Risk division.

#### 4. INFORMATION ON MCSM (cont'd)

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The Regulatory Affairs and Aggregate Risk ensures compliance with prudential regulation and provides oversight for regulatory affairs and also monitors aggregate risk across all risk types.

The Quantitative Applications division manages model risk in Macquarie's models used for derivative pricing, capital calculations and credit provisioning.

The Behavioural Risk division provides expertise and oversight on risk culture and conduct risk (arising from behaviour and actions that may have a negative impact on clients, counterparties, the communities and markets in which Macquarie Group operates, as well as Macquarie Group and its staff), environmental and social risk (arising from the failure to identify or manage material environmental or social issues including labour and employment practices, human rights, resource efficiency, climate risk, pollution prevention, biodiversity and cultural heritage), and work health and safety. Macquarie Groups seeks to manage such risks across all of its business activities globally including the Issuer's.

The Enterprise Support division drives and supports the strategy and the effective and efficient operation of RMG.

Further details on Macquarie Group's risk management are available at <http://www.macquarie.com/risk-management>.

##### 4.7.3 Hedging Strategy for Structured Warrants

The Issuer may enter into back-to-back transactions to hedge its risks under the Structured Warrants. "Back-to-back" transactions means transactions, such as buying over-the-counter options, with terms similar to the terms of the Structured Warrants so that payment expected from the over-the-counter options can be used to fulfil the Issuer's payment obligations under the Structured Warrants. The Issuer is subject to the credit risk of the counterparty of such back-to-back transactions, which is managed by the receipt of margin in the form of cash from the counterparty as collateral for payments that would be owed by the counterparty to MCSM at expiry of the back-to-back transactions. It may also elect to hedge the risks under the Structured Warrants by itself by trading in the Underlying Instruments or the derivatives (either over-the-counter or exchange-traded) relating to the Underlying Instruments in order to create positions with offsetting market exposures to the sold Structured Warrant position. The risk is managed on a portfolio basis, where the related risk positions are grouped together and positions in opposite directions are set off against each other. Hedge trades are entered into for the remaining net risk position.

#### 4.8 Other information

##### 4.8.1 Audit Committee ("AC")

MCSM does not have its own AC. The internal audit function of MCSM resides at the Macquarie Group level, specifically the Internal Audit division. The Internal Audit division has a presence in the regions of Australia and New Zealand (ANZ), Asia, Europe, the Middle East and Africa (EMEA), and the United States of America (USA). Regional heads of Internal Audit are appointed by, and report to, the Head of Internal Audit who is based in Sydney. Internal Audit's Asia staff based in Hong Kong and Singapore would generally perform the MCSM audits; however, if a particular audit requires a subject matter expert ("SME") then an SME can be leveraged from any Internal Audit location as required to confirm appropriate coverage.

The MGL Board Audit Committee ("BAC") assists the MGL Board with its oversight of the integrity of the financial statements. The BAC is also responsible for reviewing the adequacy of the Macquarie Group's control framework for financial regulatory reporting to banking regulators and monitoring the internal financial control environment. The BAC reviews reports from the external auditor and Internal Audit, referring matters relating to the duties and responsibilities of the MGL Board Risk Committee and the MGL BGCC to either of the MGL Board Risk Committee and the MGL BGCC, as appropriate. The BAC also monitors and reviews the effectiveness of the external auditor and the Internal Audit function.

#### 4. INFORMATION ON MCSM (cont'd)

The Internal Audit division provides independent and objective assurance to the BAC, other board committees and senior management on the compliance with, and effectiveness of Macquarie's risk management framework, including its systems, structures, policies, processes and people for managing material risks. Internal Audit provides an independent and objective assessment, for the consideration and review of the BAC and senior management, as to whether material risks have been properly identified; internal controls (including management oversight processes) have been properly designed, and are consistently and effectively operating to mitigate those material risks.

The Head of Internal Audit reports to the BAC and has unrestricted access to the BAC and its Chairman. The Head of Internal Audit reports operationally to the MGL Chief Risk Officer for day-to-day management. The BAC approves any appointment, replacement, reassignment or dismissal of the Head of Internal Audit.

##### 4.8.2 Experience in warrants issuance

MCSM is an issuer of structured warrants in Malaysia since October 2014. As at the LPD, MCSM has issued a total of 1,437 series of structured warrants.

A summary of our involvement in and issuance of structured warrants since 2014 are set out as follows:

| Type  | Exercise style | Settlement type | Number of series of Structured Warrants |
|---|----------------|-----------------|---|
| <b><u>Issued under the first Base Prospectus dated 7 October 2014</u></b>                 |                |                 |   |
| Call Warrants   | European       | Cash            | 174                                     |
| Put Warrants  | European       | Cash            | 54                                      |
| <b><u>Issued under the second Base Prospectus dated 7 October 2015</u></b>                |                |                 |   |
| Call Warrants   | European       | Cash            | 190                                     |
| Put Warrants  | European       | Cash            | 69                                      |
| <b><u>Issued under the third Base Prospectus dated 7 October 2016</u></b>                 |                |                 |   |
| Call Warrants   | European       | Cash            | 196                                     |
| Put Warrants  | European       | Cash            | 59                                      |
| <b><u>Issued under the fourth Base Prospectus dated 9 October 2017</u></b>                |                |                 |   |
| Call Warrants   | European       | Cash            | 300                                     |
| Put Warrants  | European       | Cash            | 58                                      |
| <b><u>Issued under the fifth Base Prospectus dated 9 October 2018 (as at the LPD)</u></b> |                |                 |   |
| Call Warrants   | European       | Cash            | 274                                     |
| Put Warrants  | European       | Cash            | 63                                      |

**4. INFORMATION ON MCSM** *(cont'd)*

| Type | Exercise style | Settlement type | Number of series of Structured Warrants |
|------|----------------|-----------------|---|
|      |                |                 | 1,437                                   |

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## 5. INFORMATION ON THE GUARANTOR

## 5. INFORMATION ON THE GUARANTOR

### 5.1 History and business

MFHPL was incorporated in Australia in February 2007 and is a holding company for the non-banking operations of Macquarie Group. Macquarie Group's banking and non-banking operations are separated by corporate structure, with MGL's direct subsidiaries MFHPL and Macquarie B.H. Pty Limited each being the penultimate holding company for Macquarie Group's non-banking operations and banking operations, respectively. The non-banking operations under MFHPL comprise businesses specialising in financial services, advisory services, investment services and funds management services.

The following businesses and activities form the non-banking operations under MFHPL:

- Macquarie Asset Management ("**MAM**") is Macquarie Group's asset management business, providing investment management services to clients across a range of capabilities, including infrastructure, real estate, agriculture, equities, fixed income, private credit, liquid alternatives and multi-asset solutions through the Macquarie Infrastructure and Real Assets division and the Macquarie Investment Management division.
- The Macquarie Capital ("**MacCap**") business of Macquarie Group has global capability in corporate advisory and debt/equity capital raising services, providing clients with specialist expertise, advice and flexible capital solutions across a range of sectors and products including investing alongside partners and clients. It also has capability in infrastructure, green and conventional energy, focusing on making principal investments to construct assets, build businesses and create platforms across development, construction and operational phases.
- Certain businesses of the Commodities and Global Markets ("**CGM**") business of Macquarie Group, including:
  - certain assets of the Credit Markets business, which provides asset-backed financing solutions across commercial and residential mortgages, consumer loans and corporate loans;
  - certain activities of the Cash Equities business, which provides equity research, brokerage, sales trading, corporate access and equity capital markets services;
  - certain activities of the Equity Derivatives and Trading business, which issues retail derivatives, and provides derivatives products and equity finance solutions to its institutional client base, and conducts market making activities; and
  - certain activities of the Commodity Markets and Finance business, which provides a full range of services to clients with exposure to commodity markets.

Further information on Macquarie Group's business divisions and its non-banking operations under MFHPL can be found at Macquarie Group's website at <https://www.macquarie.com/about/company>.

During October 2018, the MGL Board approved the restructuring of its non-banking operations of Macquarie Group for separation of the MAM business. As a result, MFHPL will transfer its control and rights over its MAM businesses to Macquarie Asset Management Holdings Pty Limited, a 100% owned subsidiary of MGL. The transfer is expected to commence beginning December 2019 and is expected to be completed by November 2020. Accordingly, these businesses have been classified as held for sale in the consolidated statement of financial position and as a discontinued operation in the consolidated income statement in MFHPL's March 2019 annual financial statement.

In addition to acting as a holding company as described above, MFHPL provides guarantee services to the Macquarie Group of companies and other companies on business transactions / activities involving the Macquarie Group of companies, to, among other purposes, facilitate



## 5. INFORMATION ON THE GUARANTOR *(cont'd)*

settlement and/or provide credit intermediation. MFHPL has provided a guarantee for MCSM's payment obligations under the structured warrants issued in Malaysia by MCSM since October 2014.

MFHPL is not an entity regulated by a financial regulator in Australia.

### 5.2 Rating profile

As stated in Section 7.1.1, if you intend to purchase the Structured Warrants, you would be taking on the credit risk of our Company and our Guarantor. You must therefore make your own assessments of the credit risk associated with MFHPL.

MFHPL current ratings assigned by Malaysian Rating Corporation Berhad (Company no. 364803 V) are as follows:

| Rating Classification  | Definition (Long Term Ratings of MFHPL)   |
|--|---|
| <p>Counterparty credit rating (Long Term)<br/>Rating: AAA</p> <p>Affirmation date: 25 September 2019</p> | <p>Counterparty ratings are a type of credit ratings assessed by Malaysian Rating Corporation Berhad and are opinions of the ability of counterparties to honour senior obligations under financial contracts such as obligations under currency swaps, interest rate swaps, third party credit guarantees or partial guarantees, liquidity facilities and similar products, given appropriate documentation and authorisation. A counterparty rated AAA has an exceptionally strong capacity to meet its obligations under financial contracts and has the least risk of an impairment of its creditworthiness relative to other counterparties.</p> |

Credit ratings are subject to change or withdrawal at any time within each rating agency's sole discretion. You should conduct your own research using publicly available sources to obtain the latest information with respect to MFHPL's ratings from time to time.

Rating agencies usually receive a fee from the companies that they rate. When evaluating MFHPL's creditworthiness, you should not solely rely on MFHPL's credit ratings because:

- (a) a credit rating is not a recommendation to buy, sell or hold the Structured Warrants;
- (b) ratings of companies may involve difficult-to-quantify factors such as market competition, the success or failure of new products and markets and managerial competence;
- (c) a high credit rating is not necessarily indicative of low risk. MFHPL's credit rating as of the above date is for reference only. Any downgrading of its rating could result in a reduction in the value of the Structured Warrants as investors may take the view that they would face higher credit risk against MFHPL (as the guarantor) in investing in the Structured Warrants resulting in a decrease in the demand for the Structured Warrants;
- (d) a credit rating is not an indication of the liquidity or volatility of the Structured Warrants; and
- (e) a credit rating may be downgraded if the credit quality of MFHPL declines (for example MFHPL failing to honour its obligation as a guarantor) or by other events that are not related to Macquarie Group (for example the health of the Australian economy declines).

### 5.3 MFHPL's Board and Management

As at the LPD, the Directors and management of MFHPL comprise of the following:

**5. INFORMATION ON THE GUARANTOR** *(cont'd)*

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| <b>Name</b>       | <b>Directorship</b> |
|-------------------|---------------------|
| Stuart John Dyson | Director            |
| Stuart Green      | Director            |
| Daniel Saad       | Director            |

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## 5. INFORMATION ON THE GUARANTOR (cont'd)

### 5.4 Financial highlights

#### MFHPL's historical financial information<sup>2</sup>

A summary of MFHPL's historical audited consolidated financial statements for the past three (3) financial years ended 31 March 2017 to 2019 are set out below:-

#### Consolidated income statements

|  | Financial year ended 31 March |                |                |
|--|-------------------------------|----------------|----------------|
|  | 2019                          | 2018           | 2017           |
|  | AUD mil                       | AUD mil        | AUD mil        |
| Interest and similar income  | -                             | -              | 584            |
| Effective interest method  | 917                           | 672            | -              |
| Others   | 59                            | 50             | -              |
| Interest expense and similar expense                                       | (1,064)                       | (668)          | (562)          |
| Net interest (expense)/income  | (88)                          | 54             | 22             |
| Fee and commission income  | 1,524                         | 1,327          | 3,422          |
| Net trading income/(expense)   | 270                           | 25             | (17)           |
| Net operating lease income   | 203                           | -              | -              |
| Share of net (losses)/profits of associates and joint ventures             | (235)                         | 48             | 69             |
| Credit impairment charges  | (124)                         | (31)           | -              |
| Other impairment charges   | (148)                         | (33)           | -              |
| Other operating income and charges   | 1,635                         | 761            | 822            |
| <b>Net operating income</b>  | <b>3,037</b>                  | <b>2,151</b>   | <b>4,318</b>   |
| Employment expenses  | (1,435)                       | (1,209)        | (2,019)        |
| Brokerage, commission expense and trading-related expenses                 | (114)                         | (55)           | (225)          |
| Occupancy expenses   | (173)                         | (158)          | (176)          |
| Non-salary technology expenses   | (124)                         | (133)          | (161)          |
| Other operating expenses   | (653)                         | (316)          | (535)          |
| <b>Total operating expenses</b>  | <b>(2,499)</b>                | <b>(1,871)</b> | <b>(3,116)</b> |
| Operating profit from continuing operations before income tax              | 538                           | 280            | 1,202          |
| Income tax expense   | (173)                         | (109)          | (288)          |
| <b>Profit from continuing operations after income tax</b>                  | <b>365</b>                    | <b>171</b>     | <b>914</b>     |
| Profit from discontinued operation after income tax                        | 962                           | 810            | -              |
| <b>Profit from continuing and discontinued operations after income tax</b> | <b>1,327</b>                  | <b>981</b>     | <b>-</b>       |
| Loss/(profit) attributable to non-controlling interests                    | 12                            | (7)            | (4)            |

<sup>2</sup> Following the adoption of *Australian Accounting Standard 9: Financial Instruments* ("AASB 9"), MFHPL made changes to the presentation of certain items in its consolidated statement of financial position in order to present items on the basis of the nature of the underlying item as opposed to its measurement basis. Also, MFHPL has made required presentation changes in its consolidated income statement and consolidated statement of cash flows to align with the categories of financial instruments presented in the consolidated statement of financial position. Comparatives for 2018 has been represented according to presentation changes during 2019. The effect of these presentation changes has been disclosed in MFHPL's March 2019 year-end financial report available pursuant to Section 11.4 of this Base Prospectus or at <http://www.macquarie.com/au/about/investors/reports>.

Please note that the financial information for 2017 represents results published in the previous annual financial statement without such presentation changes.

**5. INFORMATION ON THE GUARANTOR** *(cont'd)*

|  | <b>Financial year ended 31 March</b> |                    |                    |
|--|--------------------------------------|--------------------|--------------------|
|  | <b><u>2019</u></b>                   | <b><u>2018</u></b> | <b><u>2017</u></b> |
|  | <b>AUD mil</b>                       | <b>AUD mil</b>     | <b>AUD mil</b>     |
| <b>Profit attributable to ordinary equity holder<br/>of Macquarie Financial Holdings Pty Limited</b> | 1,339                                | 974                | 910                |
| From continuing operations   | 377                                  | 164                | -                  |
| From discontinued operation  | 962                                  | 810                | -                  |

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## 5. INFORMATION ON THE GUARANTOR (cont'd)

**Consolidated statements of financial position**

|   | Financial year ended 31 March |               |               |
|---|-------------------------------|---------------|---------------|
|   | <u>2019</u>                   | <u>2018</u>   | <u>2017</u>   |
|   | AUD mil                       | AUD mil       | AUD mil       |
| <b>Assets</b>   |                               |               |               |
| Receivables from financial institutions                     | -                             | -             | 1,860         |
| Cash and bank balances                                      | 1,685                         | 1,808         | -             |
| Cash collateral on securities borrowed                      | 200                           | 60            | -             |
| Trading assets  | 1,168                         | 447           | 297           |
| Margin money and settlement assets                          | 4,634                         | 4,475         | -             |
| Derivative assets   | 368                           | 242           | 40            |
| Financial investments                                       | 1,263                         | 1,292         | -             |
| Assets and disposal groups classified as held for sale      | 15,612                        | 2,996         | -             |
| Other assets  | 1,088                         | 1,674         | 7,753         |
| Loan assets held at amortised cost                          | -                             | -             | 1,108         |
| Loan assets   | 4,495                         | 1,214         | -             |
| Investment securities available for sale                    | -                             | -             | 1,738         |
| Other financial assets at fair value through profit or loss | -                             | -             | 559           |
| Due from related body corporate entities                    | 16,324                        | 9,916         | 7,688         |
| Property, plant and equipment                               | 1,745                         | 273           | 169           |
| Interests in associates and joint ventures                  | 1,617                         | 3,297         | 1,868         |
| Intangible assets   | 815                           | 805           | 816           |
| Deferred tax assets   | 348                           | 408           | 310           |
| <b>Total assets</b>   | <b>51,362</b>                 | <b>28,907</b> | <b>24,206</b> |
| <b>Liabilities</b>  |                               |               |               |
| Cash collateral on securities lent                          | 621                           | 3             | -             |
| Trading liabilities   | 351                           | 123           | 145           |
| Margin money and settlement liabilities                     | 4,682                         | 4,306         | -             |
| Derivative liabilities                                      | 144                           | 137           | 26            |
| Deposits  | -                             | -             | 15            |
| Liabilities and disposal groups classified as held for sale | 8,452                         | 304           | -             |
| Other liabilities   | 1,410                         | 1,843         | 5,136         |
| Other debt issued at fair value through profit or loss      | -                             | -             | 482           |
| Bank borrowings   | 596                           | 592           | -             |
| Payables to financial institutions                          | -                             | -             | 422           |
| Due to related body corporate entities                      | 23,948                        | 13,678        | 10,776        |
| Debt issued at amortised cost                               | -                             | -             | 1,927         |
| Debt issued   | 3,376                         | 2,266         | -             |
| Deferred tax liabilities                                    | 160                           | 263           | 186           |
| <b>Total liabilities excluding loan capital</b>             | <b>43,740</b>                 | <b>23,515</b> | <b>19,115</b> |
| <b>Loan capital</b>   | <b>1,102</b>                  | <b>1,101</b>  | <b>1,102</b>  |
| <b>Total liabilities</b>                                    | <b>44,842</b>                 | <b>24,616</b> | <b>20,217</b> |
| <b>Net assets</b>   | <b>6,520</b>                  | <b>4,291</b>  | <b>3,989</b>  |

5. INFORMATION ON THE GUARANTOR *(cont'd)*

|  | Financial year ended 31 March |              |              |
|--|-------------------------------|--------------|--------------|
|  | <u>2019</u>                   | <u>2018</u>  | <u>2017</u>  |
|  | AUD mil                       | AUD mil      | AUD mil      |
| <b>Equity</b>  |                               |              |              |
| Contributed equity   | 5,910                         | 3,588        | 3,569        |
| Reserves   | (67)                          | (158)        | 146          |
| Retained earnings/(accumulated losses)   | 467                           | (562)        | (1,036)      |
| <b>Total capital and reserves attributable to ordinary equity holder of Macquarie Financial Holdings Pty Limited</b> | <u>6,310</u>                  | <u>2,868</u> | <u>2,679</u> |
| Non controlling interests  | 210                           | 1,423        | 1,310        |
| <b>Total equity</b>  | <u>6,520</u>                  | <u>4,291</u> | <u>3,989</u> |

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**5. INFORMATION ON THE GUARANTOR (cont'd)****Consolidated statements of cash flows**

|  | <b>Financial year ended 31 March</b> |                    |                    |
|--|--------------------------------------|--------------------|--------------------|
|  | <b><u>2019</u></b>                   | <b><u>2018</u></b> | <b><u>2017</u></b> |
|  | <b>AUD mil</b>                       | <b>AUD mil</b>     | <b>AUD mil</b>     |
| <b>Cash flows generated from operating activities</b>  |                                      |                    |                    |
| Interest and similar income received   | 851                                  | 570                | 634                |
| Interest expense and similar charges paid  | (1,059)                              | (671)              | (560)              |
| Fees and other non-interest income received  | 3,925                                | 3,233              | 3,503              |
| Fees and commissions paid  | (334)                                | (181)              | (247)              |
| Operating lease income received  | 426                                  | -                  | -                  |
| Dividends and distributions received   | 267                                  | 193                | 185                |
| Employment expenses paid   | (1,876)                              | (1,718)            | (1,760)            |
| Operating expenses paid  | (1,174)                              | (967)              | (480)              |
| Income tax paid  | (182)                                | (112)              | (140)              |
| Changes in operating assets and liabilities  |                                      |                    |                    |
| Net change in trading assets and liabilities   | (586)                                | 531                | -                  |
| Net payments for trading assets and other assets/ liabilities  | -                                    | -                  | (456)              |
| Net movement in deposits   | -                                    | -                  | (85)               |
| Net movement in debt issued at amortised cost  | -                                    | -                  | (9)                |
| Net movement in payables to financial institutions and other borrowings  | -                                    | -                  | 168                |
| Net margin money (paid)/placed   | -                                    | -                  | 9                  |
| Net change in other assets and liabilities   | (361)                                | (79)               | -                  |
| Net change in loan assets (including related party balances)   | (82)                                 | 3,309              | (693)              |
| Net payments for assets under operating lease  | (677)                                | -                  | -                  |
| Net change in bank borrowings  | (96)                                 | 227                | -                  |
| Net change in debt issued  | 1,139                                | (145)              | -                  |
| Net cash generated from operating activities   | 181                                  | 4,190              | 69                 |
| <b>Cash flows utilised in investing activities</b>   |                                      |                    |                    |
| Net proceeds from/(payments for) financial investments   | 196                                  | (94)               | -                  |
| Net proceeds from investment securities available for sale and financial instruments designated at fair value            | -                                    | -                  | 597                |
| Proceeds from the disposal of or capital return from associates, subsidiaries and businesses, net of cash deconsolidated | 3,586                                | 3,303              | 1,301              |
| Payments for the acquisition of or capital contribution in associates, subsidiaries and businesses, net of cash acquired | (8,120)                              | (3,947)            | (2,461)            |
| Payments for the acquisition of property, plant and equipment and intangible assets                                      | (468)                                | (145)              | (160)              |
| Net cash flows utilised in investing activities  | (4,806)                              | (883)              | (723)              |

**5. INFORMATION ON THE GUARANTOR (cont'd)**

|   | <b>Financial year ended 31 March</b> |                    |                    |
|---|--------------------------------------|--------------------|--------------------|
|   | <b><u>2019</u></b>                   | <b><u>2018</u></b> | <b><u>2017</u></b> |
|   | <b>AUD mil</b>                       | <b>AUD mil</b>     | <b>AUD mil</b>     |
| <b>Cash flows generated from/(utilised in) financing activities</b> |                                      |                    |                    |
| Proceeds from the issue of ordinary shares                          | 2,304                                | -                  | -                  |
| (Payments for)/proceeds from non-controlling interests              | (99)                                 | (30)               | 1,166              |
| Payments on redemption of loan capital                              | -                                    | -                  | (1)                |
| Dividends and distributions paid                                    | -                                    | (450)              | (910)              |
| Net cash flows generated from/(utilised in) financing activities    | 2,205                                | (480)              | 255                |
| <b>Net (decrease)/increase in cash and cash equivalents</b>         | (2,420)                              | 2,827              | (399)              |
| Cash and cash equivalents at the beginning of the financial year    | 8,878                                | 6,051              | 6,450              |
| <b>Cash and cash equivalents at the end of the financial year</b>   | 6,458                                | 8,878              | 6,051              |

Please refer to MFHPL's website at <http://www.macquarie.com/au/about/investors/reports> for detailed information on MFHPL's audited financial statements.

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## 6. PARTICULARS OF THE OFFER

## 6. PARTICULARS OF THE OFFER

### 6.1 Details of the Offer

We propose to issue the following non-collateralised structured warrants:

- (i) American and/or European style(s) cash-settled call or put warrants over a single equity;
- (ii) American and/or European style(s) cash-settled call or put warrants over a single index;
- (iii) American and/or European style(s) cash-settled call or put warrants over a single ETF;
- (iv) European style cash-settled CBBCs over a single equity;
- (v) European style cash-settled CBBCs over a single index;
- (vi) European style cash-settled CBBCs over a single ETF; and
- (vii) Bull ELS,

where the equity and ETF are listed on, and indices are based on Bursa Securities and/or securities exchanges outside Malaysia which are members of the World Federation of Exchanges or are approved by Bursa Securities.

The Structured Warrants will primarily be offered by way of Market Making. However, the Issuer may from time to time offer the Structured Warrants by way of placement to selected investors.

We will issue the Structured Warrants from time to time through this Base Prospectus supported by a Term Sheet to be issued before we issue each series of the Structured Warrants. The Structured Warrants will be guaranteed by MFHPL, our penultimate holding company.

Further information on the Offer and the Structured Warrants are set out below and in Annexure I of this Base Prospectus respectively.

### 6.2 Market Making

Bursa Securities LR provides that upon initial listing, there must be at least 100 Holders holding not less than 1 board lot of warrants each, or at least 50 Holders subscribing for a minimum of RM100,000 of warrants each ("**Minimum Holders Requirement**"), unless the issuer provides liquidity for the structured warrants via Market Making.

MCSM is a registered Market Maker pursuant to the rules of Bursa Securities and therefore, is not required to fulfil the Minimum Holders Requirement mentioned above.

MCSM outsources its Market Making activities to MCSSPL via an outsourcing services agreement dated 14 August 2014.

Under the terms of the outsourcing services arrangement, MCSSPL, as the agent for MCSM, will be responsible for market making for the structured warrants issued by MCSM. MCSSPL acknowledges that the services to be provided by it to MCSM will be utilised by MCSM in enabling it to perform necessary obligations in connection with its business. Accordingly, MCSSPL will ensure that the services that it has agreed to provide will be provided with all due care and diligence, in accordance with any applicable regulations or regulatory guidelines, and are carried out by persons who possess all appropriate qualifications to enable them to carry out the services required from time to time with a reasonable level of skill and reliability. MCSSPL must also: (a) participate in an annual review by MCSM in accordance with outsourcing services agreement, if so requested; (b) at MCSM's reasonable request, promptly provide any information, and supply any documents, relating to the services which are requested by MCSM; and (c) promptly notify MCSM of each matter of which MCSSPL becomes aware that could have a material impact on the services or MCSSPL's ability to perform them.

**6. PARTICULARS OF THE OFFER (cont'd)**

The process of Market Making involves providing bid and offer prices on the trading system of Bursa Securities on each Market Day, over the life of the Structured Warrants. The Market Maker, will be providing competitive 2-way quotes (bid and ask) for the Structured Warrants on the following basis:

- (i) The minimum presence on each day that Bursa Securities is open for trading in the Structured Warrants : 70% of trading hours
- (ii) The maximum spread of two-sided Market Making quotes : 25 bids
- (iii) The minimum quantity on each of the two-sided Market Making quotes : 10 board lots (1,000 units of Structured Warrants)

A "minimum bid" is defined by Bursa Securities as the permissible change on the offer to buy price over the previous done or quoted price. In trading on Bursa Securities, bids and offers within different price ranges follow different minimum bids. You may refer to <http://www.bursamalaysia.com/market/securities/equities/trading/minimum-bids/> for further information on "minimum bid". Please note, however, the information contained in this website does not form part of this Base Prospectus.

The Market Maker would need to hold a sufficient number of Structured Warrants as inventory for the purposes of Market Making during the tenure of the Structured Warrants. MCSM may during the tenure of this Base Prospectus issue further Structured Warrants in a particular series pursuant to Section 6.3 subject to the approval of Bursa Securities.

However, you should note that there will be circumstances under which the Market Maker may not be able to, and shall not be obliged to, provide bid and offer prices, nor reply to a request for prices. Such circumstances may include the occurrence or existence of one or more of the following events:

- (i) if the Structured Warrant is theoretically valueless, meaning where the Issuer's bid price is below RM0.005. In such an instance, the Market Maker will provide an offer price only;
- (ii) if, in the sole and absolute determination of the Market Maker, the theoretical bid/offer price of the Structured Warrants is less than the minimum price or greater than the maximum price that can be entered into or accepted by the trading system of Bursa Securities through which the Market Maker enters orders for the Structured Warrants for the purpose of providing liquidity;
- (iii) during the pre-market opening, five minutes following the opening of Bursa Securities and the last ten minutes prior to the close of a trading session on any trading day;
- (iv) when trading in:
  - (a) the Underlying Instrument; or
  - (b) option contracts or futures contracts relating to –
    - the Underlying Instruments; or
    - exchange-traded funds over the Underlying Instruments (if the Underlying Instrument is an index),
 are suspended or limited in a material way for any reason (including price quote limits activated by the relevant exchange or otherwise); for the avoidance of doubt, the Market Maker is not obliged to provide quotations for the Structured Warrants at any time when the Underlying Instrument or relevant option or futures contract is not traded for any reason;
- (v) when trading in the Structured Warrants is suspended or limited in a material way for any reason (including price quote limits activated by Bursa Securities or otherwise);
- (vi) when technical problems or other events beyond the control of the Market Maker (such as a natural or man-made disaster or an act of terrorism) affect the ability of the Market Maker to provide bid and offer prices;

**6. PARTICULARS OF THE OFFER (cont'd)**

- (vii) when the stock market experiences exceptional price movements and volatility;
- (viii) market disruption events, including without limitation any suspension of or limitation imposed on trading (by reason of movements in price exceeding limits permitted by the relevant exchange or otherwise) in:
  - (a) the Underlying Instrument;
  - (b) option contracts or futures contracts relating to –
    - the Underlying Instrument;
    - exchange-traded funds over the Underlying Instrument (if the Underlying Instrument is an index); or
  - (c) any Structured Warrants;
- (ix) when the ability of the Market Maker to source a hedge or unwind an existing hedge, as determined by the Market Maker in good faith, is materially affected by the prevailing market conditions;
- (x) when the number of Structured Warrants available for market-making activities by the Issuer is less than 5% of the total issue size of the Structured Warrants; for avoidance of doubt, in determining whether Structured Warrants are available for market-making activities, Structured Warrants held by the Issuer or any of its affiliates in a fiduciary or agency (as opposed to proprietary) capacity shall be deemed to be not available for market-making activities;
- (xi) when it is a public holiday in Malaysia and Bursa Securities is not open for trading;
- (xii) when the relevant exchange on which the Underlying Instrument, or option contracts or futures contracts relating to (a) the Underlying Instrument or (b) (if the Underlying Instrument is an index) exchange-traded funds over the Underlying Instrument, is quoted and traded is not open for trading;
- (xiii) during the suspension period immediately prior to the expiry date of the Structured Warrants as determined by Bursa Securities;
- (xiv) when any controls, whether such control constitutes currency control or not, is imposed by a relevant country which, in the sole and absolute determination of the Market Maker, is likely to affect the Market Maker or its agent to acquire, transfer, hold or realise:
  - (a) the Underlying Instrument;
  - (b) option contracts or futures contracts relating to –
    - the Underlying Instrument;
    - exchange-traded funds over the Underlying Instrument (if the Underlying Instrument is an index); or
  - (c) any Structured Warrants; or
- (xv) in any circumstances as may be allowed by Bursa Securities and/or the SC.

Although the Market Maker will be facilitating Market Making activities to provide liquidity for the Structured Warrants on Bursa Securities, the level of liquidity will depend on competitive forces and the price at which the Structured Warrants will trade on Bursa Securities upon or subsequent to its listing.

You may obtain bid/offer prices for the Structured Warrants (in respect of prices that appear on the trading system of Bursa Securities, and/or in respect of direct business transactions) from us at the following contact details:

Macquarie Capital Securities (Malaysia) Sdn. Bhd.  
 Warrant Sales  
 Telephone no.: +603 2059 8840  
 Email: [info@malaysiawarrants.com.my](mailto:info@malaysiawarrants.com.my)

## 6. PARTICULARS OF THE OFFER *(cont'd)*

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### 6.3 Further Issue

The Deed Poll allows us to create and issue further Structured Warrants in respect of the same series of Structured Warrants ("**Further Issue**") without the consent or sanction of the existing Holders of the Structured Warrants. The Further Issue will form part of the existing Structured Warrants in issue ("**Existing Issue**").

For the purpose of facilitating Market Making, we may apply for a Further Issue in respect of the Structured Warrants pursuant to this Base Prospectus subject to the following conditions:

- (i) the Further Issue is for the purpose of facilitating Market Making;
- (ii) the terms and conditions of the Existing Issue either permit the Further Issue or have been properly amended to give the issuer the right to issue and list one or more Further Issues;
- (iii) the terms and conditions of the Further Issue and the Existing Issue must be identical except for the size and tenure of the issue; and
- (iv) the issuer holds no more than 50% of the Existing Issue at the time of application for the Further Issue.

### 6.4 Purpose of the Offer

The purpose of the Offer is to participate and contribute to the development of structured warrants market in Malaysia by providing investment options to Malaysian investors that are provided by an issuer with experience in warrants issuance and a long history of good credit ratings (with respect to the Guarantor) that meets its settlement obligations under the structured warrants and provides liquidity for the structured warrants, allowing investors to easily enter and exit their investments. We seek to provide products that meet investor demand for leverage, wide choice of Underlying Instruments such as shares, ETFs and indices, and both long and short investment outlooks. We seek to provide consistently fair and transparent liquidity through Market Making so investors can easily purchase and sell Structured Warrants.

The trading of Structured Warrants also enables us to earn revenue in which the proceeds from the Offer will be utilised for our general working capital requirements and to defray expenses for the Offer.

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## 7. RISK FACTORS

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## 7. RISK FACTORS

**BEFORE INVESTING IN THE STRUCTURED WARRANTS, YOU SHOULD CAREFULLY CONSIDER THE FOLLOWING RISK FACTORS (WHICH MAY NOT BE EXHAUSTIVE) AND THE RISK FACTORS ON THE RELEVANT UNDERLYING INSTRUMENTS SET OUT IN THE RELEVANT TERM SHEETS TO BE ISSUED, IN ADDITION TO OTHER INFORMATION CONTAINED ELSEWHERE IN THIS BASE PROSPECTUS, THE RELEVANT TERM SHEETS AND ANY SUCH OTHER DOCUMENT OR INFORMATION.**

**YOU SHOULD CONSIDER CAREFULLY WHETHER THE STRUCTURED WARRANTS ARE SUITABLE FOR YOU TAKING INTO ACCOUNT YOUR EXPERIENCE, OBJECTIVES, FINANCIAL POSITION AND OTHER RELEVANT CIRCUMSTANCES. YOU SHOULD POSSESS ADEQUATE KNOWLEDGE OF THE STRUCTURED WARRANTS BEFORE INVESTING.**

### 7.1 Risks relating to the Issuer

#### 7.1.1 Credit Risk

Our obligations in respect of the Structured Warrants represent general unsecured contractual obligations which will rank equal with other existing and future general contractual obligations. If you intend to purchase the Structured Warrants, you should note that you will be relying on the Issuer's and MFHPL's creditworthiness and of no other person. You do not have any recourse/rights against the Underlying Companies, Underlying Index Sponsor, Successor Underlying Index Sponsor or any of the companies constituting the Underlying Index, or the trustee, custodian, manager, registrar, service agent, participating dealer and/or other persons involved in constituting or undertaking the listing or trading of the Underlying ETF.

The ability of the Issuer and MFHPL to fulfil its obligations under the terms is primarily dependent on the financial condition and prospects of the Issuer and MFHPL. The income prospects of any entity are sensitive to the underlying characteristics of its business and the nature and extent of the commercial risks to which the entity is exposed. For example, MCSM's Institutional Cash Equities, Research and Equity Derivatives and Trading businesses are in the financial and capital markets industry in Malaysia, with predominantly institutional and/or corporate clients (except for the structured warrants business within Equity Derivatives and Trading). These businesses are sensitive to the turnover in the stock market. If there is high turnover in the Malaysian stock market, their expected income can be higher. On the contrary, if the stock market is less active, less income can be expected. Details on our Company's and MFHPL's credit rating profile and risk management are set out in Sections 4.3, 4.7 and 5.2 respectively of this Base Prospectus.

You should note that credit ratings assigned by rating agencies address only the credit risk, which is only one aspect of any investment decision, and ratings are subject to change. You should not construe the ratings as investment advice, nor a recommendation to invest in the Structured Warrants. Accordingly, you should evaluate the Structured Warrants on your own or consult your investment adviser.

If the Issuer fails to meet its obligations in respect of the Structured Warrants, you may take action against the Issuer for breach of its obligations under the terms of the Structured Warrants in Malaysian courts. If MFHPL as the Guarantor, is unable to meet its obligations under the terms of the guarantee, you may take action against it either in Malaysian courts or Australian courts.

#### 7.1.2 Trading by the Macquarie Group

Macquarie Group may at any time purchase or buy-back the Structured Warrants in the open market or by tender or private treaty and become the holder of the Structured Warrants. Any Structured Warrants so purchased may be held or resold and may also be surrendered for cancellation provided that cancellation of the Structured Warrants may only occur if all outstanding Structured Warrants have been purchased by Macquarie Group.

We may trade in the Structured Warrants, the Underlying Equity or any other securities and

## 7. RISK FACTORS *(cont'd)*

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financial products relating to any of the Underlying Companies, Underlying ETF or Underlying Index to hedge our position in relation to the Structured Warrants. We or any other member of the Macquarie Group may also trade in the Structured Warrants as liquidity provider. Other companies within the Macquarie Group may also trade in the Structured Warrants, the Underlying Equity or any other securities and financial products relating to any of the Underlying Companies, Underlying ETF or Underlying Index. These trading activities may affect (positively or negatively) the price at which the Structured Warrants, the Underlying Equity or the Underlying ETF (as the case may be) are traded on Bursa Securities or other securities exchange outside Malaysia.

### 7.1.3 Early termination due to liquidation, dissolution or winding-up

Should we be liquidated or dissolved, or a receiver and/or administrator be appointed in respect of the whole or substantial part of our undertakings, properties or assets, the Structured Warrants will be early exercised and settled in cash as determined by us, subject to the terms of the Deed Poll. Hence, there is a risk the Structured Warrants may be cancelled before the relevant expiry date of such Structured Warrants and cause you to suffer a loss or a reduced profit.

You are advised to refer to Section 11A of Part 1, Section 8 of Part 2, Section 11 of Part 3, Section 11A of Part 4, Section 8 of Part 5, Section 11 of Part 6 and Section 11A of Part 7 in Annexure I of this Base Prospectus for more details relating to such events.

### 7.1.4 Exercise of discretion by us

You should note that the Terms confer discretion to us including, amongst others, discretion to make adjustments in certain circumstances contemplated under the Terms, which could affect the price of the Structured Warrants.

In the event of a take-over or a scheme of arrangement or any other form of reorganisation undertaken by us or any other events having similar effects on the rights of the Holders, we may in our discretion make any adjustments to the rights attaching to the relevant Structured Warrants or otherwise deal with the Structured Warrants in a commercially reasonable manner.

Holders do not have the power to direct us concerning the exercise of any discretion, although in some cases, we may only exercise certain discretions with the consent of the relevant authorities.

You are advised to refer to Annexure I of this Base Prospectus, and the relevant Term Sheet for circumstances that may result in the exercise of discretion by us.

### 7.1.5 No investigation or review performed on the Underlying Companies, the Underlying ETF or the Underlying Index

We do not and have not carried out any investigation or review of the business operations and prospects of the Underlying Companies, the Underlying ETF, the Underlying Index Sponsor or the companies constituting the Underlying Index. Therefore, you should not assume that the issue of any Structured Warrants represents a recommendation by us of an investment in the Underlying Companies, Underlying Index, Underlying ETF, or the companies constituting the Underlying Index.

In addition, you should be aware that the Underlying Company, the Underlying Index Sponsor or the companies constituting the Underlying Index will not participate in establishing the terms and conditions of the Structured Warrants. Further, the Underlying Company, the Underlying Index Sponsor, or the companies constituting the Underlying Index have no obligation with respect to the settlement amount to be paid to you (if any) upon exercise of the Structured Warrants, including any obligation to take into account, for any reason, our needs, or your needs.

In addition, you should be aware that the trustee, custodian, manager, registrar, service agent, participating dealer or other persons involved in constituting or the listing or trading of the Underlying ETF will not participate in establishing the terms and conditions of the Structured Warrants. Further, such persons have no obligation with respect to the settlement amount to be

## 7. RISK FACTORS *(cont'd)*

paid to you (if any) upon exercise of the Structured Warrants, including any obligation to take into account, for any reason, our needs, or your needs.

### 7.1.6 Conflicts of interest

Macquarie Group is a diversified financial institution with relationships in countries around the world. Macquarie Group engages in a wide range of commercial and investment banking, brokerage, funds management, hedging transactions and investment and other activities for our own account (i.e. acting as principal) or the account of others (i.e. acting as an agent for clients). In addition, Macquarie Group, in connection with our other business activities, may possess or acquire material information about the Underlying Instruments or may issue or update research reports on the Underlying Instruments. Such activities, information and/or research reports may involve or otherwise affect the Underlying Instruments in a manner that may cause consequences adverse to you or otherwise create conflicts of interests in connection with the issue of Structured Warrants by us. Such actions and conflicts may include, without limitation, the purchase and sale of securities, financial advisory relationships and exercise of creditor rights. Macquarie Group:

- (a) has no obligation to disclose such information about the Underlying Instruments or such activities;
- (b) may from time to time engage in transactions involving the Underlying Instruments for our proprietary accounts and/or for accounts under our management and/or to hedge against the market risk associated with issuing the Structured Warrants. Such transactions may have a positive or negative effect on the price/level of the Underlying Instruments and consequently upon the value of the relevant series of Structured Warrants;
- (c) may from time to time act in other capacities with regard to the Structured Warrants, such as in an agency capacity (e.g. as a broker to clients trading in structured warrants) and/or as the liquidity provider;
- (d) may issue other derivative instruments in respect of the Underlying Instruments and the introduction of such competing products into the market place may affect the value of the relevant series of Structured Warrants; and
- (e) may also act as underwriter in connection with future offerings of shares, units or other securities or may act as financial adviser to the issuer, or sponsor, as the case may be, of any such share, unit or other security or in a commercial banking capacity for the issuer of any share, units or other security or the trustee or the manager of the trust. Such activities could present certain conflicts of interest and may affect the value of the Structured Warrants.

The aforesaid risk is mitigated by the fact that the decision to issue a particular Structured Warrant is made by the warrants department (referring to the department within MCSM or other entities of the Macquarie Group where the primary business activity is the issuance of and market making for structured warrants) independent of the other business departments within Macquarie Group. The warrants department within the Issuer may operate in conjunction with the warrants departments in other entities within Macquarie Group (such as communicating Market Making strategies with MCSSPL), and where it does so, continues to operate independent of other business departments (such as the brokerage, corporate advisory or research departments where they are also operating in these entities). The structured warrants business operates on the public side (as detailed further below) of Macquarie Group's information barriers and does not receive information held by Macquarie Group's private side businesses such as its equity capital market activities.

Information barriers are physical (such as physical walls and access-controlled doors) and electronic (such as restricted system access and segregation of data storage) barriers and controls to prevent confidential and inside information from being communicated to another group or division outside that information barrier. Information barriers allow the parts of Macquarie Group that do not possess the confidential or inside information to continue to engage in their normal, day-to-day business activities. The business areas that routinely receive or acquire confidential

## 7. RISK FACTORS (cont'd)

and/or inside information from their clients, such as the equity capital market business, are on the 'private side' of the information barrier, and those business areas that deal with clients and investors on the basis of publicly available information, such as the stock brokerage business within Institutional Cash Equities and the Equity Derivatives and Trading business of the Issuer, are on the 'public side'. The key differentiating factor between a 'public side' business and a 'private side' business is whether the business would involve routine access or exposure to non-public inside information. This is a key mechanism by which Macquarie Group ensures its clients' interests are protected and any conflicts managed.

### 7.1.7 Regulatory risk

The Issuer is regulated by SC and Bursa Securities in Malaysia. MGL is regulated as a "non-operating holding company" ("**NOHC**") of an "authorised deposit-taking institution" under the Banking Act 1959 (Commonwealth of Australia). The Australian Prudential Regulation Authority ("**APRA**") has a general power under section 11CA of the Banking Act of Australia (amongst others) to make a variety of directions to an authorised NOHC in a wide range of circumstances, including if APRA has reason to believe that the authorised NOHC is, or is about to become, unable to meet its liabilities or there has been, or there might be, a material deterioration in the NOHC's financial condition or if the NOHC is conducting its affairs in an improper or financially unsound way. The taking of any such regulatory action may adversely affect MGL and Macquarie Group, which in turn may adversely affect MGL's wholly-owned subsidiaries including MCSM and MFHPL. In addition, Macquarie Group operates various kinds of businesses across multiple jurisdictions, and some of its businesses operate across more than one jurisdiction or sector and are regulated by more than one regulator. Certain regulatory developments will significantly alter the regulatory framework and may adversely affect the Issuer's and/or Macquarie Group's competitive position and profitability.

Regulatory agencies and governments frequently review and revise banking and financial services laws, security and competition laws, fiscal laws and other laws, regulations and policies, including fiscal policies. Changes to laws, regulations or policies, including changes in interpretation or implementation of laws, regulations or policies, could substantially affect the Issuer, Macquarie Group or their businesses, the products and services they offer or the value of their assets, or have unintended consequences or impacts across the Issuer's and/or Macquarie Group's business. These may include changing required levels of liquidity and capital adequacy, increasing tax burdens generally or on financial institutions or transactions, limiting the type of financial services and products that can be offered and/or increasing the ability of other providers to offer competing financial services and products, as well as changes to prudential regulatory requirements. Global economic conditions and increased scrutiny of the culture in the financial sector have led to increased supervision and regulation, as well as changes in regulation in markets in which Macquarie Group operates, particularly for financial institutions, and may lead to further significant changes of this kind. Such changes may adversely impact the Issuer's and/or Macquarie Group's business, operations, compliance costs, financial performance and prospects.

In some countries in which Macquarie Group does business, in particular in emerging markets, the laws and regulations applicable to the financial services industry may be uncertain and evolving, and it may be difficult for Macquarie Group to determine the exact requirements of local laws in every market. Macquarie Group's inability to remain in compliance with local laws in a particular market could have a significant and negative effect not only on Macquarie Group's businesses in that market but also on Macquarie Group's reputation generally. In addition, regulation is becoming increasingly extensive and complex and some areas of regulatory change involve regulators in multiple jurisdictions seeking to take a coordinated approach by adopting similar regulations on common regulatory subject matters across various markets at similar or coordinated timelines, or seeking to regulate activities occurring outside of the jurisdictions' own territory. The nature and impact of future changes are unpredictable, beyond the Issuer's and Macquarie Group's control and may result in potentially conflicting requirements, resulting in additional legal and compliance expenses and changes to their business practices that adversely affect their profitability.

Macquarie Group is also subject in its operations worldwide to rules and regulations relating to corrupt and illegal payments and money laundering, as well as laws, sanctions and economic trade



## 7. RISK FACTORS (cont'd)

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restrictions relating to doing business with certain individuals, groups and countries. The geographical diversity of Macquarie Group's business increases the risk that Macquarie Group may be found in violation of such rules or regulations. Emerging technologies, such as cryptocurrencies, could limit Macquarie Group's ability to track the movement of funds. Macquarie Group's ability to comply with these laws is dependent on its ability to improve detection and reporting capabilities and reduce variation in control processes and oversight accountability.

Regulatory risk is mitigated and monitored by RMG Compliance, Financial Crime Risk and Regulatory Affairs and Aggregate Risk divisions, through establishing an effective and robust compliance framework to enable business management, including the business at MCSM, to fulfil their supervisory responsibilities. In Malaysia, the Issuer employs local compliance officer and staff to oversee regulatory and compliance risk locally.

### 7.1.8 Information security risk

Macquarie Group's businesses (including the Issuer's) depend on the security and efficacy of its information technology systems, as well as those of third parties with whom Macquarie Group interacts or on whom it relies. Macquarie Group implements measures designed to protect the security, confidentiality, integrity and availability of its computer systems, software and networks, including maintaining the confidentiality of information that may reside on those systems. However, there can be no assurances that Macquarie Group's security measures will provide absolute security.

Information security risks for financial institutions have increased in recent years, in part because of the proliferation of new technologies, the use of internet and telecommunications technology and the increased sophistication and activities of attackers. Macquarie Group, its customers, regulators and other third parties have been subject to, and are likely to continue to be the target of, cyber attacks. As cyber threats continue to evolve, the Macquarie Group may have to significantly increase the resources it allocates to enhance its protective measures or to investigate and remediate any information security vulnerabilities or incidents. Despite efforts to protect the integrity of our systems and implement controls, processes, policies and other protective measures, Macquarie Group may not be able to anticipate all security breaches, nor may it be able to implement guaranteed preventive measures against such security breaches.

Information security threats may also occur as a result of Macquarie Group's plans to continue to implement internet banking and mobile banking channel strategies, develop additional remote connectivity solutions and outsource of some of Macquarie Group's business operations.

Macquarie Group and the Issuer face indirect technology, cybersecurity and operational risks relating to the customers, clients, external service providers and other third parties with whom they do business or upon whom they rely to facilitate or enable our business activities.

As a result of increasing consolidation, interdependence and complexity of financial entities and technology systems, a technology failure, cyber attack or other information or security breach that significantly degrades, deletes or compromises the systems or data of one or more financial entities could have a material impact on counterparties or other market participants, including Macquarie Group. Any third-party technology failure, cyber attack or other information or security breach, termination or constraint could adversely affect Macquarie Group's and/or the Issuer's businesses.

RMG Operational Risk oversees and monitors the enforcement of the information security policies applicable to Macquarie Group including MCSM. All material or repeated breaches of information security will be escalated to relevant senior management including the senior management of MCSM and RMG Operational Risk. Control assurance is conducted over all critical information security controls, at a minimum, every two years. Material information security weaknesses will be reported to regulators as may be required by relevant regulations.

### 7.1.9 Macquarie Group and/or the Issuer may incur losses as a result of ineffective risk management processes and strategies

## 7. RISK FACTORS (cont'd)

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While Macquarie Group employs a range of risk monitoring and risk mitigation techniques, those techniques and the judgments that accompany their application cannot anticipate every economic and financial outcome or the specifics and timing of such outcomes. As such, Macquarie Group and/or the Issuer may, in the course of their activities, incur losses. There can be no assurance that the risk management processes and strategies that Macquarie Group has developed will adequately anticipate or be effective in addressing market stress or unforeseen circumstances. For a further discussion of Macquarie Group's risk management policies and procedures, see section 4.7 of this Base Prospectus.

### 7.2 Risks relating to the Structured Warrants and the Underlying Instruments

Generally, structured warrants are volatile instruments and many factors can have an impact on their value. They are subject to a number of risks as set out below:

#### 7.2.1 Factors affecting the price of the Structured Warrants

The price at which the Structured Warrants trade on Bursa Securities depends on, amongst others, the liquidity and exercise price/level of the Structured Warrants, the price, volatility and liquidity of the Underlying Equity and the Underlying ETF, the general performance of the Underlying Index, the time remaining to expiration, changes in interim interest rates and dividend/distribution yields of the Underlying Instruments and the depth of the secondary market.

If you purchase the Structured Warrants, you should be aware that the market price of the Structured Warrants may not, upon and after the Listing, be equal to or exceed the price paid by you.

You are warned that the price of the Structured Warrants may fall in value as rapidly as it may rise. Changes in the price/level of the Underlying Instruments can be unpredictable, sudden and large, and such changes may result in the price of the Structured Warrants to move in a direction which may have a negative impact on the return of your investment. If the price or level of the Underlying Equity, Underlying ETF or Underlying Index does not move in the anticipated direction, it will negatively impact the return on your investment. The loss, however, will be limited to the purchase price paid for the Structured Warrants and any relevant transaction costs.

Bursa Securities applies measures known as dynamic price limits aimed at preventing sudden fluctuation in price movement of securities trading on Bursa Securities, including the Structured Warrants. The dynamic price limits comprises of upper and lower thresholds and is continually updated based on a deviation of a percentage or absolute value from the last done prices of Structured Warrants during the main trading phase throughout the day. When an incoming order attempts to match with an existing order ("**resting order**") at a price outside of the prescribed dynamic price limits, the incoming order will be purged by the trading system. Similarly, if the incoming order is to partially match with a resting order and the balance of the order breach the dynamic price limits, the balance of the order will be purged by the trading system.

You are therefore advised to consider the above factors together with the related transaction costs carefully before dealing in the Structured Warrants.

#### 7.2.2 General investment risks

If you are considering acquiring the Structured Warrants, you should have an understanding of warrant pricing and should reach an investment decision only after carefully considering, with your adviser, the suitability of the Structured Warrants to you. The Structured Warrants are considered to be suitable only for those who fully understand the risks involved and are prepared to sustain a complete loss of the purchase price paid for the Structured Warrants.

An investment in the Structured Warrants is not the same as owning the Underlying Equity, the Underlying ETF or having a direct investment in the equities of companies constituting the Underlying Index. The market price of Structured Warrants is linked to the market price/level of

## 7. RISK FACTORS *(cont'd)*

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relevant Underlying Instruments and will be influenced (positively and negatively) by them. Further, the changes between the market price of the Structured Warrants and the market price/level of the Underlying Instruments may not be comparable and may be disproportionate. Fluctuations in the price/level of the Underlying Instruments will affect the price of the Structured Warrants but not necessarily in the same magnitude and direction.

You should note that this Base Prospectus does not take into account the investment objectives, financial situation and particular needs of each investor. This outline by its nature may serve as a guidance but cannot identify all of the relevant considerations, which may be a risk for individual investors. You should therefore consider carefully whether the Structured Warrants is suitable for you in light of your circumstances and financial position.

The leverage provided by investing in the Structured Warrants means that the risk of investment may be greater than in the case of an investment of the same amount in the Underlying Instruments. You should therefore understand these risks fully before investing in the Structured Warrants.

### 7.2.3 Holders do not have similar rights as the shareholders

The Structured Warrants do not confer on the Holders any rights to the Underlying Equity, the Underlying ETF or the equities of the companies constituting the Underlying Index. We are not required or under any obligation to purchase, hold or deliver the Underlying Equity, the Underlying ETF or the equities of the companies constituting the Underlying Index, or any attached rights and benefits.

For example, the Holders of physical-settled Bull ELS will not be considered as shareholders of the Underlying Companies and will have no rights as shareholders of the Underlying Companies prior to the settlement at expiry. Upon expiry, such Holder will have no immediate rights with respect to the Underlying Equity until we transfer the Underlying Equity to the Holder.

In addition, with respect to all Structured Warrants, there are no custody arrangements relating to the Underlying Equity or the Underlying ETF, nor does the Deed Poll create any security interest in favour of the Holders to secure the payment or settlement obligations arising under the Structured Warrants. Accordingly, if our Company becomes insolvent, Holders will not have any direct rights over the Underlying Equity or the Underlying ETF.

### 7.2.4 Holders shall bear the risk of fluctuations in the price/level of the Underlying Instruments

The market price of the Structured Warrants at any time will be affected by, amongst others, fluctuations in the price/level of the Underlying Instruments. The return on your investment will be negatively affected and you may risk losing your entire investment if the price/level of the Underlying Instruments does not move in the anticipated direction. For example, a holder of a call warrant will gain if the price/level of the Underlying Instruments is higher than the exercise price/level of the call warrants and such difference is higher than the transaction cost. A holder of a put warrant will gain if the price/level of the Underlying Instruments is lower than the exercise price of the put warrants and such difference is higher than the transaction cost.

The Underlying Equity is a listed security and the Underlying ETF is a listed index-tracking fund. As such, sales of substantial numbers of the Underlying Equity and Underlying ETFs in the public market, or a perception in the market that such sales could occur, could adversely affect the prevailing market price of the Underlying Equity, Underlying ETFs and the Structured Warrants. The results of operations, financial condition, future prospects and business strategy of the Underlying Companies could affect the price of the Structured Warrants for so long as it is in relation to the Underlying Equity. The trading price of the Underlying Equity will be influenced by the Underlying Companies' operational results (which in turn are subject to the various risks in relation to their businesses and operations) and by other factors such as changes in the regulatory environment that can affect the markets in which the Underlying Companies operate and capital markets in general. Corporate events such as share sales, reorganisations or take-overs may also adversely affect the price of the Underlying Equity.

You should be aware that the level of the Underlying Index may vary over time and is a function of

## 7. RISK FACTORS (cont'd)

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the performance of the securities constituting the Underlying Index which are subject to the above risk factors. In addition, the level of the Underlying Index may increase or decrease by reference to various factors which may include changes in computation or composition of the index, economic factors and market trends.

### 7.2.5 Time decay

The settlement amount of Structured Warrants at any time prior to expiration may be less than the trading price of such Structured Warrants at that time. The difference between the trading price and the settlement amount will reflect, among other things, a “time value” of the Structured Warrants. The “time value” of the Structured Warrants will depend upon, among others, the length of the period remaining to expiration and expectations concerning the range of possible future price/level of the Underlying Instruments. The value of a Structured Warrant is likely to decrease over time.

The Structured Warrants have expiry dates and therefore, a limited life. For cash-settled Structured Warrants, if the cash settlement amount on expiry date after deducting all exercise expenses is greater than zero, the outstanding Structured Warrants will be automatically exercised. However, if the cash settlement amount on expiry date after deducting all exercise expenses is equal to or less than zero, all outstanding Structured Warrants will cease to be valid without any payment made to Holders. For American style Structured Warrants, any Structured Warrants not exercised during the exercise period will thereafter lapse and become void.

After expiry, the Structured Warrants will cease to be traded and can no longer be exercised, hence will cease to have any value. It is possible that the Structured Warrants will expire without the Holders’ expectations being realised.

Therefore, the Structured Warrants should not be viewed as products for long term investments.

### 7.2.6 Risk of “European style” Structured Warrants

European style Structured Warrants are only exercisable on their expiry date and may not be exercised prior to the expiry date. As such, the price of such Structured Warrants in the secondary market may be traded at a discount (or premium, as the case may be) to its estimated fair value under certain circumstances, including supply and demand factors. Accordingly, on the expiry date, if the cash settlement amount is zero or negative, you will lose the value of your investment.

### 7.2.7 Structured Warrants as hedging instruments by the investor

If you intend to purchase the Structured Warrants to hedge against the market risk associated with investing in or otherwise having an exposure to any Underlying Equity, Underlying ETF or Underlying Index, you should recognise the risks of utilising the Structured Warrants in this manner. For example, the value of the Structured Warrants may not exactly correlate with the price or level of the Underlying Instrument. Due to fluctuating supply and demand for the Structured Warrants, time decay, implied volatility and other various factors, there is no assurance that the value of the Structured Warrants will correlate with movements of the Underlying Instrument. Hence, the Structured Warrants may not eliminate all market risk relating to the Underlying Instruments or a portfolio of investments consisting of the Underlying Instruments.

### 7.2.8 No assurance of an active market for the Structured Warrants

The Structured Warrants will be issued and subsequently listed on Bursa Securities. As there has been no recent or prior market for a particular series of Structured Warrants before its issuance, there can be no assurance that an active market for that particular series of Structured Warrants will develop upon its listing, or if developed, that such market will sustain throughout the life of the Structured Warrants.

Although we (or MCSSPL, to whom the Issuer has outsourced its Market Making activities) will be acting as liquidity provider and making markets by providing bid and offer prices for the Structured Warrants on the trading system of Bursa Securities, the level of liquidity will depend on competitive

## 7. RISK FACTORS (cont'd)

forces and the price at which the Structured Warrants will trade on Bursa Securities upon or subsequent to its listing. In addition, the level of liquidity may also be negatively impacted in certain circumstances where we (or MCSSPL) are not able to and/or not obliged to make markets for the Structured Warrants. Further details of such circumstances are set out in Section 6.2 of this Base Prospectus.

### 7.2.9 Adjustments to the terms of the Structured Warrants under certain circumstances

An investment in the Structured Warrants involves valuation risks in relation to the Underlying Instruments. The price/level of the Underlying Instruments may increase or decrease over time due to various factors including, amongst others, corporate actions by the Underlying Companies or otherwise (where the Underlying Instrument is an equity), changes in computation or composition of the index or corporate actions by the companies constituting the Underlying Index or otherwise (where the Underlying Instrument is an index), corporate actions by the trustee of an Underlying ETF or otherwise (where the Underlying Instrument is an ETF), litigation involving the Underlying Companies (where the Underlying Instrument is an equity) or the management company or trustee of an Underlying ETF (where the Underlying Instrument is an ETF), economic factors and market trends. The Terms provide for limited anti-dilution protection via adjustments to the terms of the Structured Warrants with a view to maintaining the economic terms of the Structured Warrants and counteract any dilution effect due to a corporate action. Corporate actions such as bonus issues, rights issues and subdivisions (such as stock splits) may have a dilutive effect on the price of the relevant share, which may affect the economic value of the Structured Warrants over the affected Underlying Instrument.

Certain events relating to the Underlying Instrument require, or as the case may be, permit us to make adjustments or amendments to, amongst others, the exercise price or exercise level of the Structured Warrants, but only to the extent provided for in the Terms. There is no requirement that there should be an adjustment for every corporate action or other events that may affect the Underlying Equity or the Underlying Index or the Underlying ETF. Events in respect of which no adjustment is made to the exercise price or level, exercise ratio or any other part of the Terms may cause the Structured Warrants to be out-of-the-money and/or affect the trading price of the Structured Warrants and your return from the Structured Warrants.

You are advised to refer to Section 6 of Parts 1 to 7 in Annexure I of this Base Prospectus and the Term Sheets for events that may cause adjustments to the exercise price or exercise level or component of the Underlying Equity or the Underlying ETF or the Underlying Index. You are strongly advised to understand the effects of such adjustments on your investment in the Structured Warrants.

#### 7.2.10 Suspension in the trading of the Structured Warrants

If the trading in any of the Underlying Equity or Underlying ETF is suspended (which is beyond our control), then trading in the Structured Warrants over a single equity or a single ETF on Bursa Securities may be suspended for a similar period if Bursa Securities deems such action appropriate in the interests of maintaining a fair and orderly market in the Structured Warrants, the Underlying Equity or the Underlying ETF or otherwise deems such action advisable in the public interest or to protect investors.

The trading of a Structured Warrant over a single index may also be suspended if:

- (a) the trading of options or futures relating to the Underlying Index on any options or futures exchange is suspended, or
- (b) the Underlying Index for whatever reason is not calculated.

If Bursa Securities does not, in such an event, suspend the trading of the Structured Warrants, we may still request for a suspension in the trading of the Structured Warrants. The suspension of the trading of the Structured Warrants, the suspension of the Underlying Equity or the Underlying ETF on Bursa Securities or the relevant foreign securities exchange, or the suspension of the trading of the options or futures relating to the Underlying Index on any options or futures exchanges, shall

## 7. RISK FACTORS (cont'd)

not preclude the Holders from exercising their rights under the Structured Warrants. However, we may in our absolute discretion make adjustments to the rights attaching to the Structured Warrants so far as we are reasonably able to do so without materially prejudicing Holders' rights. Notice of such adjustments will be given to Holders as soon as practicable.

You should be aware that closing prices may vary if you intend to exercise your Structured Warrants during a suspension from trading of the Underlying Equity or the Underlying ETF as a result of a take-over offer or compulsory acquisition.

### 7.2.11 Delay in or abortion of the Listing

The issuance of the series of Structured Warrants is exposed to the risk that it may be aborted or delayed on the occurrence of any one or more of the following events:

- (i) we are unable to meet the public spread requirement as stipulated by Bursa Securities that each series of the Structured Warrants must be held by at least 100 Holders holding not less than 1 board lot of the relevant series of Structured Warrants each, or at least 50 Holders holding not less than 1 board lot each provided that each of these Holders subscribes for a minimum of RM100,000 of the relevant series of Structured Warrants each; or
- (ii) the minimum total face amount of RM5 million of each series of Structured Warrants is not met.

The above-mentioned requirement in (i) does not apply to an Issuer that provides liquidity for the Structured Warrants via Market Making in accordance with the Bursa Securities LR. Although we will endeavour to comply with various regulatory requirements, we cannot assure you that there will not be occurrence of events that will cause a delay in or abortion of the Listing.

### 7.2.12 Delisting of or announcement to delist the Underlying Equity or the Underlying ETF and/or liquidation, dissolution or winding-up of the Underlying Company(ies) or the Underlying ETF

For Structured Warrants over a single equity or a single ETF, should:

- (i) the Underlying Equity or the Underlying ETF be delisted or an announcement to delist the Underlying Equity or the Underlying ETF be made; or
- (ii) (A) the Underlying Companies or Underlying ETF be liquidated, dissolved or wound-up; or
  - (B) a liquidator, receiver or administrator be appointed with respect to all of or substantially all of the assets of the Underlying Company(ies) or the Underlying ETF or to wind-up the Underlying Company(ies) or the Underlying ETF,

we may determine the outstanding Structured Warrants to be automatically exercised and settled in cash in accordance with the provisions of the Deed Poll. In such case, it is possible that the Structured Warrants will be terminated before the expiry date of the Structured Warrants without the Holders' expectations being realised. Subject to the aforesaid, the Issuer may but shall not be obliged to make any adjustment to the terms and conditions of the Structured Warrants and the rights attaching to the Structured Warrants as it shall, in its absolute discretion, consider appropriate to ensure, so far as it is reasonably able to do so, that the interests of the Holders generally are not materially prejudiced as a consequence of such events (without considering the individual circumstances of any Holder or the tax or other consequences that may result in any particular jurisdiction).

## 7. RISK FACTORS *(cont'd)*

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### 7.2.13 Early termination due to illegality or impracticality

If we determine that the performance of our obligations under the Structured Warrants has become illegal or impractical in whole or in part, we may at our discretion terminate the Structured Warrants and settle them in cash as determined by us, subject to the terms of the Deed Poll.

### 7.2.14 Take-over offer or compulsory acquisition of the Underlying Company(ies)

For Structured Warrants over a single equity, in the event of a take-over offer or compulsory acquisition of equities in an Underlying Company and if you intend to exercise your Structured Warrants during such a take-over offer period or compulsory acquisition period, you should be aware that calculation of closing prices may differ and consequently affect the cash settlement amount.

### 7.2.15 Implications of the Take-Over Rules

If you intend to buy Bull ELS, you should bear in mind the implications of Rule 4 of the Take-Over Rules and Sections 217 and 218 of the CMSA. In general terms, these provisions regulate the acquisition of effective control of Malaysian public companies. You should consider the implications of these provisions before you buy or exercise Bull ELS.

### 7.2.16 Composition of indices

A stock market index is a statistical measure of the performance of the capital market or certain sections of the capital market. Indices in a stock market are barometers used to measure the market's performance and movement. The composition of an index is determined by the index sponsor and may be changed to reflect prevailing circumstances. Examples of changes which may be made include changing companies' weightings in an index, the inclusion of new companies into an index and/or the removal of companies from an index.

For Structured Warrants over a single index, you should be aware that changes in the composition of indices may have an adverse impact on the relevant Underlying Index and the price of the relevant Structured Warrants.

### 7.2.17 Determination of the level of indices

For Structured Warrants over a single index, certain events relating to the index (including a material change in the formula or the method of calculating the index or a failure to publish the index) permit us to determine the level of the index on the basis of the formula and method last in effect prior to such change of formula or determine the level of the index on the basis of the level of futures relating to the relevant index.

You are advised to refer to Section 6 of Parts 2 and 5 in Annexure I of this Base Prospectus for more details relating to such events.

### 7.2.18 No deposit liability

We are obliged to deliver to you the Cash Settlement Amount (if any) under the Terms upon expiry. As the Structured Warrants are investment products as opposed to deposit products, we do not intend (expressly, implicitly or otherwise) to create a deposit liability of any kind by the issue of any Structured Warrants.

## 7.3 Risks relating to Structured Warrants over an ETF

### 7.3.1 Yield

Returns on ETF Structured Warrants may not be directly comparable to returns that would be earned if investments were made in the units of the Underlying ETF or the Underlying ETF Assets.

## 7. RISK FACTORS *(cont'd)*

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### 7.3.2 Risk on derivatives transactions entered by the management company of the Underlying ETF

To achieve the investment objective of the Underlying ETF, the management company of the Underlying ETF may use financial derivatives including but not limited to futures, forwards, options and swap contracts. The use of these derivative contracts bears certain risks, which may include the following:

- (i) the inability to close out a futures and options contract caused by the non-existence of a liquid secondary market;
- (ii) an imperfect correlation between price movements of the derivatives contracts with price movements of the Underlying ETF Assets;
- (iii) a relatively small price movement in a futures and options contract may result in immediate and substantial loss (or gain) to the Underlying ETF;
- (iv) if the management company purchases options and the options expire worthless, the Underlying ETF will suffer a total loss of its investment; and/or
- (v) counterparty risks associated with the use of derivatives contracts. This may occur when the management company of the Underlying ETF enters into a derivatives contract and the counterparty does not settle a transaction in accordance with its terms and conditions or the transaction and derivatives techniques are terminated due to, among others, the following:
  - (a) a dispute over the terms (whether in good faith or otherwise);
  - (b) a credit problem;
  - (c) the counterparty having declared a bankrupt or insolvent;
  - (d) liquidity problem;
  - (e) illegality; or
  - (f) change in the tax accounting laws from the time the transaction was entered into.

The above risks may increase in certain market conditions and in the event that the risk materialises, the net asset value per unit of the Underlying ETF may be adversely affected and consequently you may sustain a loss on your investment in the ETF Structured Warrants.

### 7.3.3 Tracking error

Changes in the price of the Underlying ETF units may not result in the exact changes in the net asset value per unit of the Underlying ETF and consequently the value of the ETF Structured Warrants. This is due to, amongst others, the following factors:

- (i) the fees and expenses incurred by the Underlying ETF such as transaction fees and stamp duty incurred;
- (ii) mismatch of the Underlying ETF portfolio holdings against the constituents of its underlying index or benchmark;
- (iii) the level of the volatility of its underlying index or benchmark; and/or
- (iv) regulatory requirements and policies (for example, where the underlying asset pool or index or market that the Underlying ETF tracks is subject to restricted access).

The above risks may be heightened during times of increased market volatility or other unusual market conditions.



## 7. RISK FACTORS *(cont'd)*

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### 7.3.4 Risks associated with certain Underlying ETF Assets

Certain risks may be associated with investment in particular Underlying ETF Assets as set out herein:

(i) Shares

Market and economic conditions, industry sector, geographical region and political events are among a number of factors which will affect the value of the units of the Underlying ETF, and consequently the value of the ETF Structured Warrants.

(ii) Pooled Investment Vehicles

Alternative investment funds, mutual funds and similar investment vehicles operate through the pooling of investors' assets.

If the investment are invested using a variety of hedging strategies and/or techniques, such hedging strategies and/or techniques can be speculative and may not be an effective hedge. This may involve substantial risk of loss and limit the opportunity for gain which may affect the Underlying ETF and consequently, the value of the ETF Structured Warrants.

(iii) Indices

Indices are not actively managed but are indicators or measurement of the performance of the constituents they cover. Methodologies are used to ensure the level of the index reaches a pre-determined level at a specified time. These mechanisms may have the effect of limiting any gains above that level which affects the value of the Underlying ETF units and consequently the value of the ETF Structured Warrants.

An index may also be concentrated in the futures contracts of a single or several futures exchanges. You should note that changes in the financial, economic or political conditions can affect a particular futures exchange. This may in turn affect the value of the futures contracts that comprise the index. Underlying ETFs which are designed to track indices will be exposed to these risks, and consequently the ETF Structured Warrants.

Further, there is no assurance that an index will continue to be calculated and published or that it will not be amended significantly. Any change to an index may adversely affect the value of such Underlying ETF which will in turn affect the value of the ETF Structured Warrants.

(iv) Real estate

The Underlying ETF may be constituted by direct or indirect investment in real estate. Any investment in real estate may be affected by the cyclical nature of real estate values, changes in the environment, planning, landlord and tenant, tax or other laws or regulations affecting real property, demographic trends, variation in rental income and increases in interest rates. Such risks may affect the valuation, income or cost of investment of the real estate. This will influence the price of the units of the Underlying ETF and consequently the value of the ETF Structured Warrants.

(v) Commodities

The prices of commodities are influenced by, among other things, various macro economic factors such as changing supply and demand relationships, climatic and geopolitical conditions, disease, and other natural phenomena, agricultural, trade, fiscal, monetary, and exchange control programmes and policies of governments (including government intervention in certain markets) and other unforeseeable events. Such factors will influence the price of the units of the Underlying ETF and consequently the value of the ETF Structured Warrants.

## 7. RISK FACTORS (cont'd)

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### (vi) Structured Finance Securities

Structured finance securities include, without limitation, asset-backed securities and credit-linked securities which may entail a higher liquidity risk than sovereign or corporate bonds. Where the Underlying ETF Asset is a structured finance security, the value of, or the amounts paid on, such securities may be affected by certain specified events and/or the performance of assets referenced by such securities.

### (vii) Others

There may be other Underlying ETF Assets which comprise of assets involving substantial financial risk such as distressed debt, low quality credit securities, forward contracts and deposits with commodity trading advisors (in connection with their activities).

### 7.3.5 Merger or consolidation of the Underlying ETF

We may in our discretion amend the rights attached to the ETF Structured Warrants where an announcement is made that the Underlying ETF:

- (i) is to or may merge with or into any other ETF;
- (ii) consolidate with or into any other ETF; or
- (iii) all or substantially all of its assets are or may be sold or transferred.

### 7.3.6 Manager's decision

- (i) Neither we nor any of our affiliates have the ability to control or predict the actions of the trustee or the manager of the relevant Underlying ETF. Neither the trustee nor the manager of the relevant Underlying ETF (i) is involved in the offer of any Structured Warrant in any way, or (ii) has any obligation to consider the interest of the holders of any Structured Warrant in taking any corporate actions that might affect the value of any Structured Warrant; and
- (ii) We have no role in the relevant Underlying ETF. The manager of the relevant Underlying ETF is responsible for making strategic, investment and other trading decisions with respect to the management of the relevant Underlying ETF consistent with its investment objectives and in compliance with the investment restrictions as set out in the constitutive documents of the relevant Underlying ETF. The manner in which the relevant Underlying ETF is managed and the timing of actions may have a significant impact on the performance of the relevant Underlying ETF. Hence, the market price of the relevant units is also subject to these risks.

## 7.4 Risks relating to the CBBCs

### 7.4.1 General investment risks

If you are considering acquiring any CBBCs, you should have an understanding of the CBBC pricing and should reach your investment decision only after carefully considering, with your adviser, the suitability of the CBBCs to you. **The CBBCs are considered to be suitable only for those who fully understand the risks involved and are prepared to sustain a complete loss of the purchase price paid for the CBBCs.**

The price of the CBBCs may fall in value as rapidly as it may rise and you may sustain a total loss of your investment. In particular, if the cash settlement amount payable at expiry or upon the occurrence of a mandatory call event is less than or equal to zero, you will lose the entire value of your investment. You will not be able to profit from the subsequent price movement of the Underlying Instrument from CBBC that was called and hence terminated.

## 7. RISK FACTORS *(cont'd)*

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### 7.4.2 Irrevocability of mandatory call event

A mandatory call event is irrevocable unless it is triggered as a result of the occurrence of any of the following events:

- (i) system malfunction or other technical errors of Bursa Securities (such as the setting up of wrong Call Price/ Call Level and other parameters) and such event is reported by the Bursa Securities to us; or
- (ii) manifest errors caused by the relevant third party price source where applicable (such as miscalculation of the index level by the relevant index compiler), and such event is reported by us to Bursa Securities,

and we agree with Bursa Securities that such mandatory call event is to be revoked provided that in each case, such mutual agreement must be reached no later than 30 minutes before the commencement of trading on the trading day immediately following the day on which the mandatory call event occurs or within such other time frame as prescribed by Bursa Securities from time to time.

In such case, the mandatory call event so triggered will be reversed and all trades cancelled (if any) will be reinstated and the trading of the relevant CBBCs will resume no later than the trading day immediately following the day of notification in accordance with the conditions and the rules prescribed by Bursa Securities from time to time.

### 7.4.3 Delay in announcement of mandatory call event

We will notify Bursa Securities and make an announcement as soon as practicable after the CBBCs have been called. You should be aware that there may be a delay in the announcement of a mandatory call event due to technical errors, system failures and/or other factors that are beyond our reasonable control and the control of Bursa Securities.

### 7.4.4 Non-recognition of post mandatory call event trades

After the occurrence of the suspension of trading of the CBBCs and termination of the same due to a mandatory call event, all subsequent trades ("**Post MCE Trades**") in the CBBCs executed after the mandatory call event will be cancelled and will not be recognised by us or Bursa Securities.

### 7.4.5 Disclaimers relating to mandatory call event

Bursa Securities and the companies within the Macquarie Group will not incur any liability (whether based on contract, tort (including but not limited to negligence), or any other legal or equitable grounds and without regard to the circumstances giving rise to any purported claim except in the case of wilful misconduct on the part of Bursa Securities or MCSM) for any direct, consequential, special, indirect, economic, punitive, exemplary or any other loss or damage suffered or incurred by any other party arising from or in connection with the mandatory call event or the suspension of trading or the non-recognition of trades after a mandatory call event, including without limitation to any delay, failure, mistake or error in the trading suspension or non-recognition of Post MCE Trades.

You should be aware of and bear the risk of any possible losses suffered as a result of the suspension of trading and/or non-recognition of trades after the mandatory call event, notwithstanding that such suspension of trading and/or non-recognition of trades after the mandatory call event may have occurred as a result of an error in the observation of the event.

### 7.4.6 Fluctuation in the funding cost

The issue price of the CBBCs is set by reference to the difference between the initial reference spot price or level of the Underlying Instrument and the exercise price or level, plus the applicable funding cost. The applicable funding cost is a rate determined by the Issuer based on one or more

## 7. RISK FACTORS *(cont'd)*

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factors, including but not limited to the exercise price or level, the prevailing interest rate, the expected life of the CBBCs, expected notional dividends or distributions in respect of the Underlying Instrument and the margin financing provided by the Issuer.

The intrinsic value of each CBBC at any time prior to expiration is typically expected to be less than the trading price of the CBBCs at the time. The difference between the trading price and the intrinsic value will reflect, among other things, the funding cost in connection with the CBBCs. The funding costs of the CBBCs will depend partly upon the length of the period remaining to expiration and prevailing interest rates. The purchase price paid by you will include such funding cost. When a mandatory call event occurs, the cash settlement amount (if any) may not contain a refund of any part of such funding costs. Generally speaking, the longer period remaining to expiration, or the higher the prevailing interest rates, the greater the funding costs element of the trading price of the CBBCs.

### 7.4.7 Issuer's hedging and unwinding activities may affect value of CBBCs

Our hedging activities or the hedging activities of the companies within the Macquarie Group related to the CBBCs and/or other financial instruments issued by us from time to time may have an impact on the price or level of the Underlying Instruments and may trigger a mandatory call event.

In particular, when the Underlying Instrument is trading close to the call price or level, our unwinding activities in relation to the Underlying Instrument may cause a fall or rise (as the case may be) in the price or level of the Underlying Instrument leading to a mandatory call event as a result of such unwinding activities.

Before the occurrence of a mandatory call event, we or our related parties may unwind our hedging transactions relating to the CBBCs in proportion to the amount of the CBBCs we repurchase from the market from time to time. Upon the occurrence of a mandatory call event, we or our related parties may unwind any hedging transactions relating to the CBBCs. Such unwinding activities after the occurrence of a mandatory call event may affect the price or level of Underlying Instrument and consequently the residual value for the CBBCs.

### 7.4.8 Limited life of the CBBCs

The Structured Warrants have expiry dates and therefore, a limited life. In the case of CBBC, the lifespan may even be shorter if a mandatory call event occurs before the expiry date. A mandatory call event occurs when the price or level of the Underlying Instrument is at or below (in respect of callable bull certificate) or at or above (in respect of callable bear certificate) the call price or level during the tenure of the CBBC. In such event, the CBBC will be called and terminated immediately and you will receive the cash settlement amount (if any) from us. When a CBBC is called and terminated early, you will lose the remaining applicable funding cost in the price of the CBBC and will not be able to profit from the subsequent price movement of the Underlying Instrument.

### 7.4.9 CBBCs can be volatile

The value of the CBBCs may not correlate with the movement of the price or level of the Underlying Instrument and may be affected by other factors including the time remaining to expiry. In particular when the spot price or level is close to the call price or level, the price of the CBBCs will be more volatile and any change in the value of that CBBCs at such time may be incomparable and disproportionate to the change in the price or level of the Underlying Instrument. You should carefully consider, amongst other things, the factors set out in the Terms to the CBBCs before dealing in the CBBCs.

## 7.5 Other risks

### 7.5.1 Exchange rate risk

You should note that there may be an exchange rate risk where the cash settlement amount may

## 7. RISK FACTORS (cont'd)

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be converted from foreign currency into Ringgit Malaysia which will be borne by the Holders. Exchange rates between currencies are determined by forces of supply and demand in the foreign exchange markets. These forces are, in turn, affected by factors such as international balances of payments and other economic and financial conditions, government intervention in currency markets and currency trading speculation.

### 7.5.2 Market and settlement disruption events

You should note that there may be a delay in the determination and/or payment of the cash settlement or delivery of the physical settlement upon the exercise of the Structured Warrants by the Holders or upon expiry of the Structured Warrants if there is a market disruption event or settlement disruption event. If the market disruption event or settlement disruption event continues for an extended period, you may not receive the cash settlement amount or delivery of physical settlement for a significant amount of time, subject to and in accordance with the Terms of the Structured Warrants.

### 7.5.3 Economic, political and regulatory risk

The financial and business prospects of an Underlying Company may be materially and adversely affected by the change in the economic, political and/or regulatory conditions of the countries in which the Underlying Company operates and the securities exchange on which the Underlying Company is listed. The same factors may also materially and adversely affect the performance of the Underlying Index or Underlying ETF. Such economic, political and regulatory uncertainties include changes in political leadership, expropriation, nationalisation, re-negotiation or nullification of existing contracts, changes in interest rates, methods of taxation and currency exchange rules. Such factors may negatively impact the price/level of the Underlying Instruments which may in turn affect the value of the Structured Warrants.

### 7.5.4 Timeliness and limitation of information regarding the Underlying Companies, Underlying Equity, Underlying ETF or Underlying Index

Certain information and prices of the Underlying Companies, Underlying Equity, Underlying ETF and Underlying Index may be obtained or extracted from third party sources such as the financial news service provider or financial information network provider.

We provide no assurance on the timeliness, completeness of disclosure or availability of critical or material information of the Underlying Companies, Underlying Equity, Underlying ETF or Underlying Index which was obtained from these third party sources.

Hence, you should be aware that such delay in the transmission, incompleteness or unavailability of information by the third party sources may materially and adversely affect the performance of the Structured Warrants. Investors should also be aware that we have, in good faith, extracted relevant information and prices from the third party sources and therefore, have not independently verified such information.

In addition, the Underlying Companies are listed on relevant securities exchange, and are therefore subject to applicable continuous disclosure requirements.

As such, information relating to the Underlying Companies, Underlying ETF and Underlying Index can be obtained from a variety of sources. There is therefore no assurance as to the accuracy or completeness of any information obtained about the Underlying Companies, Underlying ETF or Underlying Index. You should make your own enquiries, and where appropriate, obtain prior advice in relation to any investment decision.

### 7.5.5 Compliance with the relevant laws and regulations by the Underlying Companies, Underlying ETF or Underlying Index Sponsor

We shall endeavour to fully comply with all the relevant laws, rules, regulations, guidelines, requirements or provisions imposed by the relevant authorities in Malaysia for the issuance of the Structured Warrants.

## 7. RISK FACTORS (cont'd)

However, the failure of the Underlying Companies or Underlying Index Sponsor or the trustee, custodian, manager, registrar, service agent, participating dealer and/or other persons involved in constituting or undertaking the listing or trading of the Underlying ETF, to fully comply with the relevant laws, rules, regulations, guidelines, requirements or provisions imposed by the relevant authorities in their home countries during the tenure of the Structured Warrants may affect the corresponding Underlying Instruments and in turn the relevant Structured Warrants. You should make your own enquiries, and where appropriate, obtain prior advice in relation to any investment decision.

### 7.5.6 Taxation in Malaysia

Income tax in Malaysia is imposed on income accruing in or derived from Malaysia except for income of a Malaysian resident company carrying on the business of banking, insurance or sea or air transport, which is assessable on worldwide income. Generally, an investor transacting in the Structured Warrants shall not be treated as carrying on a trade or business in Malaysia. Therefore, the gain on the sale and disposal of investment in the Structured Warrants would normally constitute a capital gain of the investors and should not be subject to Malaysian income tax. Business income from investment trading activities in the Structured Warrants would be subject to Malaysian income tax to the extent that such income is attributable to a business operation carried on in Malaysia or a place of business in Malaysia notwithstanding whether the investor is a Malaysian tax resident or otherwise. The income tax rate applicable shall depend on the legal identity of the investor. Broadly, individual and non-corporate investors shall be subject to progressive income tax rates ranging from 0% to 28% and corporate investors shall be subject to income tax rate of 24%.

The acquisition and disposal of the Structured Warrants would normally attract stamp duty at the rate of 0.1% of the value of the Structured Warrant transferred. However, there is a stamp duty exemption available for the sale and purchase of the Structured Warrant, applicable to Structured Warrants traded on or after 1 January 2018 but not later than 31 December 2020 pursuant to the Stamp Duty (Exemption) No. 2 Order 2017 by the Minister of Finance.

If you are in doubt as to your tax position, you should consult your own independent tax advisers. In addition, you should be aware that tax laws and regulations and their application by the relevant taxation authorities change from time to time. Accordingly, it may not be possible to predict the precise tax treatment which will apply at any given time.

### 7.5.7 Foreign Account Tax Compliance withholding

Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986 ("**Code**") ("**FATCA**") impose a 30% withholding tax on "withholdable payments" made to (i) a foreign financial institution unless the financial institution complies with, among other things, certain information reporting and withholding obligations with respect to its accounts (as indicated in the Malaysia-U.S. Intergovernmental Agreement ("**IGA**")), and (ii) any other Holder or beneficial owner of the Structured Warrants that is not a foreign financial institution and does not comply with the request of the Issuer's or an intermediary financial institution's request for ownership certifications and identifying information ("**FATCA self-certification**"). The Issuer and other intermediary foreign financial institutions may also be required to report information to the U.S Internal Revenue Service ("**IRS**") regarding the Holders of the Structured Warrants and, in the case of Holders or beneficial owners of the Structured Warrants who receive a "withholdable payment" and (i) fail to provide the relevant information (FATCA self-certification), or (ii) are foreign financial institutions who are not in compliance with applicable information reporting requirements. The term "withholdable payments" generally includes payments of fixed or determinable annual or periodical income (interest and dividend) ("**FDAP**"), in each case, from sources within the United States. Since the Issuer is a "foreign financial institution" within the meaning of FATCA, it may (at some future date) be required to withhold 30% of any "passthru payments" made pursuant to the terms of the Structured Warrants. "Passthru payments" means any withholdable payment and any "foreign passthru payment," which is currently not defined. The current proposed FATCA regulations ("**Proposed Regulations**") state that the IRS and the U.S Treasury have determined, that withholding on "foreign passthru payments" is not required, pending further guidance and analysis. The Proposed Regulations provide that such withholding will not be effective before the date that

**7. RISK FACTORS (cont'd)**

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is two years after the publication of final regulations defining the term “foreign pass-thru payment”.

Withholding under FATCA may apply without regard to whether the beneficial owner of the payment is a U.S. person, or would otherwise be entitled to an exemption from the imposition of withholding tax pursuant to an applicable tax treaty with the United States or pursuant to U.S. domestic law. Further, particular requirements and limitations may apply to any procedures for refunds or credit with respect to amounts withheld or remitted in respect of FATCA. We will not be required to pay any additional amounts with respect to amounts withheld in connection with FATCA. No assurance can be given that payments on the Structured Warrants will not be subject to withholding under FATCA.

**FATCA IS PARTICULARLY COMPLEX. YOU SHOULD CONSULT YOUR OWN PROFESSIONAL TAX ADVISER TO OBTAIN A MORE DETAILED EXPLANATION OF FATCA AND TO DETERMINE HOW THIS LEGISLATION MIGHT AFFECT YOU IN YOUR PARTICULAR CIRCUMSTANCES.**

**7.5.8 U.S. backup withholding and information reporting**

If the Structured Warrants generate U.S. source income (for example, where the Underlying Instrument is a U.S. equity, ETF or index), a Holder of the Structured Warrants (whether a U.S. or non-U.S. Holder) may be subject to U.S. backup withholding under the Code with respect to certain amounts paid to such Holder unless the Holder provides a correct U.S. taxpayer identification number, complies with certain certification procedures establishing that it is not a U.S. security holder or establishes proof of another applicable exemption, and otherwise complies with applicable requirements of the backup withholding rules under the Code. Backup withholding is not an additional tax. You can claim a credit against your U.S. federal income tax liability for amounts withheld under the backup withholding rules, and amounts in excess of your liability are refundable if you provide the required information to the IRS in a timely fashion. A Holder of the Structured Warrants may also be subject to information reporting to the IRS with respect to certain amounts paid to such holder unless it (1) provides a properly executed IRS Form W-8 (or other qualifying documentation) or (2) otherwise establishes a basis for exemption. If such withholding applies, we will not be required to pay any additional amounts with respect to amounts withheld.

**7.5.9 Effect of the combination of risk factors unpredictable**

Two or more risk factors may simultaneously have an effect on the value of a series of Structured Warrants such that the effect of any individual risk factor may not be predictable. No assurance can be given as to the effect any combination of risk factors may have on the value of a series of Structured Warrants.

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**8. APPROVALS AND CONDITIONS****8. APPROVALS AND CONDITIONS**

We have registered a copy of this Base Prospectus with the SC. A copy of this Base Prospectus has also been lodged with the ROC who takes no responsibility for its contents.

We will be applying to the SC for registration of each Term Sheet to be issued pursuant to an Offer. A copy of the Term Sheet will also be lodged with the ROC.

We will be applying to Bursa Securities for the issuance and admission of the relevant series of Structured Warrants to be issued pursuant to an Offer on the Official List of Bursa Securities, for permission to deal in the Structured Warrants, and for the Listing.

Bank Negara Malaysia (“**BNM**”) had on 14 October 2014 granted its approval, which has not subsequently been withdrawn, to the Issuer to issue ringgit denominated non-collateralised cash-settled structured warrants in Malaysia to residents and non-residents. The conditions imposed by BNM for the approval and the status of our compliance with these conditions are as follows:

| <b>No.</b> | <b>Details of Conditions Imposed</b>   | <b>Status of Compliance</b>  |
|------------|--|--|
| (i)        | All hedging of ringgit shares through derivative instruments by the Issuer must be undertaken onshore  | Not applicable as no hedging of ringgit shares is undertaken by the Issuer.            |
| (ii)       | All settlements in ringgit and hedging of currency exposure involving ringgit by the Issuer and investors must be undertaken only with licensed onshore banks in Malaysia  | Met by the Issuer.   |
| (iii)      | The Issuer complies with Notice 3: Investment in Foreign Currency Asset for its purchase of foreign shares   | Not applicable as the settlement is in Ringgit Malaysia.                               |
| (iv)       | Resident investors comply with Notice 3: Investment in Foreign Currency Asset for the payment of the purchase of foreign shares arising from the exercise of physical-settled ringgit warrants over foreign shares | Not applicable as the Issuer is not offering any physical-settled structured warrants. |
| (v)        | The Issuer complies with all guidelines issued by relevant authorities, as well as written laws, in Malaysia   | Met.   |

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9. DIRECTORS' REPORT

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9. DIRECTORS' REPORT

8 October 2019

The Warrantholders


Dear Sir / Madam,

On behalf of the Board of Directors of Macquarie Capital Securities (Malaysia) Sdn. Bhd. ("**MCSM**") I wish to report after due enquiry that between the period from 31 March 2019 (being the date to which the last audited financial statements of MCSM have been made up) to the date hereof (being a date not earlier than 14 days before the issuance of this Base Prospectus), that:-

- (a) the business of MCSM has, in the opinion of the Directors, been satisfactorily maintained;
- (b) in the opinion of the Directors, no circumstances have arisen since the last audited consolidated financial statements of MCSM, which have adversely affected the trading or the value of the assets of MCSM;
- (c) the current assets of MCSM appear in the books at values are believed to be realisable in the ordinary course of business;
- (d) there are no contingent liabilities have arisen by reason of any guarantees or indemnities given by MCSM;
- (e) in the opinion of the Directors, since the last audited financial statements of MCSM, there has been no default or any known event that could give rise to a default situation, in respect of payments of either interest and/or principal sums in relation to any borrowings in which the Directors are aware of;
- (f) there have been no material changes in the published reserves or any unusual factors affecting the profits of MCSM since the last audited financial statements of MCSM; and
- (g) as disclosed above and up to the date of this letter, no other reports are required in relation to items (a) to (f) above.

Yours faithfully,

For and on behalf of the Board of Directors of  
**Macquarie Capital Securities (Malaysia) Sdn. Bhd.**



.....  
Nik Hadi Bin Nik Mahmood  
Executive Director

**10. DECLARATION BY THE SOLICITORS**

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**10. DECLARATION BY THE SOLICITORS**

**10.1 Solicitors**

Messrs. Zaid Ibrahim & Co. has been appointed as our Solicitors in respect of the Offer and has given confirmation that there is no conflict of interests in its capacity as our Solicitors in respect of the Offer.

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**11. ADDITIONAL INFORMATION**

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**11. ADDITIONAL INFORMATION****11.1 Material litigation**

As at the LPD, we are not engaged in any material litigation which is outside the ordinary course of business.

**11.2 Salient terms of the Guarantee Deed Poll**

MCSM does not possess the required credit rating of at least investment grade and as such MFHPL is required to issue a guarantee in accordance with the Issuer Eligibility Guidelines – Structured Warrants issued by the SC (effective: 1 December 2009). The guarantee provided by MFHPL is in the form of a Guarantee Deed Poll. The salient terms of the Guarantee Deed Poll (which is not meant to be exhaustive) are listed below.

- (a) Each Holder has the benefit of, and is entitled to enforce, the Guarantee Deed Poll even though it is not a party to, or is not in existence at the time of execution and delivery of, the Guarantee Deed Poll.
- (b) The Guarantor unconditionally and irrevocably guarantees to each Holder the due and punctual payment by the Issuer of the Guaranteed Amounts as and when the same become due and payable, and accordingly undertakes to pay to such Holder within three Business Days of written demand any Guaranteed Amounts which the Issuer is at any time liable to pay in respect of such Structured Warrants, and which the Issuer has failed to pay, in the manner and currency prescribed by the relevant Conditions for payments by the Issuer in respect of such Structured Warrants. "Guaranteed Amounts" means the Cash Settlement Amount owing by the Issuer in respect of the Structured Warrants pursuant to the provisions of the Deed Poll.
- (c) The Guarantee is a direct unsecured obligation of the Guarantor. The Guarantor's payment obligations under the Guarantee rank equally with the claims of its unsecured and unsubordinated creditors, except creditors mandatorily preferred by law.
- (d) A Holder may enforce the Guarantee directly against the Guarantor, and the Guarantor waives any right it has of first requiring a Holder to;
  - (i) make a demand against the Issuer;
  - (ii) commence proceedings against the Issuer;
  - (iii) make a claim, or file any proof of debt, in any proceeding; or
  - (iv) enforce any other right against the Issuer or any other person or entity.
- (e) The Guarantee Deed Poll will be effective until the later of:
  - (i) the date on which all of the Structured Warrants shall have been exercised or expired regardless of the liquidation or dissolution of the Issuer, or the appointment of a receiver and/or manager in respect of the whole or substantially the whole of the Issuer's assets; or
  - (ii) the date on which all the obligations of the Issuer under or in respect of the Structured Warrants have been discharged in full.

For full details of the Guarantee Deed Poll, please refer to the Guarantee Deed Poll which is available for inspection at our registered office.

**11. ADDITIONAL INFORMATION** *(cont'd)*

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**11.3 Consents**

The Solicitors, Company Secretary, Auditors, Guarantor, MCSSPL and Malaysian Rating Corporation Berhad have, before the issue of this Base Prospectus, given and have not subsequently withdrawn their written consents to the inclusion in this Base Prospectus of their names in the form and context in which their names appear.

**11.4 Documents for inspection**

Copies of the following documents may be inspected at our registered office during office hours for a period of 12 months from the date of this Base Prospectus:

- (i) Our Constitution;
- (ii) Deed Poll;
- (iii) Guarantee Deed Poll;
- (iv) Outsourcing Services Agreement dated 14 August 2014 for the outsourcing of the Market Making function of MCSM;
- (v) Our audited consolidated financial statements for the last three (3) financial years ended 31 March 2017 to 2019;
- (vi) MFHPL's audited financial statements and auditor's report for the last three (3) financial years ended 31 March 2017 to 2019; and
- (vii) The letters of consent referred to in Section 11.3 of this Base Prospectus.

**11.5 General**

We will not allot nor issue any securities on the basis of this Base Prospectus later than 12 months after the date of this Base Prospectus.

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**11. ADDITIONAL INFORMATION** *(cont'd)*

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**11.6 Responsibility statements**

- (i) We acknowledge that, based on all available information, and to the best of our knowledge and belief, this Base Prospectus constitutes a full and true disclosure of all material facts concerning the Offer.
- (ii) Our Directors have seen and approved this Base Prospectus. Our Directors collectively and individually accept full responsibility for the accuracy of the information contained in this Base Prospectus and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no false or misleading statements or other facts the omission of which would make any statement in this Base Prospectus false or misleading.

The information on the Guarantor was obtained from the management and/or Directors of the Guarantor. Financial information on the Guarantor was extracted from the audited financial statements of the Guarantor. The only responsibility of our Directors is to ensure that the information is accurately reproduced in this Base Prospectus.

**ANNEXURE I PRINCIPAL TERMS OF DEED POLL****ANNEXURE I PRINCIPAL TERMS OF DEED POLL**

The Structured Warrants are constituted by the detailed provisions of the Deed Poll. It is important to read the provisions of the Deed Poll as it contains the obligations of the Issuer, the terms of the Structured Warrants and your rights as an investor. Copies of the Deed Poll are available for inspection at our registered office during normal business hours from Monday to Friday (except public holidays) and prospective investors are advised to read the Deed Poll in its entirety. Holders are bound by and are deemed to have notice of all provisions contained in the Deed Poll. The following is an extract of the principal terms of the Structured Warrants from the Deed Poll.

**Definitions**

In these Conditions, the following expressions shall unless the context requires otherwise have the meanings set opposite them:

| <b>Term</b>                   | <b>Definition</b>  |
|-------------------------------|--|
| <b>Affiliates</b>             | the affiliates of the Issuer which comprise of MGL, the ultimate holding company of the Issuer and all other subsidiaries of MGL;  |
| <b>American style</b>         | in respect of the Exercise Rights of the Holder of a Structured Warrant, the ability to exercise that right at any time from its issue date up to and including the Expiry Date;   |
| <b>Assets</b>                 | all assets and property of any nature, whether present or future, including without limitation any undertaking, business, revenue, income, rights and benefits;  |
| <b>Base Prospectus</b>        | the base prospectus dated 21 October 2019 to be issued by the Issuer in respect of the Structured Warrants, which is valid for twelve (12) months from the date of issuance, as updated or amended from time to time by way of successor documents, and as supplemented by the Issuer from time to time by a Term Sheet for each Series of Structured Warrants;                        |
| <b>Bursa Depository</b>       | Bursa Malaysia Depository Sdn Bhd (Company No. 165570-W);  |
| <b>Bursa Securities</b>       | Bursa Malaysia Securities Berhad (Company No. 635998-W);   |
| <b>Business Day</b>           | in relation to provisions on Market Disruption Event, means a day (other than Saturday, Sunday or public holiday) on which licensed financial institutions of the Relevant Country are open for banking business and where applicable, a day on which the Underlying Index is published by the Underlying Index Sponsor and where the Underlying Index closes at normal trading hours; |
| <b>Call Level</b>             | the pre-specified level of the Underlying Index at which the Issuer must call the Structured Warrants before its Expiry Date subject to any adjustments as may be necessary in accordance with the Conditions and as specified in the relevant Term Sheet;   |
| <b>Call Price</b>             | the pre-specified price of the Underlying Equity or the Underlying ETF, as the case may be, at which the Issuer must call the Structured Warrants before its Expiry Date subject to any adjustments as may be necessary in accordance with the Conditions and as specified in the relevant Term Sheet;   |
| <b>Cash Settlement Amount</b> | the amount of cash to be paid to the Holder on valid exercise of the Structured Warrants in accordance with Condition 2 of Part 1, Part 2, Part 3, Part 4, Part 5, Part 6 and Part 7 of the Third  |

**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (cont'd)**

|  |   |
|--|---|
|  | Schedule, as the case may be;   |
| <b>Cash Settlement Amount for Odd Lots</b> | the amount of cash to be paid to the Holder for odd lots of Underlying Equity on valid exercise of the Structured Warrants in accordance with Condition 2 of Part 7 of the Third Schedule;  |
| <b>Central Depositories Act</b>            | the Securities Industry (Central Depositories) Act 1991;  |
| <b>Compulsory Acquisition</b>              | the compulsory acquisition of all the equities not already owned in the Underlying Company;   |
| <b>Conditions</b>                          | in relation to a Series of Structured Warrants, the terms and conditions applicable thereto being in or substantially in the form set out in Part 1, Part 2, Part 3, Part 4, Part 5, Part 6 and Part 7 of the Third Schedule, as the case may be, as may from time to time be modified in accordance with this Deed Poll and/or the Conditions, and "Condition" followed by a number refers to the relative numbered paragraph of the Conditions;   |
| <b>Deed Poll</b>                           | this deed poll as amended, modified or supplemented from time to time in accordance with the provisions of this deed poll, and includes any Term Sheet to supplement this deed poll which sets out the terms and conditions of a specific Series of Structured Warrants;  |
| <b>Depositor</b>                           | a holder of a Securities Account;   |
| <b>European style</b>                      | in respect of the Exercise Rights of the Holder of a Structured Warrant, the ability to exercise that right on the Expiry Date;   |
| <b>Event of Default</b>                    | a default by the Issuer in the performance of any of its settlement obligations under this Deed Poll;   |
| <b>Exercise Date</b>                       | <p>(a) in relation to a Series of Structured Warrants (other than a callable bull or bear certificate), the date upon which the Structured Warrant is or is to be treated as exercised, being a Market Day during the Exercise Period or if such a day is not a Market Day it shall be deemed to be exercised the next following Market Day subject to the Conditions;</p> <p>(b) in relation to a callable bull or bear certificate, the Expiry Date, provided that a Mandatory Call Event has not occurred;</p> |
| <b>Exercise Expenses</b>                   | all costs and expenses reasonably incurred in respect of the exercise of the Structured Warrants or upon the occurrence of a Mandatory Call Event, including but not limited to any charges or expenses as may be charged by the Issuer and/or any taxes or duties (including but not limited to service tax or goods and services tax) (which are payable under any applicable law);   |
| <b>Exercise Form</b>                       | the form for exercising the Structured Warrants in the form or substantially in the form contained in the Second Schedule as may from time to time be modified by the directors of the Issuer in accordance with this Deed Poll;  |
| <b>Exercise Level</b>                      | in relation to a Series of Structured Warrants, the pre-specified level as determined by the Issuer at which the Holders may exercise the right under the Series of Structured Warrants subject   |

**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (cont'd)**

|                             |  |
|-----------------------------|--|
|                             | to any adjustment as may be necessary in accordance with the Conditions and as specified in the relevant Term Sheet;   |
| <b>Exercise Period</b>      | in relation to a Series of Structured Warrants, the period during which the Holders of the Structured Warrants may exercise the relevant Structured Warrants and as specified in the relevant Term Sheet, provided in the case of an exercise of European style Structured Warrants, a reference to Exercise Period shall mean 5.00 p.m. (or any other time as specified in the relevant Term Sheet) on the Expiry Date only;  |
| <b>Exercise Price</b>       | in relation to a Series of Structured Warrants, the pre-specified price as determined by the Issuer at which the Holders may exercise the right under the Series of Structured Warrants subject to any adjustment as may be necessary in accordance with the Conditions and as specified in the relevant Term Sheet;   |
| <b>Exercise Ratio</b>       | in relation to a Series of Structured Warrants, the number of Structured Warrants to which one Underlying Equity, one Underlying ETF unit or one Underlying Index unit (as the case may be) relates as determined by the Issuer and as specified in the relevant Term Sheet;   |
| <b>Exercise Rights</b>      | <p>(a) in relation to physical-settled Structured Warrants (other than a callable bull or bear certificate), the right granted to the Holder (which is exercisable during the Exercise Period) to receive Physical Settlement Amount, Cash Settlement Amount for Odd Lots and/or Cash Settlement Amount, as the case may be;</p> <p>(b) in relation to cash-settled Structured Warrants (other than a callable bull or bear certificate), the right granted to the Holder (which is exercisable during the Exercise Period) to receive the Cash Settlement Amount;</p> <p>(c) in relation to a callable bull or bear certificate, the right granted to the Holder (which is exercisable on the Expiry Date or following the occurrence of a Mandatory Call Event) to receive the Cash Settlement Amount;</p> |
| <b>Expiry Date</b>          | in respect of a Series of Structured Warrants, the date of expiry of the Series of Structured Warrants to be determined by the Issuer and as specified in the relevant Term Sheet, provided that if such date is not a Market Day the Expiry Date shall be the next succeeding Market Day (subject to the provisions herein as to the valuation of the Underlying Equity, the Underlying ETF or the Underlying Index, as the case may be), provided that if the Valuation Date or the last Valuation Date is postponed, Expiry Date shall be postponed accordingly;  |
| <b>Highest Index Level</b>  | the highest Spot Level of the Underlying Index during the MCE Valuation Period;  |
| <b>Highest Traded Price</b> | the highest Spot Price of the Underlying Equity or the Underlying ETF, as the case may be, during the MCE Valuation Period;  |
| <b>Holder(s)</b>            | the person or persons whose names for the time being appear on the Record of Depositors for the Structured Warrants;   |
| <b>Issuer</b>               | Macquarie Capital Securities (Malaysia) Sdn. Bhd (Company No. 463469-W), a company incorporated in Malaysia with its   |



**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (cont'd)**

|                                |   |
|--------------------------------|---|
|                                | registered office at 10th floor Menara Hap Seng, No. 1 & 3 Jalan P. Ramlee, 50250 Kuala Lumpur, Malaysia;   |
| <b>Lowest Index Level</b>      | the lowest Spot Level of the Underlying Index during the MCE Valuation Period;  |
| <b>Lowest Traded Price</b>     | the lowest Spot Price of the Underlying Equity or the Underlying ETF, as the case may be, during the MCE Valuation Period;  |
| <b>Main Trading Phase</b>      | means a trading phase as prescribed by Bursa Securities or the rules of the respective Securities Exchange where the relevant Underlying Equity, Underlying ETF or Underlying Index, as the case may be, is quoted and traded as specified in the Term Sheet;   |
| <b>Mandatory Call Event</b>    | the first occurrence at any time before the Expiry Date where the Spot Price or Spot Level, as the case may be, is at or below (in respect of a callable bull certificate) or at or above (in respect of a callable bear certificate) the Call Price or Call Level, as the case may be, and upon which the Structured Warrant will be called by the Issuer;   |
| <b>Market Day</b>              | <p>(a) where the underlying financial instrument of a Series of Structured Warrants is an Underlying Equity or Underlying ETF (as the case may be), a day (other than Saturday, Sunday or public holiday) on which the relevant Securities Exchanges are open for trading during the normal trading hours in the respective place where the relevant:</p> <p>(i) Underlying Equity is quoted and traded;</p> <p>(ii) Underlying ETF is quoted and traded; or</p> <p>(b) where the underlying financial instrument of a Series of Structured Warrants is an Underlying Index, a day on which the Underlying Index is compiled and published by the Underlying Index Sponsor,</p> <p>as the case may be, and on which the Structured Warrants are quoted and traded;</p>  |
| <b>Market Disruption Event</b> | <p>shall include but is not limited to any of the following events:</p> <p>(a) where the underlying financial instrument of a Series of Structured Warrants is an Underlying Equity or Underlying ETF (as the case may be), any suspension of or limitation imposed on trading by the relevant Securities Exchange, whether by reason of price movements exceeding the limits permitted by the Securities Exchange relating either to the Underlying Equity or the Underlying ETF (as the case may be) or Structured Warrants (as determined by the Issuer) quoted and traded on the Securities Exchange or otherwise;</p> <p>(b) where the underlying financial instrument of a Series of Structured Warrants is an Underlying Index, the occurrence or existence on any Market Day at the time by reference to which the Issuer determines the level of the relevant Underlying Index or the prices of the equities constituting the Underlying Index for such Underlying Index or such equities constituting the Underlying Index:</p> |

**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (cont'd)**

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- (i) of any suspension of or limitation imposed on trading such as:
  - (A) the suspension or material limitation on the trading of a material number of the equities constituting the Underlying Index;
  - (B) the suspension or material limitation on the trading of the securities constituting the Underlying Index on the relevant Securities Exchange;
  - (C) the suspension or material limitation on the relevant Securities Exchange on the trading of options contracts or futures contracts relating to the Underlying Index, equities relating to the Underlying Index or any exchange-traded fund over the Underlying Index on the Securities Exchange on which such contracts are traded; or
  - (D) the imposition of any exchange controls in respect of any currencies involved in determining the Cash Settlement Amount;
- (c) any event (other than an event described in (d) below) that disrupts or impairs (as determined by the Issuer) the ability of market participants in general:
  - (i) where the underlying financial instrument of a Series of Structured Warrants is an Underlying Equity or Underlying ETF (as the case may be), to effect transactions in or to obtain market prices of the Underlying Equity or the Underlying ETF, as the case may be or to effect any security transactions on the relevant Securities Exchange; or
  - (ii) where the underlying financial instrument of a Series of Structured Warrants is an Underlying Index, to effect transactions in relation to or to obtain market levels for the Underlying Index on the relevant Securities Exchange or to effect transactions in or obtain market quotes for options contracts or futures contracts on or relating to the relevant Underlying Index or any exchange-traded fund over the Underlying Index on the relevant Securities Exchange;
- (d) the closure on any Market Day of the relevant Securities Exchange prior to the Scheduled Closing Time unless such earlier closing time is announced by such Securities Exchange at least one half hour prior to:
  - (i) the actual closing time for the regular trading session on the relevant Securities Exchange on such Market Day; or

**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (cont'd)**

- (ii) the submission deadline (if applicable) for orders to be entered into the relevant Securities Exchange system for execution on such Market Day,

whichever is earlier.

The "Scheduled Closing Time" is the scheduled weekday closing time of the relevant Securities Exchange, without regard to after hours or any other trading outside of the regular trading session hours;

- (e) a general moratorium is declared in respect of banking activities in any Relevant Country; or
- (f) where the Relevant Country:
  - (i) imposes any controls or announces its intention to impose any controls, whether such control constitutes currency control or not; or
  - (ii) implements or announces its intention to implement, or changes or announces its intention to change the interpretation or administration of any laws or regulation,

which the Issuer determines is likely to affect the Issuer and/or any of its Affiliates to acquire, transfer, hold or realise such Underlying Equity, the Underlying ETF, equities constituting the Underlying Index or options contracts or futures contracts relating to the Underlying Index or any exchange-traded fund over the Underlying Index, as the case may be, or to effect transactions in relation to the Underlying Equity, the Underlying ETF or the Underlying Index, as the case may be.

Where the financial instrument of a Series of Structured Warrants is an Underlying Index, the Issuer may have regard to such circumstances as it in its discretion deems appropriate, including any hedging arrangements by the Issuer and/or any of its Affiliates in relation to the Structured Warrants, to determine whether any of the foregoing events is "material". Where any of the foregoing events affect fifteen percent (15%) or more of the level of such Underlying Index, the Issuer will regard it as material. If the Issuer determines, that on any Valuation Date, a Market Disruption Event has occurred in respect of the Underlying Index, then the Valuation Date in respect of such Underlying Index shall be the next following Market Day after the Market Disruption Event occurred;

**MCE Valuation Period**

the period from the time of the occurrence of the Mandatory Call Event up to the end of the Next Trading Session on the relevant Securities Exchange;

**MGL**

Macquarie Group Limited (ACN 122 169 279);

**Next Trading Session**

- (a) in relation to a callable bull or bear certificate over single equity or a callable bull or bear certificate over a single exchange-traded fund, as the case may be, the first trading session of the Securities Exchange on which the Underlying Equity or the Underlying ETF, as the case may be, is quoted and/or traded after the occurrence of the Mandatory Call Event, and which contains at least

**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (cont'd)**

one (1) hour of continuous trading for the Underlying Equity or the Underlying ETF, as the case may be; or

- (b) in relation to a callable bull or bear certificate over a single index, the first trading session after the occurrence of the Mandatory Call Event, which contains at least one (1) hour of continuous trading;

For the avoidance of doubt, all traded prices available during a trading session of less than one (1) hour of continuous trading will be taken into account to determine the Highest Traded Price, Lowest Traded Price, Highest Index Level or Lowest Index Level (as the case may be);

**Official List**

a list specifying all securities listed on the Main Market of Bursa Securities;

**Physical Settlement Amount**

the number of Underlying Equity to be delivered to the Holder on valid exercise of the Structured Warrants in accordance with Condition 2 of Part 7 of the Third Schedule;

**Prescribed Security**

a security which has been prescribed by Bursa Securities to be deposited with Bursa Depository under section 14 of the Central Depositories Act;

**Record of Depositors**

the record provided by Bursa Depository to the Issuer or the Structured Warrants Registrar under the Rules of Bursa Depository;

**Relevant Country**

means:

- (a) any country (or any political or regulatory authority thereof) in which the Relevant Currency or the Settlement Currency is the legal tender or currency of the country; or
- (b) any country (or any political or regulatory authority thereof) with which the Underlying Equity, the Underlying ETF or the Underlying Index, as the case may be, has(have) a material connection and, in determining what is material, the Issuer, may without limitation, refer to:
- (i) the country in which the Underlying Equity is(are) listed;
  - (ii) the country in which the Underlying Company is incorporated;
  - (iii) the country in which the Underlying ETF is listed;
  - (iv) the country in which the Underlying Index is compiled or published;
  - (v) the country in which a material number of securities constituting the Underlying Index are listed; or
  - (vi) the country in which the options contracts or futures contracts relating to the Underlying Index or any exchange-traded fund over the Underlying Index are quoted and/or traded,

as the case may be, and/or such other factor(s) as it may deem appropriate,

as determined by the Issuer;

**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (cont'd)**

|                                      |   |
|--------------------------------------|---|
| <b>Relevant Currency</b>             | such currency of trading to which the Underlying Equity, the Underlying ETF or the Underlying Index, as the case may be, relates and as specified in the relevant Term Sheet;   |
| <b>Rules of Bursa Depository</b>     | the rules of Bursa Depository as issued under the Central Depositories Act;   |
| <b>SC</b>                            | Securities Commission Malaysia;   |
| <b>Securities Account</b>            | an account established by Bursa Depository for a Depositor for the recording of deposits of securities and for dealing in such securities by the Depositor as permitted under the Central Depositories Act and/or the Rules of Bursa Depository;  |
| <b>Securities Exchange(s)</b>        | <p>such exchange or quotation system in Malaysia and securities exchange outside Malaysia in which:</p> <ul style="list-style-type: none"> <li>(a) the Underlying Equity is quoted and/or traded;</li> <li>(b) the Underlying ETF is quoted and/or traded; or</li> <li>(c) the Underlying Index is compiled and published and/or any options or futures relating to: <ul style="list-style-type: none"> <li>(i) the Underlying Index; or</li> <li>(ii) any exchange-traded funds over the Underlying Index</li> </ul> </li> </ul> <p>are quoted and/or traded,</p> <p>as the case may be, or Structured Warrants are quoted and/or traded as specified in the relevant Term Sheet;</p>  |
| <b>Series of Structured Warrants</b> | all those Structured Warrants which are governed by the same Term Sheet;  |
| <b>Settlement Currency</b>           | such currency, upon which payment is made to the Holder, to be determined by the Issuer and as specified in the relevant Term Sheet;  |
| <b>Settlement Date</b>               | a day on which commercial banks in Malaysia and if applicable, the Relevant Country, are open for business during normal business hours, provided that if physical settlement is applicable, the Settlement Date shall also be a day on which the relevant securities can be settled in the relevant clearing system;   |
| <b>Settlement Disruption Event</b>   | <p>any of the following events:</p> <ul style="list-style-type: none"> <li>(a) the Issuer experiences technical difficulties in the course of processing a valid exercise of the Structured Warrants; or</li> <li>(b) any other event beyond the Issuer's control arising after the Exercise Form is delivered to the Structured Warrants Registrar by the Holder or arising on the Expiry Date (as the case may be) including but not limited to where the Relevant Currency is different from the Settlement Currency, any event which occurs at any time (as determined by the Issuer) that may affect, restrict, prevent or delay the Issuer and/or any of its Affiliates from: <ul style="list-style-type: none"> <li>(i) converting the Relevant Currency into the Settlement Currency through customary legal channels or transferring within or from any</li> </ul> </li> </ul> |

**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (cont'd)**

|                                       |  |
|---------------------------------------|--|
|                                       | <p>Relevant Country either currency, due to the imposition by such Relevant Country of any controls restricting or prohibiting such conversion or transfer, as the case may be;</p> <p>(ii) converting the Relevant Currency into the Settlement Currency at a rate at least as favourable as the rate for domestic financial institutions located in any Relevant Country;</p> <p>(iii) transferring the Relevant Currency or Settlement Currency between bank accounts inside any Relevant Country or to a party that is a non-resident of such Relevant Country; or</p> <p>(iv) transferring the Settlement Currency between bank accounts within Malaysia or to any other bank accounts outside Malaysia or to a party that is a non-resident of Malaysia;</p> |
| <b>Settlement Exchange Rate</b>       | the prevailing rate of exchange between the Relevant Currency and the Settlement Currency (expressed as the number of units of the Settlement Currency per unit of the Relevant Currency) on a day which is within eight (8) Market Days prior to the Settlement Date, based on the rates prescribed by such relevant financial institution or body as determined by the Issuer and as specified in the relevant Term Sheet;   |
| <b>Special Resolution</b>             | a resolution passed at a meeting of Holders or Holders of a Series of Structured Warrants duly convened and held and carried by a majority consisting of at least seventy five percent (75%) of the votes cast upon a show of hands or, if a poll is duly demanded, by a majority consisting of at least seventy five percent (75%) of the votes cast on a poll;   |
| <b>Spot Level</b>                     | in respect of a continuous trading session of the relevant Securities Exchange, the spot level as compiled and published by the Underlying Index Sponsor;  |
| <b>Spot Price</b>                     | in respect of a Main Trading Phase, the price per Underlying Equity or Underlying ETF, as the case may be, concluded by means of automatic order matching on the relevant Securities Exchange as reported in the official real-time dissemination mechanism for the relevant Securities Exchange during the Main Trading Phase in accordance with the rules and regulations of the relevant Securities Exchange, excluding direct business transactions or direct trades;  |
| <b>Structured Warrant Certificate</b> | the certificate of each Series of Structured Warrants issued or to be issued in respect of the Structured Warrants in or substantially in the form set out in the First Schedule by the Issuer to Bursa Depository or its nominee company as the same may from time to time be modified in accordance with this Deed Poll;   |
| <b>Structured Warrants Registrar</b>  | Macquarie Capital Securities (Malaysia) Sdn. Bhd. (Company No. 463469-W), a company incorporated in Malaysia with its registered office at 10th floor Menara Hap Seng, No. 1 & 3 Jalan P. Ramlee, 50250 Kuala Lumpur, Malaysia or any such person, firm or company as for the time being appointed by the Issuer to whom the Exercise Form is to be delivered;   |

**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (cont'd)**

|                                 |   |
|---------------------------------|---|
| <b>Take-over Offer</b>          | an offer made to acquire all or part of the voting equities in the Underlying Company made pursuant to the Rules on Take-Overs, Mergers and Compulsory Acquisitions, its amendment or re-enactment, or such corresponding provisions in the relevant country which the Underlying Equity(ies) is(are) listed and quoted;  |
| <b>Term Sheet</b>               | the document containing the specific terms and conditions and information on a Series of Structured Warrants, to be issued by the Issuer from time to time and which shall be supplemental to and should be read in conjunction with this Deed Poll and the Base Prospectus;  |
| <b>Underlying Company(ies)</b>  | in relation to a Series of Structured Warrants, the company(ies) that has(have) issued the Underlying Equity;   |
| <b>Underlying Equity</b>        | in relation to a Series of Structured Warrants, the equity which is the subject of the Series of Structured Warrants, as specified in the relevant Term Sheet. Such equities are listed and quoted on Bursa Securities and/or securities exchanges outside Malaysia which are members of the World Federation of Exchanges or is approved by Bursa Securities;                            |
| <b>Underlying Index</b>         | in relation to a Series of Structured Warrants, the index which is the subject of the Series of Structured Warrants, as specified in the relevant Term Sheet. Such index shall be based on Bursa Securities and/or securities exchange which is approved by Bursa Securities;   |
| <b>Underlying Index Sponsor</b> | in relation to a Series of Structured Warrants, the index sponsor that has compiled and published the Underlying Index and which is specified in the relevant Term Sheet;   |
| <b>Underlying ETF</b>           | in relation to a Series of Structured Warrants, the exchange-traded fund which is the subject of the Series of Structured Warrants, as specified in the relevant Term Sheet. Such exchange-traded fund is listed and quoted on Bursa Securities and/or securities exchanges outside Malaysia which are a member of the World Federation of Exchanges or are approved by Bursa Securities; |
| <b>unit</b>                     | means one (1) undivided share in the Underlying ETF;  |
| <b>Valuation Date</b>           | each Market Day on which valuation will be carried out; and   |
| <b>VWAP</b>                     | means the volume weighted average price as determined by the Issuer in good faith.  |

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**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (cont'd)****Part 1****Conditions of The Cash-Settled Single Equity Call Or Put Warrants****1 General, Nature, Form, Transfer, Administration and Status of Structured Warrants**

- 1.1 The Structured Warrants comprise of **American or European style non-collateralised cash-settled call or put warrants over single equity** to be issued from time to time by the Issuer through the Base Prospectus and subject to, and with the benefit of the Deed Poll referred to on the face of the Structured Warrant Certificate and these Conditions. The Exercise Rights entitle the Holder of each Structured Warrant for each Series of Structured Warrants issued or to be issued, subject to the Deed Poll and in accordance with these Conditions, upon valid exercise thereof, to the Cash Settlement Amount calculated in accordance with Condition 2. Certain statements in these Conditions are summaries of and are subject to the detailed provisions of the Deed Poll and in the event of any inconsistency between a provision contained in these Conditions and a provision contained in the Deed Poll, the provisions in the Deed Poll shall prevail. Copies of the Deed Poll are available for inspection at the registered office of the Issuer, being at the date hereof at 10th floor Menara Hap Seng, No. 1 & 3 Jalan P. Ramlee, 50250 Kuala Lumpur, Malaysia. The payment obligation of the Issuer under these Conditions is guaranteed by Macquarie Financial Holdings Pty Limited (the “**Guarantor**”) (the “**Guarantee**”). The Holders for the time being of the Structured Warrants and whose names appear on the Record of Depositors are all entitled to the benefit of, bound by, and deemed to have notice of, all the provisions of the Deed Poll. Further, each Holder acknowledges it has, where necessary, consulted its stockbroker, solicitor or other adviser before investing in the Structured Warrants and none of the Issuer or its directors or employees may be construed as investment adviser or agent of, or owe any fiduciary duty to the Holder. **For the purposes of this Part 1, the term “Structured Warrants” shall refer to the American or European style non-collateralised cash-settled call or put warrants over single equity.**
- 1.2 Subject to the Central Depositories Act, the Rules of Bursa Depository, the Deed Poll, the relevant applicable rules and regulations and these Conditions:
- (a) each Structured Warrant is an option which confers on the Holder the Exercise Rights which require the Issuer to pay the Cash Settlement Amount (if any) to the Holder in accordance with these Conditions; and
  - (b) the Structured Warrants are issued in registered form, serially numbered and are a Prescribed Security to be admitted to the Official List. The Structured Warrants are represented by a global/jumbo certificate issued to Bursa Depository or its nominee who holds the same as bare trustee on behalf of the Holders, and deposited with Bursa Depository in or substantially in the form set out in the First Schedule to the Deed Poll as the same may from time to time be modified in accordance with the Deed Poll.
- 1.3 Subject to all information provided by the subscriber for the Structured Warrants to the Issuer being complete and consistent with the records of Bursa Depository, the Issuer shall within seven (7) Market Days from the date of allotment of the Structured Warrants, cause and procure the Structured Warrants Registrar to notify Bursa Depository of the names of the Holders together with such particulars as may be required by Bursa Depository for the purpose of making appropriate entries in the Securities Account of the respective Holder, request Bursa Depository to credit the Securities Account of the Holders with the applicable Structured Warrants and shall deliver to Bursa Depository the Structured Warrant Certificate registered in the name of Bursa Depository or its nominee company in such manner as may be prescribed by the Rules of Bursa Depository or agreed with Bursa Depository. If, at any time, the information provided by the Holders for the Structured Warrants is incorrect or inaccurate or inconsistent with the records of Bursa Depository, the Issuer reserves the right and without any obligation whatsoever to the Holders, to accept, reject or otherwise deal with the Structured Warrants in such manner as it reasonably deems fit in the circumstances. The Holders are not entitled to any physical warrant certificates.



**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (cont'd)**

- 1.4 Subject to the provisions of the Central Depositories Act and the Rules of Bursa Depository, the registration and subsequent administration of Structured Warrants shall be in the manner set forth in the Deed Poll. It is hereby acknowledged that the Issuer shall be entitled to appoint registrars for the registration and administration of the Structured Warrants. The Issuer hereby confirms that it shall/has appointed the Structured Warrants Registrar for the purpose stipulated hereof, who shall perform such duties as required by the Issuer under the Deed Poll.
- 1.5 The Holders may transfer the Structured Warrants in the manner prescribed under the Central Depositories Act and the Rules of Bursa Depository. Subject to the provisions of the Central Depositories Act and the Rules of Bursa Depository, the Structured Warrants shall be freely transferable but the trading of the Structured Warrants must be in the same board lot applicable to the trading of the Underlying Equity or any other number of securities or in such odd lots as permitted by the SC and/or Bursa Securities. Where the board lot of the Underlying Equity is more than one hundred (100) equities per board lot, the Structured Warrants may be issued in board lots of one hundred (100) warrants.
- 1.6 The Structured Warrants and the settlement obligation of the Issuer in respect of the Structured Warrants represent general and unsecured contractual obligations of the Issuer and of no other person which rank, and shall rank, equally among themselves and without preference in all respects, subject to such exceptions as may from time to time exist under applicable law or the Deed Poll, with the other existing and future unsecured and unsubordinated obligations of the Issuer. The Guarantee represents general and unsecured contractual obligations of the Guarantor and of no other person which rank, and shall rank, equally among themselves and without preference in all respects, subject to such exceptions as may from time to time exist under applicable law or the Guarantee, with the other existing and future unsecured and unsubordinated obligations of the Guarantor.
- 1.7 The Structured Warrants do not confer on the Holders any right to acquire or dispose of equities or other securities, including the Underlying Equity and the Issuer is not under any obligation whatsoever to purchase, hold or deliver such equities or other securities, or any rights and benefits attaching thereto.
- 1.8 The Holders are entitled to the Cash Settlement Amount in accordance with Condition 2.

**2 Exercise of the Structured Warrants****2.1 American style Structured Warrants**

- 2.1.1 The Structured Warrants may be exercised in the manner set out in Condition 2.1.2 at any time from the date of issue up to the Expiry Date. In the event the date whereby the Exercise Form is delivered is not a Market Day, then it shall be deemed to be exercised on the next following Market Day.
- 2.1.2 In order to invoke the Exercise Rights, within the Exercise Period a Holder must complete and sign the Exercise Form (which shall be made available by the Structured Warrants Registrar in any manner as may be stipulated by Bursa Securities or such other relevant authority) and deliver the same on a Market Day between 9.00 a.m. to 5.00 p.m. to the Structured Warrants Registrar who shall acknowledge receipt by stamping the date and time of receipt on the Exercise Form in respect of which the Structured Warrants are being exercised.

Provided always that:

- (a) in every case compliance must also be made with the requirements set out in the Exercise Form and other prevailing statutory requirements for the time being applicable;
- (b) the Holder shall, if so required by the Structured Warrants Registrar, furnish such evidence, if any, as the Structured Warrants Registrar or the directors of the Issuer may require to determine the due execution of the Exercise

**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (cont'd)**

Form by or on behalf of the Holder exercising the same. Once a valid Exercise Form is duly delivered by the Holder to the Structured Warrants Registrar, the exercise of such Exercise Rights shall be irrevocable save with the consent of the directors of the Issuer; and

- (c) where the Holder does not comply with the procedures or restrictions or conditions relating to the exercise of the Structured Warrants, the Exercise Form and any documents received shall be returned to such Holder by ordinary post to the Holder's address recorded in the Record of Depositors at the risk of the Holder.

- 2.1.3 Subject to notification by the Structured Warrants Registrar of fulfilment of the preconditions by the Holder to validly exercise the Structured Warrants as set out in Condition 2.1.2 within three (3) Market Days from the Exercise Date and the absence of a Settlement Disruption Event, the Issuer shall, within seven (7) Market Days from the Exercise Date or such other period as may be prescribed by Bursa Securities or such other relevant authority, pay to the relevant Holder the Cash Settlement Amount in the Settlement Currency calculated as set out below less Exercise Expenses.

For call warrants:

$$\text{Cash Settlement Amount} = \text{Number of Structured Warrants} \times \left( \frac{\text{Settlement Price}^{(1)} - \text{Exercise Price}^{(2)}}{1} \right) \times \text{Exercise Ratio}^{(2)} \times \text{Settlement Exchange Rate (if applicable)}$$

For put warrants:

$$\text{Cash Settlement Amount} = \text{Number of Structured Warrants} \times \left( \frac{\text{Exercise Price}^{(2)} - \text{Settlement Price}^{(1)}}{1} \right) \times \text{Exercise Ratio}^{(2)} \times \text{Settlement Exchange Rate (if applicable)}$$

- (1) The Settlement Price shall be calculated by reference to either:
- (a) In the event a valid Exercise Form is received in accordance with Condition 2.1.2 by the Structured Warrants Registrar:
- (i) before 12.30 p.m. on any Market Day other than on the Expiry Date, the exercise of the Structured Warrants shall be deemed to have been made on that Market Day and in such instance the Market Day of receipt of the Exercise Form shall be the Exercise Date and the Valuation Date and the Settlement Price shall be the closing price of the Underlying Equity on such Valuation Date; or
- (ii) on or after 12.30 p.m. on any Market Day other than on the Expiry Date, the exercise of the Structured Warrants shall be deemed to have been made on the Market Day immediately following the Market Day of receipt of the Exercise Form and in such instance the Market Day immediately following the Market Day of receipt of the Exercise Form shall be the Exercise Date and the Valuation Date and the Settlement Price shall be the closing price of the Underlying Equity on such Valuation Date. For the avoidance of doubt, if a valid Exercise Form is received on or after 12.30 p.m. on a Market Day immediately preceding the Expiry Date, the exercise of the Structured Warrants shall be deemed to have been made on the Expiry Date and in such instance the Settlement Price

**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (cont'd)**

shall be the Expiry Date Settlement Price (as defined below) of the Underlying Equity; or

- (iii) on the Expiry Date, the Settlement Price shall be the Expiry Date Settlement Price (as defined below) of the Underlying Equity,

and as specified in the relevant Term Sheet and subject to the Market Disruption Event provision below.

For the avoidance of doubt, in the event the Underlying Equity is delisted, the Settlement Price shall be determined in accordance with Condition 10.

- (b) In the event of any exercise of the Structured Warrants on the Expiry Date, the Settlement Price shall be calculated by reference to either:

- (i) the VWAP of the Underlying Equity (subject to any adjustment as may be necessary to reflect any capitalisation, rights issue, distribution or others) for the five (5) Market Days prior to and including the Market Day immediately before the Expiry Date; or
- (ii) the average closing price of the Underlying Equity (subject to any adjustment as may be necessary to reflect any capitalisation, rights issue, distribution or others) for the five (5) Market Days prior to and including the Market Day immediately before the Expiry Date; or
- (iii) the closing price of the Underlying Equity on the Market Day immediately before the Expiry Date,

and as specified in the relevant Term Sheet ("**Expiry Date Settlement Price**") and subject to the Market Disruption Event and other provisions herein.

For the avoidance of doubt, in the event the Underlying Equity is delisted, the Expiry Date Settlement Price shall be determined in accordance with Condition 10.

- (c) If a Market Disruption Event, or a public holiday unexpected by the Issuer occurs on any of the five (5) Market Days described in sub-Conditions (1)(b)(i) or (1)(b)(ii) above, the valuation period applicable and the Settlement Price shall be as determined by the Issuer in such manner as it reasonably deems fit.

In any other cases where there is a single Valuation Date, if there is a Market Disruption Event on the Valuation Date, the Valuation Date shall be the next following Market Day after the Market Disruption Event. If the Market Disruption Event continues to occur up to the eighth (8<sup>th</sup>) Business Day following the original Valuation Date, then the Valuation Date shall be:

- (i) that eighth (8<sup>th</sup>) Business Day; and
- (ii) the Issuer shall determine as it reasonably deems fit and on the basis of the Issuer's good faith estimate the reference price and/or the exchange rate (if applicable) for that Valuation Date by determining the price of the Underlying Equity and/or the exchange rate (if applicable) based on the prevailing market conditions and other factors as the Issuer may consider relevant.

- (2) The Exercise Price and/or Exercise Ratio shall be subject to such adjustments as may be necessary as provided in Condition 6.

2.1.4 In the event that the Cash Settlement Amount after deducting all the Exercise Expenses is equal to or less than zero, the Issuer shall not be obliged to make any payment to the relevant Holder, and the Structured Warrants exercised shall thereafter become void and cease to have the Exercise Rights and the Issuer's

**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (cont'd)**

obligations in respect of the Structured Warrants shall terminate absolutely. The Holders shall not be required to pay or top up the Exercise Expenses in the event the Cash Settlement Amount is negative after deducting Exercise Expenses.

- 2.1.5 If the Structured Warrants are not earlier exercised, the Structured Warrants shall be deemed automatically exercised at 5.00 p.m. on the Expiry Date, without the Holders having to deliver a valid Exercise Form to the Structured Warrants Registrar and without notice of automatic exercise being given by the Issuer to the Holders.
- 2.1.6 Upon automatic exercise of the Structured Warrants on the Expiry Date in accordance with Condition 2.1.5, if the Cash Settlement Amount after deducting all Exercise Expenses:
- (a) is greater than zero, in the absence of a Settlement Disruption Event, payment shall be made by the Issuer to the relevant Holders within seven (7) Market Days from the Expiry Date and the Issuer's obligations in respect of the Structured Warrants, shall terminate absolutely; or
  - (b) is equal to or less than zero, the Structured Warrants shall terminate and cease to be valid and the Issuer's obligations in respect of the Structured Warrants, shall terminate absolutely. The Holders shall not be required to pay or top up the Exercise Expenses in the event the Cash Settlement Amount is negative after deducting Exercise Expenses.

## 2.2 European style Structured Warrants

- 2.2.1 The Structured Warrants shall be automatically exercised at 5.00 p.m. on the Expiry Date if the Cash Settlement Amount calculated in accordance with Condition 2.2.2 after deducting all Exercise Expenses, is greater than zero (without the Holders having to deliver a valid Exercise Form and without notice of automatic exercise being given by the Issuer to the Holders). If the scheduled Expiry Date is not a Market Day then it shall be deemed to be exercised on the next following Market Day. The Structured Warrants will automatically terminate and cease to be valid at 5.00 p.m. on the Expiry Date if the Cash Settlement Amount after deducting all Exercise Expenses is zero or less than zero and the Issuer's obligations in respect of the Structured Warrants shall terminate absolutely. The Holders shall not be required to pay or top up the Exercise Expenses in the event the Cash Settlement Amount is negative after deducting Exercise Expenses.
- 2.2.2 The Issuer shall in the absence of a Settlement Disruption Event, within seven (7) Market Days from the Expiry Date or such other period as may be prescribed by Bursa Securities or such other relevant authority, pay to the relevant Holder, the Cash Settlement Amount in the Settlement Currency calculated as set out below less Exercise Expenses.

For call warrants:

$$\text{Cash Settlement Amount} = \text{Number of Structured Warrants} \times \left( \frac{\text{Settlement Price}^{(1)}}{\text{Exercise Price}^{(2)}} - 1 \right) \times \frac{1}{\text{Exercise Ratio}^{(2)}} \times \text{Settlement Exchange Rate (if applicable)}$$

For put warrants:

$$\text{Cash Settlement Amount} = \text{Number of Structured Warrants} \times \left( \frac{\text{Exercise Price}^{(2)}}{\text{Settlement Price}^{(1)}} - 1 \right) \times \frac{1}{\text{Exercise Ratio}^{(2)}} \times \text{Settlement Exchange Rate (if applicable)}$$

**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (cont'd)**

- (1) (a) The Settlement Price on the Expiry Date shall be calculated by reference to either:

- (i) the VWAP of the Underlying Equity (subject to any adjustment as may be necessary to reflect any capitalisation, rights issue, distribution or others) for the five (5) Market Days prior to and including the Market Day immediately before the Expiry Date; or
- (ii) the average closing price of the Underlying Equity (subject to any adjustment as may be necessary to reflect any capitalisation, rights issue, distribution or others) for the five (5) Market Days prior to and including the Market Day immediately before the Expiry Date; or
- (iii) the closing price of the Underlying Equity on the Market Day immediately before the Expiry Date,

and as specified in the relevant Term Sheet and subject to the Market Disruption Event and other provisions herein.

For the avoidance of doubt, in the event the Underlying Equity is delisted, the Settlement Price shall be determined in accordance with Condition 10 below.

- (b) If a Market Disruption Event, or a public holiday unexpected by the Issuer, occurs on any of the five (5) Market Days described in sub-Conditions (1)(a)(i) or (1)(a)(ii) above, the valuation period applicable and the Settlement Price shall be as determined by the Issuer in such manner as it reasonably deems fit.

In any other cases where there is a single Valuation Date, if there is a Market Disruption Event on the Valuation Date, the Valuation Date shall be the next following Market Day after the Market Disruption Event. If the Market Disruption Event continues to occur up to the eighth (8<sup>th</sup>) Business Day following the original Valuation Date, then the Valuation Date shall be:

- (i) that eighth (8<sup>th</sup>) Business Day; and
- (ii) the Issuer shall determine as it reasonably deems fit and on the basis of the Issuer's good faith estimate the reference price and/or the exchange rate (if applicable) for that Valuation Date by determining the price of the Underlying Equity and/or the exchange rate (if applicable) based on the prevailing market conditions and other factors as the Issuer may consider relevant.

- (2) The Exercise Price and/or Exercise Ratio shall be subject to such adjustments as may be necessary as provided in Condition 6.

- 2.2.3 In the event that the Cash Settlement Amount after deducting all the Exercise Expenses is equal to or less than zero on the Expiry Date, the Structured Warrants shall terminate on the Expiry Date and cease to be valid and the Issuer's obligations in respect of the Structured Warrants shall terminate absolutely. The Holders shall not be required to pay or top up the Exercise Expenses in the event the Cash Settlement Amount is negative after deducting Exercise Expenses.

- 2.3 (a) The Cash Settlement Amount less the Exercise Expenses may be made by way of cheque drawn in favour of the Holder to be delivered by ordinary post to the Holder's address last recorded in the Record of Depositors at the Holder's own risk or by way of telegraphic transfer to the bank account of the Holder last notified to the Structured Warrants Registrar or the Issuer. Where the Issuer makes a payment to a Holder pursuant to the terms of Conditions 2.1 or 2.2, the amount of such payment arising from the exercise of the Structured Warrants shall be final and conclusive and the

**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (cont'd)**

- Issuer shall be discharged from its obligation upon making such payment thereof in accordance with these Conditions.
- (b) The Cash Settlement Amount less the Exercise Expenses shall be calculated and be payable in the Settlement Currency and rounded down to the nearest two (2) decimal points. All determinations made by the Issuer pursuant to Conditions 2.1 or 2.2 shall be final and conclusive and binding on the Holders.
  - (c) Unless otherwise specified in the relevant Term Sheet, the Holder is to bear all Exercise Expenses in relation to the exercise of the Structured Warrants and on exercise of the Structured Warrants, the Issuer shall be irrevocably authorised by the Holder to deduct all Exercise Expenses from the Cash Settlement Amount.
  - (d) If as a result of a Settlement Disruption Event, it is not possible for the Issuer to make payment on the original Settlement Date, the Issuer shall use its reasonable endeavours to procure payment as soon as practicable after the original Settlement Date. The Issuer shall not be liable to the Holder for any interest in respect of the amount due or any loss or damage that such Holder may suffer as a result of the existence of the Settlement Disruption Event.
- 2.4 The Issuer shall not allow the Holder to exercise the Exercise Rights unless the Structured Warrants are or have been designated as “free securities” in accordance with the Rules of Bursa Depository.
- 2.5 The Issuer declares that approval shall be sought from Bursa Securities for the admission of the Structured Warrants to the Official List and for the listing of and quotation for the Structured Warrants on Bursa Securities.
- 2.6 All questions as to the validity, form, eligibility (including time of receipt) and acceptance of Exercise Form shall be resolved by the Structured Warrants Registrar in a manner as it reasonably deems fit, whose determination shall be final and binding on the Issuer and the Holder. The Structured Warrants Registrar is entitled to reject any Exercise Form that is not in proper form or the acceptance of which may, in the view of counsel for the Structured Warrants Registrar be unlawful. The Structured Warrants Registrar also reserves the right, subject to applicable law, to waive any irregularities. The interpretation of the Structured Warrants Registrar of the terms and conditions of exercise of the Structured Warrants shall be final and binding on the Issuer and the Holder. Unless waived, any irregularities in connection with the Exercise Form must be rectified by such time, as the Structured Warrants Registrar shall determine. The Structured Warrants Registrar shall not be under any duty to give notification of any irregularities in such Exercise Form and shall not incur liabilities for failure to give such notification. The Exercise Form shall not be considered to have been validly delivered until such irregularities have been rectified and waived.
- 2.7 The initial Structured Warrants Registrar and its specified offices are stated in the Deed Poll. The Issuer reserves the right at any time to terminate the appointment of the Structured Warrants Registrar. Prior written notice of any termination, appointment of Structured Warrants Registrar, resignation of the Structured Warrants Registrar or any changes in any of the specified offices of the relevant Structured Warrants Registrar shall be given to the Holders in accordance with Condition 15 and such prior notice shall be given to the Holders not more than sixty (60) days and less than thirty (30) days of such termination, appointment, resignation or change.
- 2.8 In respect of each Structured Warrant in which Exercise Rights have been exercised, the Issuer shall instruct or procure the Structured Warrants Registrar to instruct Bursa Depository, in accordance with the Central Depositories Act and the Rules of Bursa Depository, to debit the appropriate number of Structured Warrants in respect of which Exercise Rights have been exercised from the Securities Account of such Holder. The Issuer shall be entitled at any time on or after the Expiry Date, to demand that Bursa Depository deliver to the Issuer the Structured Warrant Certificates and thereafter cancel or cause the cancellation of the Structured Warrant Certificates.

**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (cont'd)**

- 2.9 The Structured Warrants subject to the Exercise Rights which have been exercised in accordance with the Deed Poll shall cease to exist and all obligations of the Issuer in respect of those Structured Warrants shall terminate absolutely following payment of the amount (if any) referred to in this Condition 2.

**3 Exercise Rights and Suspension**

- 3.1 Upon and subject to the provisions of the Central Depositories Act, the Rules of Bursa Depository and the Deed Poll, the Holder whose name as stated in the Record of Depositors shall have the right at any time during the Exercise Period to invoke its Exercise Rights at the Exercise Price subject to adjustments in accordance with Condition 6.
- 3.2 The Structured Warrants shall, subject to any directions, order or notice from any relevant regulatory authority and any request for suspension by the Issuer which is not rejected by any such relevant regulatory authority, continue to be traded notwithstanding that the trading of the Underlying Equity may have been suspended. Any suspension in the trading of the Underlying Equity or the Structured Warrants shall not preclude the Holder from exercising the Exercise Rights.
- 3.3 The Issuer shall notify the Holders of the Expiry Date at least one (1) month prior to the Expiry Date or such other period as may be specified by the relevant authority. Such notice shall be given in accordance with Condition 15 stating the Expiry Date and treatment of the Structured Warrants which are not exercised.

**4 Deposit and Forfeiture of Unclaimed Amount**

- 4.1 In the event that the Issuer pays the Cash Settlement Amount to any Holder under Condition 2 by way of cheque payment and such Holder does not present the cheque for payment within six (6) months from the date of the cheque, the Issuer shall at any time thereafter deal with the said monies in accordance and in compliance with, the requirements of the Unclaimed Moneys Act 1965 (Act 370) (revised 1989) of Malaysia.

**5 Designation of Structured Warrants set out in the Exercise Form**

- 5.1 Subject to the approval of Bursa Depository and/or other relevant authority, the Issuer reserves all rights to instruct Bursa Depository and/or other relevant authority to designate the Structured Warrants held in the relevant Securities Account of a Holder which the Holder has purportedly exercised by submitting an Exercise Form to the Issuer and/or the Structured Warrants Registrar, in order for Bursa Depository and/or the relevant authority to prohibit the Holder from trading on the exchange the designated Structured Warrants after the aforesaid exercise. The Issuer's right to instruct Bursa Depository and/or the relevant authority shall be independent of whether the exercise is valid or otherwise, provided that the amount of Structured Warrants so designated by Bursa Depository and/or the relevant authority do not exceed the amount set out in such Exercise Form.

**6 Adjustment of Exercise Price and/or Exercise Ratio****6.1 Adjustments**

Subject to the Conditions as hereinafter provided and the Deed Poll, the Exercise Price and/or the Exercise Ratio for the relevant Structured Warrant shall from time to time be adjusted in accordance with the following provisions:

**(a) Bonus Issue**

If and whenever the Underlying Company of the relevant Structured Warrants shall make an issue of new equities ("**Equities**") credited as fully paid-up to the holders of Equities generally by way of capitalisation of profits or reserves (other than pursuant

**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (cont'd)**

to a scrip dividend or similar scheme for the time being operated by the Underlying Company or otherwise in lieu of a cash dividend and without any payment or other consideration being made or given by such holders) ("**Bonus Issue**"), the Exercise Price and/or Exercise Ratio shall be adjusted on the Market Day immediately following the last day on which an instrument of transfer could be lodged so that the transferee of the Equities would qualify for the Bonus Issue in accordance with the following formula:

$$(i) \quad \text{Adjusted Exercise Ratio} = \frac{E}{(1 + N)}$$

$$(ii) \quad \text{Adjusted Exercise Price} = \frac{X}{(1 + N)}$$

Whereby in respect of this Condition 6.1(a)(i) and (ii):

X = Existing Exercise Price immediately prior to the Bonus Issue

N = The number of additional Equities (whether a whole or a fraction) received by a holder of existing Equities for each Equity (of the relevant Underlying Company) held prior to the Bonus Issue

E = Existing Exercise Ratio immediately prior to the Bonus Issue

Alternatively, the Issuer may also, in good faith, make a corresponding adjustment to the Exercise Ratio and/or Exercise Price as the Issuer determines appropriate to account for the dilutive effect of the Bonus Issue.

On any such adjustment, the resultant Exercise Ratio and/or Exercise Price shall be rounded to the nearest four (4) decimal points of the Relevant Currency and all such adjustment made by the Issuer pursuant to this Condition shall be deemed as final and conclusive save for any manifest error.

(b) **Rights Issue**

If and whenever an Underlying Company of the relevant Structured Warrants shall, by way of Rights (as defined below), offer new Equities for subscription at a fixed subscription price ("**Rights Issue Price**") to the holders of existing Equities pro rata to the holders' existing holdings ("**Rights Issue**"), the Exercise Price and/or the Exercise Ratio shall be adjusted on the Market Day immediately following the last day on which an instrument of transfer of such Equities could be lodged so that the transferee of the Equity(ies) would qualify for the Rights Issue in accordance with the following formula:

$$(i) \quad \text{Adjusted Exercise Ratio} = \frac{1 + (R/S) \times M}{1 + M} \times E$$

$$(ii) \quad \text{Adjusted Exercise Price} = \frac{1 + (R/S) \times M}{1 + M} \times X$$



**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (cont'd)**

Whereby, in respect of this Condition 6.1(b)(i) and (ii):

- R = Subscription price per Equity of the Underlying Company of the relevant Structured Warrants under the Rights Issue.
- S = Cum-rights share price being the last traded price of an existing Equity of the Underlying Company of the relevant Structured Warrants making the Rights Issue on the last Market Day on which the Equities (of the Underlying Company of the relevant Structured Warrants making the Rights Issue) are traded on a cum-rights basis.
- M = Number of new Equities (whether a whole or fraction) per existing equity of the Underlying Company of the relevant Structured Warrants making the Rights Issue each holder thereof is entitled to subscribe.
- X = Existing Exercise Price immediately prior to the Rights Issue.
- E = Existing Exercise Ratio immediately prior to the Rights Issue.

Alternatively, the Issuer may also, in good faith, make a corresponding adjustment to the Exercise Ratio and/or Exercise Price as the Issuer determines appropriate to account for the dilutive effect of the Rights Issue.

On any such adjustment, the resultant Exercise Ratio and/or Exercise Price shall be rounded to the nearest four (4) decimal points of the Relevant Currency and all such adjustment made by the Issuer pursuant to this Condition shall be deemed as final and conclusive save for any manifest error.

For the purposes hereof, “**Rights**” means the Right(s) attached to each existing Equity or needed to acquire one new Equity (as the case may be) which are given to the holders of existing Equities to subscribe for new Equities at a fixed subscription price pursuant to the Rights Issue (whether by the exercise of one Right, a part of a Right or an aggregate number of Rights).

(c) Subdivision or Consolidation

If and whenever the Underlying Company of the relevant Structured Warrants shall subdivide its Equities or any class of its outstanding share capital comprising the Equities into a greater number of Equities (a “**Subdivision**”), or consolidate the Equities or any class of its outstanding share capital comprising the Equities into a smaller number of Equities (a “**Consolidation**”), the Exercise Price and/or the Exercise Ratio shall be adjusted on the Market Day on which the relevant Subdivision or Consolidation shall have taken effect in accordance with the following formula:

(i) Adjusted Exercise Ratio =

$$\frac{E \times P}{N}$$

(ii) Adjusted Exercise Price =

$$\frac{X \times P}{N}$$

**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (cont'd)**

Whereby, in respect of this Condition 6.1(c)(i) and (ii):

- X = Existing Exercise Price immediately prior to the Subdivision or Consolidation.
- N = Revised number of Equities after the Subdivision or Consolidation.
- P = Existing number of Equities immediately prior to the Subdivision or Consolidation.
- E = Existing Exercise Ratio immediately prior to the Subdivision or Consolidation.

Alternatively, the Issuer may also, in good faith, make a corresponding adjustment to the Exercise Ratio and/or Exercise Price as the Issuer determines appropriate to account for the dilutive or consolidative effect of the Subdivision or Consolidation.

On any such adjustment, the resultant Exercise Ratio and/or Exercise Price shall be rounded to the nearest four (4) decimal points of the Relevant Currency and all such adjustment made by the Issuer pursuant to this Condition shall be deemed as final and conclusive save for any manifest error.

(d) Capital Repayment

Should the Underlying Company of the relevant Structured Warrants undertake a capital repayment in cash whether in the form of special dividend or not (pursuant to Section 115 of the Companies Act 2016 or such other corresponding provision in the Relevant Country in which the Underlying Equity is listed and quoted) during the tenure of the Structured Warrants, the Exercise Price and/or the Exercise Ratio of the Structured Warrants shall be adjusted on the Market Day following the last day on which an instrument of transfer is lodged to enable the transferee of the Equities to qualify for the capital repayment by the amount of the capital repayment, net of taxation, if any.

The Exercise Ratio and Exercise Price for the Structured Warrants shall be adjusted in accordance with the following formula:

(i) Adjusted Exercise Ratio =

$$E \times \frac{(P - D)}{P}$$

(ii) Adjusted Exercise Price =

$$X \times \frac{(P - D)}{P}$$

Whereby, in respect of this Condition 6.1(d)(i) and (ii):

- P = Closing price of the Underlying Equity on the last market day on which the Underlying Equity is traded on a cum-entitlement basis.
- D = The capital repayment/ special dividend per one (1) Underlying Equity held.
- X = Existing Exercise Price immediately prior to the capital repayment/ special dividend.
- E = Existing Exercise Ratio immediately prior to the capital repayment/ special dividend.

**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (cont'd)**

Alternatively, the Issuer may also, in good faith, make a corresponding adjustment to the Exercise Ratio and/or Exercise Price as the Issuer determines appropriate to account for the effect of the capital repayment.

On any such adjustment, the resultant Exercise Ratio and/or Exercise Price shall be rounded to the nearest four (4) decimal points of the Relevant Currency and all such adjustment made by the Issuer pursuant to this Condition shall be deemed as final and conclusive save for any manifest error.

Notwithstanding the above, if a capital repayment undertaken by the relevant Underlying Company results in a significant change in the business of such Underlying Company or such other circumstances as the Issuer may determine, the Issuer is entitled to terminate the Structured Warrants without prior notice to the Holders. If the Issuer terminates the Structured Warrants, then the Issuer will, if and to the extent permitted by applicable law, pay an amount to each Holder in respect of each Structured Warrant held by such Holder if the Cash Settlement Amount after deducting all Exercise Expenses, is greater than zero (without the Holder having to deliver a valid Exercise Form). The Cash Settlement Amount shall be determined by the Issuer in a manner as it reasonably deems fit based on the fair market value of the Structured Warrants (as determined by the Issuer) after taking into account the capital repayment exercise less all Exercise Expenses.

(e) Other adjustments

The Issuer is entitled to make other adjustments as it reasonably believes are appropriate in circumstances where an event or events occur which the Issuer believes (notwithstanding any adjustment previously made by the Issuer) should, in the context of the issue of Structured Warrants and its obligations hereunder, give rise to such adjustment. The Issuer shall make such adjustment generally without considering the individual circumstances of any Holder or the tax or other consequences of such adjustment in any particular jurisdiction.

On any such adjustment, the resultant Exercise Ratio and/or Exercise Price shall be rounded to the nearest four (4) decimal points of the Relevant Currency and all such adjustment made by the Issuer pursuant to this Condition shall be deemed as final and conclusive save for any manifest error.

6.2 Notwithstanding the foregoing, no adjustments shall be made to the Exercise Ratio and/or Exercise Price if the formulae stated in Condition 6.1(a) to Condition 6.1(e) results in an adjustment which would amount to less than two percent (2%) of the Exercise Ratio and/or Exercise Price being changed.

6.3 Any termination of Structured Warrants or adjustment made pursuant to Conditions 6.1 and 6.2 shall be binding on the Holders save in the case of manifest error. Notice of such termination, adjustments or amendments shall be given to the Holders as soon as practicable thereafter in accordance with Condition 15 and in any event within five (5) Market Days of such termination or adjustment being made.

## **7 Restrictions to Protect Rights of Holders**

7.1 As from the date of the issue of the Structured Warrants and for so long as any of the Structured Warrants remain exercisable, the Issuer shall have arrangements in place to ensure, for the benefit of the Holders that it is able to satisfy in full the exercise of all the Structured Warrants for the time being outstanding.

**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (cont'd)****8 Merger or Consolidation of Underlying Company**

- 8.1 In the event of a merger, amalgamation or reconstruction of the Underlying Company wherein an Underlying Company is to or may merge or consolidate with or into any other corporation (including becoming, by agreement or otherwise, a subsidiary of any corporation or controlled by any person or corporation) (except where the Underlying Company is the surviving corporation in a merger), or is to or may sell or transfer all or substantially all of its assets ("**Restructuring Event**"), the Issuer may in good faith take any of the actions below:
- (a) cancel the Structured Warrants without prior notice to the Holders. If the Structured Warrants are so cancelled, the Issuer shall pay an amount to each Holder, if the Cash Settlement Amount after deducting all Exercise Expenses, is greater than zero (without the Holder having to deliver a valid Exercise Form). The Cash Settlement Amount shall be determined by the Issuer in a manner as it reasonably deems fit based on the fair market value of the Underlying Equity (as determined by the Issuer) after taking into account the Restructuring Event less all Exercise Expenses; and/or
  - (b) amend and determine the appropriate adjustment, if any, to be made to the terms and conditions of the Structured Warrants to account for the Restructuring Event and determine the effective date of that adjustment. After such adjustments (if any), the Structured Warrants shall relate to the number of equities of the corporation(s) resulting from or surviving such Restructuring Event or other securities ("**Substituted Securities**") and/or cash offered in substitution for the affected Underlying Equity of the relevant Structured Warrants to which the holder of such number of Underlying Equity to which the Structured Warrants related immediately before such Restructuring Event would have been entitled upon such Restructuring Event, as the case may be. The Issuer may, but need not, determine the appropriate adjustment by reference to the adjustment in respect of the Restructuring Event made by a Securities Exchange to options on the relevant Underlying Equity traded on that Securities Exchange.
- 8.2 Upon the occurrence of a Restructuring Event, the rights attaching to the Structured Warrants in respect of that Underlying Company may be amended by the Issuer no later than the Market Day preceding the consummation of such Restructuring Event.
- 8.3 The provisions of these Conditions shall apply to such Substituted Securities provided that, any Substituted Securities may, as the Issuer reasonably deems fit, be replaced by an amount in the Relevant Currency equal to the market value or, if no market value is available, fair value, of such Substituted Securities in each case as determined by the Issuer as soon as practicable after such Restructuring Event is effected.
- 8.4 Any cancellation of Structured Warrants or modification of rights made pursuant to Condition 8.1 or 8.2 shall be notified to the Holders as soon as practicable thereafter and in any event within five (5) Market Days from the date of such cancellation or modification in accordance with Condition 15.

**9 Take-over Offer, Compulsory Acquisition or other Forms of Reorganisation in respect of the Underlying Company****9.1 Take-over Offer or Compulsory Acquisition**

In the event of the Take-Over Offer or Compulsory Acquisition or any other event having similar effect on the rights of the Holders ("**Other Event**") no cancellation of the relevant Structured Warrants shall be effected and the relevant Structured Warrants shall remain exercisable by the Holder for the remaining tenure of the Exercise Period unless any such Take-Over Offer, Compulsory Acquisition or Other Event results in any of the circumstances referred to in Condition 10 or Condition 11, in which event, the relevant provisions of Condition 10 or Condition 11 shall apply.

**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (cont'd)**

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**9.2 Other Forms of Reorganisation**

In the event of a scheme of arrangement or any other forms of reorganisation including any scheme of arrangement or reorganisation resulting in the privatisation of the Underlying Company, or the Underlying Company is placed under a judicial management under any applicable laws, the Issuer is entitled to deal with the Structured Warrants in such manner as it reasonably deems fit in the circumstances and with or without any adjustments to the rights attaching to the relevant Structured Warrants.

**10 Delisting of the Underlying Equity**

10.1 If at any time the Underlying Equity of the Structured Warrants ceases to be listed on Bursa Securities or such other Securities Exchanges or there is an announcement of an intention to cease the listing status of the Underlying Company or the Underlying Equity is suspended from trading on Bursa Securities or such other Securities Exchanges prior to, and in connection with the delisting of the Underlying Equity, the Structured Warrants may if determined by the Issuer be automatically exercised without the Holder having to deliver a valid Exercise Form and without notice of automatic exercise being given by the Issuer to the Holder:

- (a) if the Cash Settlement Amount after deducting all Exercise Expenses is greater than zero, the Issuer shall make payment of the Cash Settlement Amount to the relevant Holder; or
- (b) if the Cash Settlement Amount after deducting all the Exercise Expenses is equal to or less than zero, the Issuer shall not be obliged to make any payment to the relevant Holder and the relevant Structured Warrants shall terminate and cease to be valid and the Issuer's obligations in respect of the Structured Warrants shall terminate absolutely. The Holders shall not be required to pay or top up the Exercise Expenses in the event the Cash Settlement Amount is negative after deducting Exercise Expenses.

In such event, the Settlement Price for the calculation of the Cash Settlement Amount (calculated in accordance with Condition 2) shall, at the Issuer's reasonable discretion, be one of the following:

- (i) the last quoted price of the Underlying Equity immediately before such events;
- (ii) the price determined in accordance with Condition 2.1.3(1)(b) or 2.2.2;
- (iii) in the case of a Take-over Offer or a Compulsory Acquisition, the announced price for such Take-over Offer or Compulsory Acquisition, or
- (iv) such other price as determined by the Issuer in a commercially reasonable manner, as the case may be, and the Issuer shall not be obliged to make any adjustment to the Exercise Price.

10.2 Subject to the aforesaid, the Issuer may but shall not be obliged to make any adjustment to the terms and conditions of the Structured Warrants and the rights attaching to the Structured Warrants as it shall reasonably consider appropriate to ensure that the interests of the Holders generally are not materially prejudiced as a consequence of such events (without considering the individual circumstances of any Holder or the tax or other consequences that may result in any particular jurisdiction).

**11 Liquidation, Dissolution or Winding-Up of the Underlying Company**

11.1 In the event of a liquidation, dissolution or winding-up of the Underlying Company or the appointment of a liquidator, receiver or administrator or analogous person under any applicable law in respect of the whole or substantially the whole of the Underlying Company's Assets, the Structured Warrants will be automatically exercised without the Holder having to

**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (cont'd)**

deliver a valid Exercise Form and without notice of automatic exercise being given by the Issuer to the Holder:

- (a) if the Cash Settlement Amount after deducting all Exercise Expenses is greater than zero, the Issuer shall make payment of the Cash Settlement Amount to the relevant Holder; or
- (b) if the Cash Settlement Amount after deducting all Exercise Expenses is equal to or less than zero, the Issuer shall not be obliged to make any payment to the relevant Holder and the relevant Structured Warrants shall terminate and cease to be valid and the Issuer's obligations in respect of the Structured Warrants shall terminate absolutely. The Holders shall not be required to pay or top up the Exercise Expenses in the event the Cash Settlement Amount is negative after deducting Exercise Expenses.

In such event, the Settlement Price for the calculation of the Cash Settlement Amount (calculated in accordance with Condition 2) shall, at the Issuer's reasonable discretion, be one of the following:

- (i) the last quoted price of the Underlying Equity immediately before such events;
- (ii) the price determined in accordance with Condition 2.1.3(1)(b) or 2.2.2;
- (iii) in the case of a Take-over Offer or a Compulsory Acquisition, the announced price for such Take-over Offer or Compulsory Acquisition; or
- (iv) such other price as determined by the Issuer in a commercially reasonable manner, as the case may be, and the Issuer shall not be obliged to make any adjustment to the Exercise Price.

- 11.2 Subject to the aforesaid, the Issuer may but shall not be obliged to make any adjustment to the terms and conditions of the Structured Warrants and the rights attaching to the Structured Warrants as it shall reasonably, consider appropriate to ensure that the interest of the Holders generally are not materially prejudiced as a consequence of such events (without considering the individual circumstances of any Holder or the tax or other consequences that may result in any particular jurisdiction).

**11A Takeover, Merger, Liquidation, Dissolution or Winding-Up of Issuer**

- 11A.1 In the event of a take-over or a scheme of arrangement or any other form of reorganisation undertaken by the Issuer or any other events having similar effects on the rights of the Holders, the Issuer is entitled to deal with the Structured Warrants in such manner as it reasonably deems fit in the circumstances and with or without any adjustments to the rights attaching to the relevant Structured Warrants.
- 11A.2 In the event of a merger, amalgamation or reconstruction of the Issuer, the corporation, trust or other body into which the Issuer is merged, amalgamated or reconstructed shall assume all the liabilities and the obligations of the Issuer in respect of the Structured Warrants so that the rights of the Holders shall continue to exist and be enforceable to the same extent as provided by the Issuer under the Deed Poll.
- 11A.3 In the event of a liquidation, dissolution or winding-up of the Issuer or the appointment of a receiver or administrator or analogous person under any applicable law in respect of the whole or substantially the whole of the Issuer's Assets, the Structured Warrants remaining outstanding shall be deemed to be exercised on the Market Day immediately prior to the date of such liquidation, dissolution, winding-up or appointment as follows:
- (a) All unexercised Structured Warrants shall automatically be exercised without the Holders having to deliver a valid Exercise Form and without notice of automatic exercise being given by the Issuer to the Holders:

**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (cont'd)**

- (i) if the Cash Settlement Amount after deducting all the Exercise Expenses is greater than zero, the Issuer shall make payment of the Cash Settlement Amount to the relevant Holder; or
- (ii) if the Cash Settlement Amount after deducting all the Exercise Expenses is equal to or less than zero, the Issuer shall not be obliged to make any payment to the relevant Holder and the relevant Structured Warrants shall terminate and cease to be valid and the Issuer's obligations in respect of the Structured Warrants shall terminate absolutely. The Holders shall not be required to pay or top up the Exercise Expenses in the event the Cash Settlement Amount is negative after deducting Exercise Expenses.

The closing price of the Underlying Equity on the Market Day immediately before the above events shall form the Settlement Price for the calculation of the Cash Settlement Amount.

- (b) Notwithstanding the foregoing, if there is a Market Disruption Event on the Set Date, the Settlement Price shall be based on the Market Day immediately preceding the Market Disruption Event. If the preceding Market Day is also affected by the Market Disruption Event, the Settlement Price shall be determined by the Issuer on the Set Date as it reasonably deems fit and on the basis of the Issuer's good faith estimate the reference price and/or the exchange rate (if applicable) for that Set Date by determining the price of the Underlying Equity and/or the exchange rate (if applicable) based on the prevailing market conditions and other factors as the Issuer may consider relevant.

**12 Replacement of Structured Warrant Certificate**

- 12.1 If the Structured Warrant Certificate which has been deposited with Bursa Depository is mutilated, defaced, lost, worn out, stolen or destroyed it shall be replaced by the Issuer at the registered office of the Structured Warrants Registrar on such terms as to evidence and indemnity or otherwise as the Issuer may require. All payment of such costs as may be incurred in connection therewith shall be borne by the Issuer. Mutilated, defaced, lost, worn, stolen or destroyed Structured Warrant Certificates shall be deemed cancelled.

**13 Register, Transfer and Transmission**

- 13.1 Each Holder registered in the Record of Depositors shall be entitled to all rights, benefits, powers and privileges and be subject to all liabilities, duties and obligations in respect of, or arising from the Structured Warrants, and shall be deemed and treated as the absolute owner of the relevant Structured Warrants, in accordance with the Central Depositories Act and the Rules of Bursa Depository, whether or not the Issuer shall be in default in respect of the Structured Warrants or any of the covenants contained herein and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft of any Structured Warrants. The provisions of the Central Depositories Act, the Rules of Bursa Depository and the Issuer's constitution for the time being relating to the registration, transfer and transmission of shares and the fees payable thereon shall with necessary modification apply to the registration, transfer and transmission of the legal ownership of the Structured Warrants, subject always to the provisions of this Condition and Condition 2.
- 13.2 The entries made under the Record of Depositors shall be deemed to be the final record of all Depositors. No notice of any trust, express or implied, shall be entered upon the Record of Depositors otherwise than pursuant to an order of a court of competent jurisdiction or as required by law, and a Holder shall be deemed to be the beneficial owner of the Structured Warrants standing to the credit of his/its Securities Account, until such time as the Structured Warrants are duly transferred to another Holder and the name of the transferee is entered in the Record of Depositors.

**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (cont'd)**

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**14 Meetings of Holders**

- 14.1 The procedure governing the convening and conduct of meetings of the Holders are set out in the Fourth Schedule to the Deed Poll.

**15 Notices**

- 15.1 Subject to Condition 15.2:
- (a) all notices to the Holders pertaining to the convening of meetings shall be made by way of notice published in at least one (1) English language national daily newspaper and announced through Bursa Securities; and
  - (b) all other notices shall either be announced through the Bursa Securities or published in at least one (1) English language national daily newspaper.
- 15.2 A notice is deemed to have been given and served to the Holders on the date of announcement or publication as the case may be or, if announced or published more than once or on different dates, on the first date on which it is announced or published.
- 15.3 All notices effected in accordance with this Condition 15 shall be deemed to be effective in respect of all persons who become Holders after the date of the relevant notice.
- 15.4 For the avoidance of doubt, a notice shall not be required to be published or announced in respect of an event contemplated under Conditions 6, 8, 9, 10, 11 or 11A, as the case may be, if no adjustment to the rights of the Holders or amendment to the terms and conditions of the relevant Structured Warrants is made or to be made pursuant thereto.

**16 Modification of rights**

- 16.1 All or any of the rights for the time being attached to the Structured Warrants (other than the Exercise Price which a Holder is entitled to or the formulae for the adjustment of the Exercise Price or the Exercise Ratio or any other condition, which may be modified in accordance with the provisions set out elsewhere in these Conditions) may be altered or abrogated by the Issuer from time to time (whether or not the Issuer is being wound up), and the sanction of a Special Resolution passed at a meeting of the Holders held as aforesaid shall be necessary to effect such alteration or abrogation.
- 16.2 Notwithstanding the provisions of Condition 16.1, the Issuer may without the consent of the Holders but in accordance with the terms of the Deed Poll, effect any modification to the Structured Warrants or the Deed Poll which, in the opinion of the Issuer, is:
- (a) not materially prejudicial to the interests of the Holders; or
  - (b) of a formal, minor or technical nature; or
  - (c) necessary or expedient to correct a manifest error, or to comply with mandatory provisions of law or rules or regulations; or
  - (d) necessary or expedient to facilitate scripless trading in or exercise of the Structured Warrants or payment by way of electronic funds transfer as approved by the relevant government or statutory authorities in respect of the Structured Warrants or to amend the restrictions on transfer or exercise of the Structured Warrants to comply with the requirements of or the concessions granted by any relevant government or statutory authorities.
- Any such modification shall be binding on all Holders and shall be notified by the Issuer to them as soon as practicable thereafter in accordance with Condition 15 but in any event not later than twenty (20) Market Days from the date of such modification.
- 16.3 Notwithstanding Condition 16.1, the Issuer may, at any time and from time to time for the purpose of an issue of new Structured Warrants or a new Series of Structured Warrants



**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (cont'd)**

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through the Base Prospectus and without the consent or sanction of the Holders supplement the Deed Poll with the terms and conditions of the new Structured Warrants or Series of Structured Warrants (as set out in the relevant Term Sheet), as the case may be. In the event such supplement to the Deed Poll shall affect the rights and interests of the Holders, the Issuer is to effect such supplement to the Deed Poll by notice to the Holders in accordance with Condition 15 and such supplement shall be binding on all Holders without any further action being required to be taken by the Issuer. For the avoidance of doubt, a Holder is deemed to have notice of all announcements (and their respective contents) made by the Issuer to Bursa Securities in respect of or affecting the Series of Structured Warrants held.

**17 Buy-backs and cancellation**

- 17.1 The Issuer, and/or its Affiliates, may at any time purchase or buy back the Structured Warrants in the open market or by tender or private treaty and become the Holder of the Structured Warrants. Any Structured Warrants so purchased may be held or resold or surrendered for cancellation provided that cancellation of the Structured Warrants may only occur if all outstanding Structured Warrants have been purchased by the Issuer and/or its Affiliates. If pursuant to this Condition, the Issuer purchases or buys back the Structured Warrants and becomes the Holder of and is beneficially entitled to the Structured Warrants, the Issuer shall not exercise the voting rights with respect to such Structured Warrants held in any meeting of the Holders, unless otherwise permitted by the authorities or applicable laws and requirements.
- 17.2 Notwithstanding Condition 17.1, any purchase of the Structured Warrants by the Issuer and/or its Affiliates shall be undertaken in such manner and on such terms as may be imposed by the SC.

**18 Structured Warrants Registrar**

- 18.1 The Structured Warrants Registrar acts as an agent of the Issuer and shall not assume any obligation or duty to or any relationship of agency or trust for the Holders except only as described in Condition 18.2.
- 18.2 The Structured Warrants Registrar shall not be liable to any Holder in respect of any losses, liabilities, costs, claims, actions or demands which such Holder may suffer or incur or allege to have suffered or incurred as a result of or in connection with the exercise or non-exercise of any Structured Warrants Registrar's powers, discretions and/or duties. The Structured Warrants Registrar may:
- (a) in the exercise of its powers, discretions and/or duties, act on the advice or opinion of, or any certificate or information obtained in good faith from, any lawyer, valuer, accountant, banker, broker, securities company or other expert whether obtained by the Issuer, the relevant Structured Warrants Registrar or otherwise (which advice, opinion, certificate or information may be sent or obtained by letter, telex, telegram, cable or facsimile device) and the Structured Warrants Registrar shall not be liable for any loss occasioned by acting on any such advice, opinion, certificate or information or by any such letter, telex, telegram, cable or facsimile message being forged or otherwise not authentic or containing some errors with respect to content, delivery or transmission;
  - (b) receive and retain without liability to account, such fee or other remuneration as may from time to time be agreed between the Issuer and the Structured Warrants Registrar; and
  - (c) enter into or be interested in any contract or financial or other transaction or arrangement with the Issuer or any person or body corporate associated with the Issuer in connection therewith to receive and retain, without liability to account any profit, fee, remuneration or other benefit received thereby or in connection therewith.

**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (cont'd)**

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The Structured Warrants Registrar does not act as the agent of any Holder and therefore owes no fiduciary duty to any Holder in arriving at its calculations and determinations.

**19 Exclusion of equities**

- 19.1 Subject to the Central Depositories Act, the Rules of Bursa Depository, the Deed Poll, or these Conditions, no person shall be recognised by the Issuer as holding any Structured Warrants upon any trust, and the Issuer shall not be bound by or compelled in any way to recognise any equitable, contingent, future or partial interest in any Structured Warrant, or any interest in any fractional part of a Structured Warrant, or (except only as by these presents or by law otherwise provided) any other right in respect of any Structured Warrants, except an absolute right to the entirety thereof in the registered holder.

**20 Governing law**

- 20.1 The Structured Warrants and the Deed Poll are governed by and shall be construed in accordance with the laws of Malaysia. The Issuer and the Holders irrevocably agree that with respect to any proceedings in Malaysia in connection with any matter or issue relating to the Deed Poll and these Conditions, they shall be bound by the decision, ruling or order of the Malaysian Court.

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**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (cont'd)****Part 2****Conditions Of The Cash-Settled Single Index Call Or Put Warrants****1 General, Nature, Form, Transfer, Administration and Status of Structured Warrants**

- 1.1 The Structured Warrants comprise of **American or European style non-collateralised cash-settled call or put warrants over a single index** to be issued from time to time by the Issuer through the Base Prospectus and subject to, and with the benefit of the Deed Poll referred to on the face of the Structured Warrant Certificate and these Conditions. The Exercise Rights entitle the Holder of each Structured Warrant for each Series of Structured Warrants issued or to be issued, subject to the Deed Poll and in accordance with these Conditions, upon valid exercise thereof, to the Cash Settlement Amount calculated in accordance with Condition 2. Certain statements in these Conditions are summaries of and are subject to the detailed provisions of the Deed Poll and in the event of any inconsistency between a provision contained in these Conditions and a provision contained in the Deed Poll, the provisions in the Deed Poll shall prevail. Copies of the Deed Poll are available for inspection at the registered office of the Issuer, being at the date hereof at 10th floor Menara Hap Seng, No. 1 & 3 Jalan P. Ramlee, 50250 Kuala Lumpur, Malaysia. The payment obligation of the Issuer under these Conditions is guaranteed by Macquarie Financial Holdings Pty Limited (the “**Guarantor**”) (the “**Guarantee**”). The Holders for the time being of the Structured Warrants and whose names appear on the Record of Depositors are all entitled to the benefit of, bound by, and deemed to have notice of, all the provisions of the Deed Poll. Further, each Holder acknowledges it has, where necessary, consulted its stockbroker, solicitor or other adviser before investing in the Structured Warrants and none of the Issuer or its directors or employees may be construed as investment adviser or agent of, or owe any fiduciary duty to the Holder. **For the purposes of this Part 2, the term “Structured Warrants” shall refer to the American or European style non-collateralised cash-settled call or put warrants over a single index.**
- 1.2 Subject to the Central Depositories Act, the Rules of Bursa Depository, the Deed Poll, the relevant applicable rules and regulations and these Conditions:
- (a) each Structured Warrant is an option which confers on the Holder the Exercise Rights which require the Issuer to pay the Cash Settlement Amount (if any) to the Holder in accordance with these Conditions; and
  - (b) the Structured Warrants are issued in registered form, serially numbered and are a Prescribed Security to be admitted to the Official List. The Structured Warrants are represented by a global/jumbo certificate issued to Bursa Depository or its nominee who holds the same as bare trustee on behalf of the Holders, and deposited with Bursa Depository in or substantially in the form set out in the First Schedule to the Deed Poll as the same may from time to time be modified in accordance with the Deed Poll.
- 1.3 Subject to all information provided by the subscriber for the Structured Warrants to the Issuer being complete and consistent with the records of Bursa Depository, the Issuer shall within seven (7) Market Days from the date of allotment of the Structured Warrants, cause and procure the Structured Warrants Registrar to notify Bursa Depository of the names of the Holders together with such particulars as may be required by Bursa Depository for the purpose of making appropriate entries in the Securities Account of the respective Holder, request Bursa Depository to credit the Securities Account of the Holders with the applicable Structured Warrants and shall deliver to Bursa Depository the Structured Warrant Certificate registered in the name of Bursa Depository or its nominee company in such manner as may be prescribed by the Rules of Bursa Depository or agreed with Bursa Depository. If, at any time, the information provided by the Holders for the Structured Warrants is incorrect or inaccurate or inconsistent with the records of Bursa Depository, the Issuer reserves the right and without any obligation whatsoever to the Holders, to accept, reject or otherwise deal with the Structured Warrants in such manner as it reasonably deems fit in the circumstances. The Holders are not entitled to any physical warrant certificates.

**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (cont'd)**

- 1.4 Subject to the provisions of the Central Depositories Act and the Rules of Bursa Depository, the registration and subsequent administration of Structured Warrants shall be in the manner set forth in the Deed Poll. It is hereby acknowledged that the Issuer shall be entitled to appoint registrars for the registration and administration of the Structured Warrants. The Issuer hereby confirms that it shall/has appointed the Structured Warrants Registrar for the purpose stipulated hereof, who shall perform such duties as required by the Issuer under the Deed Poll.
- 1.5 The Holders may transfer the Structured Warrants in the manner prescribed under the Central Depositories Act and the Rules of Bursa Depository. Structured Warrants shall be issued in board lots of one hundred (100) warrants or such other board lot as permitted by the SC and/or Bursa Securities.
- 1.6 The Structured Warrants and the settlement obligation of the Issuer in respect of the Structured Warrants represent general and unsecured contractual obligations of the Issuer and of no other person which rank, and shall rank, equally among themselves and without preference in all respects, subject to such exceptions as may from time to time exist under applicable law or the Deed Poll, with the other existing and future unsecured and unsubordinated obligations of the Issuer. The Guarantee represents general and unsecured contractual obligations of the Guarantor and of no other person which rank, and shall rank, equally among themselves and without preference in all respects, subject to such exceptions as may from time to time exist under applicable law or the Guarantee, with the other existing and future unsecured and unsubordinated obligations of the Guarantor.
- 1.7 The Structured Warrants do not confer on the Holders any right to acquire or dispose of equities or other securities, including the equities in the companies constituting the Underlying Index and the Issuer is not under any obligation whatsoever to purchase, hold or deliver such equities or other securities, or any rights and benefits attaching thereto.
- 1.8 The Holders are entitled to the Cash Settlement Amount in accordance with Condition 2.

**2 Exercise of the Structured Warrants****2.1 American style Structured Warrants**

- 2.1.1 The Structured Warrants may be exercised in the manner as set out in Condition 2.1.2 at anytime from the date of issue up to the Expiry Date. In the event the date whereby the Exercise Form is delivered is not a Market Day, then it shall be deemed to be exercised on the next following Market Day.
- 2.1.2 In order to invoke the Exercise Rights within the Exercise Period, a Holder must complete and sign the Exercise Form (which shall be made available by the Structured Warrants Registrar in any manner as may be stipulated by Bursa Securities or such other relevant authority) and deliver the same on a Market Day between 9.00 a.m. to 5.00 p.m. to the Structured Warrants Registrar who shall acknowledge receipt by stamping the date and time of receipt on the Exercise Form in respect of which the Structured Warrants are being exercised.

Provided always that:

- (a) in every case compliance must also be made with the requirements set out in the Exercise Form and other prevailing statutory requirements for the time being applicable;
- (b) the Holder shall, if so required by the Structured Warrants Registrar, furnish such evidence, if any, as the Structured Warrants Registrar or the directors of the Issuer may require to determine the due execution of the Exercise Form by or on behalf of the Holder exercising the same. Once a valid Exercise Form is duly delivered by the Holder to the Structured Warrants Registrar the exercise of such Exercise Rights shall be irrevocable save with the consent of the directors of the Issuer; and

**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (cont'd)**

- (c) where the Holder does not comply with the procedures or restrictions or conditions relating to the exercise of the Structured Warrants, the Exercise Form and any documents received shall be returned to such Holder by ordinary post to the Holder's address recorded in the Record of Depositors at the risk of the Holder.

2.1.3 Subject to notification by the Structured Warrants Registrar of fulfilment of the preconditions by the Holder to validly exercise the Structured Warrants as set out in Condition 2.1.2 within three (3) Market Days from the Exercise Date and the absence of a Settlement Disruption Event, the Issuer shall, within seven (7) Market Days from the Exercise Date or such other period as may be prescribed by the Bursa Securities or such other relevant authority, pay to the relevant Holder, the Cash Settlement Amount in the Settlement Currency calculated as set out below less Exercise Expenses.

For call warrants:

$$\text{Cash Settlement Amount} = \text{Number of Structured Warrants} \times \frac{(\text{Settlement Level}^{(1)} - \text{Exercise Level}^{(2)})}{1} \times \frac{1}{\text{Exercise Ratio}^{(2)}} \times \text{Multiplier}^{(3)} \times \text{Settlement Exchange Rate}^{(4)} \text{ (if applicable)}$$

For put warrants:

$$\text{Cash Settlement Amount} = \text{Number of Structured Warrants} \times \frac{(\text{Exercise Level}^{(2)} - \text{Settlement Level}^{(1)})}{1} \times \frac{1}{\text{Exercise Ratio}^{(2)}} \times \text{Multiplier}^{(3)} \times \text{Settlement Exchange Rate}^{(4)} \text{ (if applicable)}$$

(1) The Settlement Level shall be calculated by reference to either:

- (a) In the event a valid Exercise Form is received in accordance with Condition 2.1.2 by the Structured Warrants Registrar:
- (i) before 12.30 p.m. on any Market Day other than on the Expiry Date, the exercise of the Structured Warrants shall be deemed to have been made on that Market Day and in such instance the Market Day of receipt of the Exercise Form shall be the Exercise Date and the Valuation Date and the Settlement Level shall be the closing level of the Underlying Index on such Valuation Date; or
  - (ii) on or after 12.30 p.m. on any Market Day other than on the Expiry Date, the exercise of the Structured Warrants shall be deemed to have been made on the Market Day immediately following the Market Day of receipt of the Exercise Form and in such instance the Market Day immediately following the Market Day of receipt of the Exercise Form shall be the Exercise Date and the Valuation Date and the Settlement Level shall be the closing level of the Underlying Index on such Valuation Date. For the avoidance of doubt, if a valid Exercise Form is received on or after 12.30 p.m. on a Market Day immediately preceding the Expiry Date, the exercise of the Structured Warrants shall be deemed to have been made on the Expiry Date and in such instance the Settlement Level shall be the Expiry Date Settlement Level (as defined below) of the Underlying Index; or
  - (iii) on the Expiry Date, the Settlement Level shall be the Expiry Date Settlement Level (as defined below) of the Underlying Index,

**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (cont'd)**

and as specified in the relevant Term Sheet and subject to the Market Disruption Event provision below.

- (b) In the event of any exercise of the Structured Warrants on the Expiry Date, the Settlement Level shall be calculated by reference to either:
- (i) the closing level of the Underlying Index on the Market Day immediately before the Expiry Date; or
  - (ii) the final settlement price for settling the corresponding spot-month index futures contracts scheduled to expire on the scheduled Expiry Date; or
  - (iii) the average of the closing levels of the Underlying Index for the five (5) Market Days prior to and including the Market Day immediately before the Expiry Date,

and as specified in the relevant Term Sheet ("**Expiry Date Settlement Level**") and subject to the Market Disruption Event provision below.

- (c) If a Market Disruption Event, or a public holiday unexpected by the Issuer, occurs on any of the five (5) Market Days described in sub-Condition (1)(b)(iii) above, the valuation period applicable and the Settlement Price shall be as determined by the Issuer in such manner as it reasonably deems fit.

In any other cases where there is a single Valuation Date (except for sub-Condition (1)(b)(ii) above), if there is a Market Disruption Event on the Valuation Date, the Valuation Date shall be the next following Market Day after the Market Disruption Event. If the Market Disruption Event continues to occur up to the eighth (8<sup>th</sup>) Business Day following the original Valuation Date, then the Valuation Date shall be:

- (i) that eighth (8<sup>th</sup>) Business Day; and
- (ii) the Issuer shall determine as it reasonably deems fit and on the basis of the Issuer's good faith estimate the reference level and/or the exchange rate (if applicable) for that Valuation Date by determining the level of the Underlying Index and/or the exchange rate (if applicable) based on the prevailing market conditions and other factors as the Issuer may consider relevant.

- (2) The Exercise Level and/or Exercise Ratio shall be subject to such adjustments as may be necessary as provided in Condition 6.

- (3) The Multiplier shall be specified in the relevant Term Sheet.

2.1.4 In the event that the Cash Settlement Amount after deducting all the Exercise Expenses is equal to or less than zero, the Issuer shall not be obliged to make any payment to the relevant Holder, and the Structured Warrants exercised shall thereafter become void and cease to have the Exercise Rights and the Issuer's obligations in respect of the Structured Warrants shall terminate absolutely. The Holders shall not be required to pay or top up the Exercise Expenses in the event the Cash Settlement Amount is negative after deducting Exercise Expenses.

2.1.5 If the Structured Warrants are not earlier exercised, the Structured Warrants shall be deemed automatically exercised at 5.00 p.m. on the Expiry Date without the Holders having to deliver a valid Exercise Form to the Structured Warrants Registrar and without notice of automatic exercise being given by the Issuer to the Holders.

2.1.6 Upon automatic exercise of the Structured Warrants on the Expiry Date in accordance with Condition 2.1.5 above, if the Cash Settlement Amount after deducting all Exercise Expenses:

**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (cont'd)**

- (a) is greater than zero, in the absence of a Settlement Disruption Event, payment shall be made by the Issuer to the relevant Holders within seven (7) Market Days from the Expiry Date, and the Issuer's obligations in respect of the Structured Warrants shall terminate absolutely; or
- (b) is equal to or less than zero, the Structured Warrants shall terminate and cease to be valid and the Issuer's obligations in respect of the Structured Warrants shall terminate absolutely. The Holders shall not be required to pay or top up the Exercise Expenses in the event the Cash Settlement Amount is negative after deducting Exercise Expenses.

**2.2 European style Structured Warrants**

2.2.1 The Structured Warrants shall be automatically exercised at 5.00 p.m. (or any other time as specified in the relevant Term Sheet) on the Expiry Date if the Cash Settlement Amount calculated in accordance with Condition 2.2.2 after deducting all Exercise Expenses is greater than zero (without the Holder having to deliver a valid Exercise Form and without notice of automatic exercise being given by the Issuer to the Holders). If the scheduled Expiry Date is not a Market Day then it shall be deemed to be exercised on the next following Market Day. The Structured Warrants will automatically terminate and cease to be valid at 5.00 p.m. (or any other time as specified in the relevant Term Sheet) on the Expiry Date if the Cash Settlement Amount after deducting all Exercise Expenses is zero or less than zero and the Issuer's obligations in respect of the Structured Warrants shall terminate absolutely. The Holders shall not be required to pay or top up the Exercise Expenses in the event the Cash Settlement Amount is negative after deducting Exercise Expenses.

2.2.2 The Issuer shall in the absence of a Settlement Disruption Event, within seven (7) Market Days from the Expiry Date or such other period as may be prescribed by Bursa Securities or such other relevant authority, pay to the relevant Holder, the Cash Settlement Amount in the Settlement Currency calculated as set out below less Exercise Expenses:

For call warrants:

$$\text{Cash Settlement Amount} = \text{Number of Structured Warrants} \times (\text{Settlement Level}^{(1)} - \text{Exercise Level}^{(2)}) \times \frac{1}{\text{Exercise Ratio}^{(2)}} \times \text{Multiplier}^{(3)} \times \text{Settlement Exchange Rate (if applicable)}$$

For put warrants:

$$\text{Cash Settlement Amount} = \text{Number of Structured Warrants} \times (\text{Exercise Level}^{(2)} - \text{Settlement Level}^{(1)}) \times \frac{1}{\text{Exercise Ratio}^{(2)}} \times \text{Multiplier}^{(3)} \times \text{Settlement Exchange Rate (if applicable)}$$

- (1) (a) The Settlement Level on the Expiry Date shall be calculated by reference to either:
  - (i) the closing level of the Underlying Index on the Market Day immediately before the Expiry Date; or
  - (ii) the final settlement price for settling the corresponding spot-month index futures contracts scheduled to expire on the scheduled Expiry Date; or

**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (cont'd)**

- (iii) the average of the closing levels of the Underlying Index for the five (5) Market Days prior to and including the Market Day immediately before the Expiry Date,

and as specified in the relevant Term Sheet.

- (b) If a Market Disruption Event, or a public holiday unexpected by the Issuer, occurs on any of the five (5) Market Days described in sub-Condition (1)(a)(iii) above, the valuation period applicable and the Settlement Price shall be as determined by the Issuer in such manner as it reasonably deems fit.

Regarding sub-Condition (1)(a)(i) above, if there is a Market Disruption Event on the Valuation Date, the Valuation Date shall be the next following Market Day after the Market Disruption Event. If the Market Disruption Event continues to occur up to the eighth (8<sup>th</sup>) Business Day following the original Valuation Date, then the Valuation Date shall be:

- (i) that eighth (8<sup>th</sup>) Business Day; and
- (ii) the Issuer shall determine as it reasonably deems fit and on the basis of the Issuer's good faith estimate the reference level and/or the exchange rate (if applicable) for that Valuation Date by determining the level of the Underlying Index and/or the exchange rate (if applicable) based on the prevailing market conditions and other factors as the Issuer may consider relevant.

Regarding sub-Condition (1)(a)(ii) above, if there is a Market Disruption Event on the scheduled Expiry Date or the final settlement price for settling the corresponding spot-month index futures contracts scheduled to expire on the scheduled Expiry Date is otherwise unavailable on that date, the Expiry Date will be postponed until such final settlement price for settling the corresponding spot-month index futures contracts is published.

- (2) The Exercise Level and/or Exercise Ratio shall be subject to such adjustments as may be necessary as provided in Condition 6.

- (3) The Multiplier shall be specified in the relevant Term Sheet.

- 2.2.3 In the event that the Cash Settlement Amount after deducting all Exercise Expenses is equal to or less than zero on the Expiry Date, the Structured Warrants shall terminate on the Expiry Date and cease to be valid and the Issuer's obligations in respect of the Structured Warrants shall terminate absolutely. The Holders shall not be required to pay or top up the Exercise Expenses in the event the Cash Settlement Amount is negative after deducting Exercise Expenses.

- 2.3 (a) The Cash Settlement Amount less the Exercise Expenses may be made by way of cheque drawn in favour of the Holder to be delivered by ordinary post to the Holder's address last recorded in the Record of Depositors at the Holder's own risk or by way of telegraphic transfer to the bank account of the Holder last notified to the Structured Warrants Registrar or the Issuer. Where the Issuer makes a payment to a Holder pursuant to the terms of Conditions 2.1 or 2.2, the amount of such payment arising from the exercise of the Structured Warrants shall be final and conclusive and the Issuer shall be discharged from its obligation upon making such payment thereof in accordance with these Conditions.

- (b) The Cash Settlement Amount less the Exercise Expenses shall be calculated and be payable in Settlement Currency and rounded down to the nearest two (2) decimal points. All determinations made by the Issuer pursuant to Conditions 2.1 or 2.2 shall be final and conclusive and binding on the Holders.



**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (cont'd)**

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- (c) Unless otherwise specified in the relevant Term Sheet, the Holder is to bear all Exercise Expenses in relation to the exercise of Structured Warrants and on exercise of the Structured Warrants the Issuer shall be irrevocably authorised by the Holder to deduct all Exercise Expenses from the Cash Settlement Amount.
  - (d) If as a result of a Settlement Disruption Event, it is not possible for the Issuer to make payment on the original Settlement Date, the Issuer shall use its reasonable endeavours to procure payment as soon as practicable after the original Settlement Date. The Issuer shall not be liable to the Holder for any interest in respect of the amount due or any loss or damage that such Holder may suffer as a result of the existence of the Settlement Disruption Event.
- 2.4 The Issuer shall not allow the Holder to exercise the Exercise Rights unless the Structured Warrants are or have been designated as "free securities" in accordance with the Rules of Bursa Depository.
- 2.5 The Issuer declares that approval shall be sought from Bursa Securities for the admission of the Structured Warrants to the Official List and for the listing of and quotation for the Structured Warrants on Bursa Securities.
- 2.6 All questions as to the validity, form, eligibility (including time of receipt) and acceptance of Exercise Form shall be resolved by the Structured Warrants Registrar in a manner as it reasonably deems fit, whose determination shall be final and binding on the Issuer and the Holder. The Structured Warrants Registrar is entitled to reject any Exercise Form that is not in proper form or the acceptance of which may, in the view of counsel for the Structured Warrants Registrar be unlawful. The Structured Warrants Registrar also reserves the right, subject to applicable law, to waive any irregularities. The interpretation of the Structured Warrants Registrar of the terms and conditions of exercise of the Structured Warrants shall be final and binding on the Issuer and the Holder. Unless waived, any irregularities in connection with the Exercise Form must be rectified by such time, as the Structured Warrants Registrar shall determine. The Structured Warrants Registrar shall not be under any duty to give notification of any irregularities in such Exercise Form and shall not incur liabilities for failure to give such notification. The Exercise Form shall not be considered to have been validly delivered until such irregularities have been rectified and waived.
- 2.7 The initial Structured Warrants Registrar and its specified offices are stated in the Deed Poll. The Issuer reserves the right at any time to terminate the appointment of the Structured Warrants Registrar. Prior written notice of any termination, appointment of Structured Warrants Registrar, resignation of the Structured Warrants Registrar or any changes in any of the specified offices of the relevant Structured Warrants Registrar shall be given to the Holders in accordance with Condition 12 and such prior notice shall be given to the Holders not more than sixty (60) days and less than thirty (30) days of such termination, appointment, resignation or change.
- 2.8 In respect of each Structured Warrant in which Exercise Rights have been exercised, the Issuer shall instruct or procure the Structured Warrants Registrar to instruct Bursa Depository, in accordance with the Central Depositories Act and the Rules of Bursa Depository, to debit the appropriate number of Structured Warrants in respect of which Exercise Rights have been exercised from the Securities Account of such Holder. The Issuer shall be entitled at any time on or after the Expiry Date, to demand that Bursa Depository deliver to the Issuer the Structured Warrant Certificates and thereafter cancel or cause the cancellation of the Structured Warrant Certificates.
- 2.9 The Structured Warrants subject to the Exercise Rights which have been exercised in accordance with the Deed Poll shall cease to exist and all obligations of the Issuer in respect of those Structured Warrants shall terminate absolutely following payment of the amount (if any) referred to in this Condition 2.

**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (cont'd)****3 Exercise Rights and Suspension**

- 3.1 Upon and subject to the provisions of the Central Depositories Act, the Rules of Bursa Depository and the Deed Poll, the Holder whose name as stated in the Record of Depositors shall have the right at any time during the Exercise Period to invoke its Exercise Rights at the Exercise Level subject to adjustments in accordance with Condition 6.
- 3.2 The Structured Warrants shall, subject to any directions, order or notice from any relevant regulatory authority and any request for suspension by the Issuer which is not rejected by any such relevant regulatory authority, continue to be traded notwithstanding that the trading of the options or futures relating to the relevant Underlying Index on any options or futures exchanges may have been suspended. Any such suspension shall not preclude the Holder from exercising the Exercise Rights.
- 3.3 The Issuer shall notify the Holders of the Expiry Date at least one (1) month prior to the Expiry Date or such other period as may be specified by the relevant authority. Such notice shall be given in accordance with Condition 12 stating the Expiry Date and treatment of the Structured Warrants which are not exercised.

**4 Deposit and Forfeiture of Unclaimed Amount**

- 4.1 In the event that the Issuer pays the Cash Settlement Amount to any Holder under Condition 2 by way of cheque payment and such Holder does not present the cheque for payment within six (6) months from the date of the cheque, the Issuer shall at any time thereafter deal with the said monies in accordance and in compliance with, the requirements of the Unclaimed Moneys Act 1965 (Act 370) (revised 1989) of Malaysia.

**5 Designation of Structured Warrants set out in the Exercise Form**

- 5.1 Subject to the approval of Bursa Depository and/or other relevant authority, the Issuer reserves all rights to instruct Bursa Depository and/or other relevant authority to designate the Structured Warrants held in the relevant Securities Account of a Holder which the Holder has purportedly exercised by submitting an Exercise Form to the Issuer and/or the Structured Warrants Registrar, in order for Bursa Depository and/or the relevant authority to prohibit the Holder from trading on the exchange the designated Structured Warrants after the aforesaid exercise. The Issuer's right to instruct Bursa Depository and/or the relevant authority shall be independent of whether the exercise is valid or otherwise, provided that the amount of Structured Warrants so designated by Bursa Depository and/or the relevant authority do not exceed the amount set out in such Exercise Form.

**6 Adjustment of the Underlying Index, Exercise Level and/or Exercise Ratio****6.1 Adjustments**

Subject to the Conditions as hereinafter provided and the Deed Poll, the Underlying Index of the relevant Structured Warrants shall from time to time be adjusted in accordance with the following provisions:

- (a) Successor for the Underlying Index Sponsor calculates and reports on the Underlying Index

If a relevant Underlying Index is:

- (i) not calculated and announced by the Underlying Index Sponsor but is calculated and published by a successor to the Underlying Index Sponsor (the "**Successor Underlying Index Sponsor**") acceptable to the Issuer; or
- (ii) replaced by a successor index using, in the determination of the Issuer, the same or a substantially similar formula for and method of calculation as used in the calculation of the Underlying Index,

**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (cont'd)**

then in each case, that underlying index ("**Successor Index**") shall be deemed to be the Underlying Index.

(b) **Modification and Cessation of Calculation of Underlying Index**

If:

- (i) on or prior to the Exercise Date, the Underlying Index Sponsor or (if applicable) the Successor Underlying Index Sponsor makes or announces that they shall make a material change in the formula for or the method of calculating the Underlying Index or in any other way materially modifies the Underlying Index (other than a modification prescribed in that formula or method to maintain the Underlying Index in the event of changes in constituent securities and other capitalisation and routine events) or cancels or announces the cancellation of the Underlying Index and no Successor Index exists; or
- (ii) on the Exercise Date, the Underlying Index Sponsor or the Successor Underlying Index Sponsor fails to calculate and publish the Underlying Index (other than as a result of a Market Disruption Event),

then the Issuer may determine the reference level using, in lieu of a published level for the Underlying Index, the level for the Underlying Index as at that Exercise Date as determined by the Issuer in accordance with the formula for and method of calculating the Underlying Index last in effect prior to that change, modification, cancellation or failure, but using only securities that constituted the Underlying Index immediately prior to that change, modification, cancellation or failure (other than those securities that constituted the Underlying Index which have since ceased to be listed on or quoted by the relevant Securities Exchange). Alternatively, the Issuer may determine the reference level using the closing level of the corresponding spot-month index futures contract, if available.

(c) **Correction of closing level**

In the event that the closing level published by the Underlying Index Sponsor or the Successor Underlying Index Sponsor which is utilised for any calculation or determination made under the Structured Warrants is subsequently corrected, the Issuer will, as it reasonably deems fit, adjust the terms of the Structured Warrants to account for such correction provided that such correction is published and made available to the public by the Underlying Index Sponsor or the Successor Underlying Index Sponsor during a period following original publication equal in duration to the period in which a trade in futures or options contracts relating to the Underlying Index on the relevant Securities Exchange would customarily settle according to the rules of such Securities Exchange, or if there are multiple Securities Exchanges in respect of the Underlying Index, the longest such period, and further provided, that such publication of such correction is made sufficiently in advance of the Settlement Date.

(d) **Other adjustments**

The Issuer is entitled to make other adjustments as it reasonably believes are appropriate in circumstances where an event or events occur which the Issuer believes (notwithstanding any adjustment previously made by the Issuer) should, in the context of the issue of Structured Warrants and its obligations hereunder, give rise to such adjustment. The Issuer shall make such adjustment generally without considering the individual circumstances of any Holder or the tax or other consequences of such adjustment in any particular jurisdiction

(e) **Notice of Determinations**

All determinations made by the Issuer pursuant hereto shall be conclusive and binding on the Holders. The Issuer shall give, or procure that there is given, notice as soon as practicable of any adjustment and of the date from which such adjustment is effective by notification to the Holders in accordance with Condition 12.

**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (cont'd)**

6.2 Notwithstanding the foregoing, no adjustments shall be made to the Exercise Ratio and/or Exercise Level if such adjustments would amount to less than two percent (2%) of the Exercise Ratio and/or Exercise Level being changed.

6.3 Any adjustment made pursuant to Conditions 6.1 and 6.2 shall be binding on the Holders save in the case of manifest error. Notice of such adjustments or amendments shall be given to the Holders as soon as practicable thereafter in accordance with Condition 12 and in any event within five (5) Market Days of the adjustment being made.

**7 Restrictions to Protect Rights of Holders**

7.1 As from the date of the issue of the Structured Warrants and for so long as any of the Structured Warrants remain exercisable, the Issuer shall have arrangements in place to ensure, for the benefit of the Holders that it is able to satisfy in full the exercise of all the Structured Warrants for the time being outstanding.

**8 Takeover, Merger, Liquidation, Dissolution or Winding-Up of Issuer**

8.1 In the event of a take-over or a scheme of arrangement or any other form of reorganisation undertaken by the Issuer or any other events having similar effects on the rights of the Holders, the Issuer is entitled to deal with the Structured Warrants in such manner as it reasonably deems fit in the circumstances and with or without any adjustments to the rights attaching to the relevant Structured Warrants.

8.2 In the event of a merger, amalgamation or reconstruction of the Issuer, the corporation, trust or other body into which the Issuer is merged, amalgamated or reconstructed shall assume all the liabilities and the obligations of the Issuer in respect of the Structured Warrants so that the rights of the Holders shall continue to exist and be enforceable to the same extent as provided by the Issuer under the Deed Poll.

8.3 In the event of a liquidation, dissolution or winding-up of the Issuer or the appointment of a receiver or administrator or analogous person under any applicable law in respect of the whole or substantially the whole of the Issuer's Assets, the Structured Warrants remaining outstanding shall be deemed to be exercised on the Market Day immediately prior to the date of such liquidation, dissolution, winding-up or appointment as follows:

(a) All unexercised Structured Warrants shall automatically be exercised without the Holders having to deliver a valid Exercise Form and without notice of automatic exercise being given by the Issuer to the Holders:

(i) if the Cash Settlement Amount after deducting all the Exercise Expenses is greater than zero, the Issuer shall make payment of the Cash Settlement Amount to the relevant Holder; or

(ii) if the Cash Settlement Amount after deducting all the Exercise Expenses is equal to or less than zero, the Issuer shall not be obliged to make any payment to the relevant Holder and the relevant Structured Warrants shall terminate and cease to be valid and the Issuer's obligations in respect of the Structured Warrants shall terminate absolutely. The Holders shall not be required to pay or top up the Exercise Expenses in the event the Cash Settlement Amount is negative after deducting Exercise Expenses.

The closing level of the Underlying Index on the Market Day immediately before the above events shall form the Settlement Level for the calculation of the Cash Settlement Amount for the Structured Warrants.

(b) Notwithstanding the foregoing, if there is a Market Disruption Event on the date immediately before the above events ("**Set Date**"), the Settlement Level shall be based on the Market Day immediately preceding the Market Disruption Event. If the preceding Market Day is also affected by the Market Disruption Event, then the

**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (cont'd)**

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Settlement Level shall be determined by the Issuer on the Set Date as it reasonably deems fit and on the basis of the Issuer's good faith estimate the reference level and/or the exchange rate (if applicable) for that Set Date by determining the level of the Underlying Index and/or the exchange rate (if applicable) based on the prevailing market conditions and other factors as the Issuer may consider relevant.

**9 Replacement of Structured Warrant Certificate**

- 9.1 If the Structured Warrant Certificate which has been deposited with Bursa Depository is mutilated, defaced, lost, worn out, stolen or destroyed it shall be replaced by the Issuer at the registered office of the Structured Warrants Registrar on such terms as to evidence and indemnity or otherwise as the Issuer may require. All payment of such costs as may be incurred in connection therewith shall be borne by the Issuer. Mutilated, defaced, lost, worn, stolen or destroyed Structured Warrant Certificates shall be deemed cancelled.

**10 Register, Transfer and Transmission**

- 10.1 Each Holder registered in the Record of Depositors shall be entitled to all rights, benefits, powers and privileges and be subject to all liabilities, duties and obligations in respect of, or arising from the Structured Warrants, and shall be deemed and treated as the absolute owner of the relevant Structured Warrants, in accordance with the Central Depositories Act and the Rules of Bursa Depository, whether or not the Issuer shall be in default in respect of the Structured Warrants or any of the covenants contained herein and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft of any Structured Warrants. The provisions of the Central Depositories Act, the Rules of Bursa Depository and the Issuer's constitution for the time being relating to the registration, transfer and transmission of shares and the fees payable thereon shall with necessary modifications apply to the registration, transfer and transmission of the legal ownership of the Structured Warrants, subject always to the provisions of this Condition and Condition 2.
- 10.2 The entries made under the Record of Depositors shall be deemed to be the final record of all Depositors. No notice of any trust, express or implied, shall be entered upon the Record of Depositors otherwise than pursuant to an order of a court of competent jurisdiction or as required by law, and a Holder shall be deemed to be the beneficial owner of the Structured Warrants standing to the credit of his/its Securities Account, until such time as the Structured Warrants are duly transferred to another Holder and the name of the transferee is entered in the Record of Depositors.

**11 Meetings of Holders**

- 11.1 The procedure governing the convening and conduct of meetings of the Holders are set out in the Fourth Schedule to the Deed Poll.

**12 Notices**

- 12.1 Subject to Condition 12.2:
- (a) all notices to the Holders pertaining to the convening of meetings shall be made by way of notice published in at least one (1) English language national daily newspaper and announced through Bursa Securities; and
  - (b) all other notices shall either be announced through the Bursa Securities or published in at least one (1) English language national daily newspaper.
- 12.2 A notice is deemed to have been given and served to the Holders on the date of announcement or publication as the case may be or, if announced or published more than once or on different dates, on the first date on which it is announced or published.

**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (cont'd)**

- 12.3 All notices effected in accordance with this Condition 12 shall be deemed to be effective in respect of all persons who become Holders after the date of the relevant notice.
- 12.4 For the avoidance of doubt, a notice shall not be required to be published or announced in respect of an event contemplated under Conditions 6 or 8, as the case may be, if no adjustment to the rights of the Holders or amendment to the terms and conditions of the relevant Structured Warrants is made or to be made pursuant thereto.

**13 Modification of rights**

- 13.1 All or any of the rights for the time being attached to the Structured Warrants (other than the Exercise Level which a Holder is entitled to or the formulae for the adjustment of the Exercise Level or the Exercise Ratio or any other condition, which may be modified in accordance with the provisions set out elsewhere in these Conditions) may be altered or abrogated by the Issuer from time to time (whether or not the Issuer is being wound up), and the sanction of a Special Resolution passed at a meeting of the Holders held as aforesaid shall be necessary to effect such alteration or abrogation.
- 13.2 Notwithstanding the provisions of Condition 13.1, the Issuer may without the consent of the Holders but in accordance with the terms of the Deed Poll, effect any modification to the Structured Warrants or the Deed Poll which, in the opinion of the Issuer, is:
- (a) not materially prejudicial to the interests of the Holders; or
  - (b) of a formal, minor or technical nature; or
  - (c) necessary or expedient to correct a manifest error, or to comply with mandatory provisions of law or rules or regulations; or
  - (d) necessary or expedient to facilitate scripless trading in or exercise of the Structured Warrants or payment by way of electronic funds transfer as approved by the relevant government or statutory authorities in respect of the Structured Warrants or to amend the restrictions on transfer or exercise of the Structured Warrants to comply with the requirements of or the concessions granted by any relevant government or statutory authorities.

Any such modification shall be binding on all Holders and shall be notified by the Issuer to them as soon as practicable thereafter in accordance with Condition 12 but in any event not later than twenty (20) Market Days from the date of such modification.

- 13.3 Notwithstanding Condition 13.1, the Issuer may, at any time and from time to time for the purpose of an issue of new Structured Warrants or a new Series of Structured Warrants through the Base Prospectus and without the consent or sanction of the Holders supplement the Deed Poll with the terms and conditions of the new Structured Warrants or Series of Structured Warrants (as set out in the relevant Term Sheet), as the case may be. In the event such supplement to the Deed Poll shall affect the rights and interests of the Holders, the Issuer is to effect such supplement to the Deed Poll by notice to the Holders in accordance with Condition 12 and such supplement shall be binding on all Holders without any further action being required to be taken by the Issuer. For the avoidance of doubt, a Holder is deemed to have notice of all announcements (and their respective contents) made by the Issuer to Bursa Securities in respect of or affecting the Series of Structured Warrants held.

**14 Buy-backs and cancellation**

- 14.1 The Issuer, and/or its Affiliates, may at any time purchase or buy back the Structured Warrants in the open market or by tender or private treaty and become the Holder of the Structured Warrants. Any Structured Warrants so purchased may be held or resold or surrendered for cancellation provided that cancellation of the Structured Warrants may only occur if all outstanding Structured Warrants have been purchased by the Issuer and/or its Affiliates. If pursuant to this Condition, the Issuer purchases or buys back the Structured Warrants and

**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (cont'd)**

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becomes the Holder of and is beneficially entitled to the Structured Warrants, the Issuer shall not exercise the voting rights with respect to such Structured Warrants held in any meeting of the Holders, unless otherwise permitted by the authorities or applicable laws and requirements.

- 14.2 Notwithstanding Condition 14.1, any purchase of the Structured Warrants by the Issuer and/or its Affiliates shall be undertaken in such manner and on such terms as may be imposed by the SC.

**15 Structured Warrants Registrar**

- 15.1 The Structured Warrants Registrar shall be acting as an agent of the Issuer and shall not assume any obligation or duty to or any relationship of agency or trust for the Holders except only as described in Condition 15.2 below.

- 15.2 The Structured Warrants Registrar shall not be liable to any Holder in respect of any losses, liabilities, costs, claims, actions or demands which such Holder may suffer or incur or allege to have suffered or incurred as a result of or in connection with the exercise or non-exercise of any Structured Warrants Registrar's powers, discretions and/or duties. The Structured Warrants Registrar may:

- (a) in the exercise of its powers, discretions and/or duties, act on the advice or opinion of, or any certificate or information obtained in good faith from, any lawyer, valuer, accountant, banker, broker, securities company or other expert whether obtained by the Issuer, the relevant Structured Warrants Registrar or otherwise (which advice, opinion, certificate or information may be sent or obtained by letter, telex, telegram, cable or facsimile device) and the Structured Warrants Registrar shall not be liable for any loss occasioned by acting on any such advice, opinion, certificate or information or by any such letter, telex, telegram, cable or facsimile message being forged or otherwise not authentic or containing some errors with respect to content, delivery or transmission;
- (b) receive and retain without liability to account, such fee or other remuneration as may from time to time be agreed between the Issuer and the Structured Warrants Registrar; and
- (c) enter into or be interested in any contract or financial or other transaction or arrangement with the Issuer or any person or body corporate associated with the Issuer in connection therewith to receive and retain, without liability to account any profit, fee, remuneration or other benefit received thereby or in connection therewith.

The Structured Warrants Registrar does not act as the agent of any Holder and therefore owes no fiduciary duty to any Holder in arriving at its calculations and determinations.

**16 Exclusion of equities**

- 16.1 Subject to the Central Depositories Act, the Rules of Bursa Depository, the Deed Poll, or these Conditions, no person shall be recognised by the Issuer as holding any Structured Warrants upon any trust, and the Issuer shall not be bound by or compelled in any way to recognise any equitable, contingent, future or partial interest in any Structured Warrant, or any interest in any fractional part of a Structured Warrant, or (except only as by these presents or by law otherwise provided) any other right in respect of any Structured Warrants, except an absolute right to the entirety thereof in the registered holder.

**17 Governing law**

- 17.1 The Structured Warrants and the Deed Poll are governed by and shall be construed in accordance with the laws of Malaysia. The Issuer and the Holders irrevocably agree that with respect to any proceedings in Malaysia in connection with any matter or issue relating to the

**ANNEXURE I PRINCIPAL TERMS OF DEED POLL** *(cont'd)*

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Deed Poll and these Conditions, they shall be bound by the decision, ruling or order of the Malaysian Court.

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**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (cont'd)****Part 3****Conditions Of The Cash-Settled Single Exchange-Traded Fund Call Or Put Warrants****1 General, Nature, Form, Transfer, Administration and Status of Structured Warrants**

- 1.1 The Structured Warrants comprise of **American or European style non-collateralised cash-settled call or put warrants over a single exchange-traded fund** to be issued from time to time by the Issuer through the Base Prospectus and subject to, and with the benefit of the Deed Poll referred to on the face of the Structured Warrant Certificate and these Conditions. The Exercise Rights entitle the Holder of each Structured Warrant for each Series of Structured Warrants issued or to be issued, subject to the Deed Poll and in accordance with these Conditions, upon valid exercise thereof, to the Cash Settlement Amount calculated in accordance with Condition 2. Certain statements in these Conditions are summaries of and are subject to the detailed provisions of the Deed Poll and in the event of any inconsistency between a provision contained in these Conditions and a provision contained in the Deed Poll, the provisions in the Deed Poll shall prevail. Copies of the Deed Poll are available for inspection at the registered office of the Issuer, being at the date hereof at 10th floor Menara Hap Seng, No. 1 & 3 Jalan P. Ramlee, 50250 Kuala Lumpur, Malaysia. The payment obligation of the Issuer under these Conditions is guaranteed by Macquarie Financial Holdings Pty Limited (the "**Guarantor**") (the "**Guarantee**"). The Holders for the time being of the Structured Warrants and whose names appear on the Record of Depositors are all entitled to the benefit of, bound by, and deemed to have notice of, all the provisions of the Deed Poll. Further, each Holder acknowledges it has, where necessary, consulted its stockbroker, solicitor or other adviser before investing in the Structured Warrants and none of the Issuer or its directors or employees may be construed as investment adviser or agent of, or owe any fiduciary duty to the Holder. **For the purposes of this Part 3, the term "Structured Warrants" shall refer to the American or European style non-collateralised cash-settled call or put warrants over a single exchange-traded fund.**
- 1.2 Subject to the Central Depositories Act, the Rules of Bursa Depository, the Deed Poll, the relevant applicable rules and regulations and these Conditions:
- (a) each Structured Warrant is an option which confers on the Holder the Exercise Rights which require the Issuer to pay the Cash Settlement Amount (if any) to the Holder in accordance with these Conditions; and
  - (b) the Structured Warrants are issued in registered form, serially numbered and are a Prescribed Security to be admitted to the Official List. The Structured Warrants are represented by a global/jumbo certificate issued to Bursa Depository or its nominee who holds the same as bare trustee on behalf of the Holders, and deposited with Bursa Depository in or substantially in the form set out in the First Schedule to the Deed Poll as the same may from time to time be modified in accordance with the Deed Poll.
- 1.3 Subject to all information provided by the subscriber for the Structured Warrants to the Issuer being complete and consistent with the records of Bursa Depository, the Issuer shall within seven (7) Market Days from the date of allotment of the Structured Warrants, cause and procure the Structured Warrants Registrar to notify Bursa Depository of the names of the Holders together with such particulars as may be required by Bursa Depository for the purpose of making appropriate entries in the Securities Account of the respective Holder, request Bursa Depository to credit the Securities Account of the Holders with the applicable Structured Warrants and shall deliver to Bursa Depository the Structured Warrant Certificate registered in the name of Bursa Depository or its nominee company in such manner as may be prescribed by the Rules of Bursa Depository or agreed with Bursa Depository. If, at any time, the information provided by the Holders for the Structured Warrants is incorrect or inaccurate or inconsistent with the records of Bursa Depository, the Issuer reserves the right and without any obligation whatsoever to the Holders, to accept, reject or otherwise deal with the Structured Warrants in such manner as it reasonably deems fit in the circumstances. The Holders are not entitled to any physical warrant certificates.

**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (cont'd)**

- 1.4 Subject to the provisions of the Central Depositories Act and the Rules of Bursa Depository, the registration and subsequent administration of Structured Warrants shall be in the manner set forth in the Deed Poll. It is hereby acknowledged that the Issuer shall be entitled to appoint registrars for the registration and administration of the Structured Warrants. The Issuer hereby confirms that it shall/has appointed the Structured Warrants Registrar for the purpose stipulated hereof, who shall perform such duties as required by the Issuer under the Deed Poll.
- 1.5 The Holders may transfer the Structured Warrants in the manner prescribed under the Central Depositories Act and the Rules of Bursa Depository. Subject to the provisions of the Central Depositories Act and the Rules of Bursa Depository, the Structured Warrants shall be freely transferable but the trading of the Structured Warrants must be in the same board lot applicable to the trading of the Underlying ETF or in such odd lots as permitted by the SC and/or Bursa Securities. Where the board lot of the Underlying ETF is more than one hundred (100) units per board lot, the Structured Warrants may be issued in board lots of one hundred (100) warrants.
- 1.6 The Structured Warrants and the settlement obligation of the Issuer in respect of the Structured Warrants represent general and unsecured contractual obligations of the Issuer and of no other person which rank, and shall rank, equally among themselves and without preference in all respects, subject to such exceptions as may from time to time exist under applicable law or the Deed Poll, with the other existing and future unsecured and unsubordinated obligations of the Issuer. The Guarantee represents general and unsecured contractual obligations of the Guarantor and of no other person which rank, and shall rank, equally among themselves and without preference in all respects, subject to such exceptions as may from time to time exist under applicable law or the Guarantee, with the other existing and future unsecured and unsubordinated obligations of the Guarantor.
- 1.7 The Structured Warrants do not confer on the Holders any right to acquire or dispose of units of the Underlying ETF and the Issuer is not under any obligation whatsoever to purchase, hold or deliver such units, or any rights and benefits attaching thereto.
- 1.8 The Holders are entitled to the Cash Settlement Amount in accordance with Condition 2.

**2 Exercise of the Structured Warrants****2.1 American style Structured Warrants**

- 2.1.1 The Structured Warrants may be exercised in the manner set out in Condition 2.1.2 at anytime from the date of issue up to the Expiry Date. In the event the date whereby the Exercise Form is delivered is not a Market Day, then it shall be deemed to be exercised on the next following Market Day.
- 2.1.2 In order to invoke the Exercise Rights, within the Exercise Period a Holder must complete and sign the Exercise Form (which shall be made available by the Structured Warrants Registrar in any manner as may be stipulated by Bursa Securities or such other relevant authority) and deliver the same on a Market Day between 9.00 a.m. to 5.00 p.m. to the Structured Warrants Registrar who shall acknowledge receipt by stamping the date and time of receipt on the Exercise Form in respect of which the Structured Warrants are being exercised.

Provided always that:

- (a) in every case compliance must also be made with the requirements set out in the Exercise Form and other prevailing statutory requirements for the time being applicable;
- (b) the Holder shall, if so required by the Structured Warrants Registrar, furnish such evidence, if any, as the Structured Warrants Registrar or the directors of the Issuer may require to determine the due execution of the Exercise Form by or on behalf of the Holder exercising the same. Once a valid

**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (cont'd)**

Exercise Form is duly delivered by the Holder to the Structured Warrants Registrar, the exercise of such Exercise Rights shall be irrevocable save with the consent of the directors of the Issuer; and

- (c) where the Holder does not comply with the procedures or restrictions or conditions relating to the exercise of the Structured Warrants, the Exercise Form and any documents received shall be returned to such Holder by ordinary post to the Holder's address recorded in the Record of Depositors at the risk of the Holder.

- 2.1.3 Subject to notification by the Structured Warrants Registrar of fulfilment of the preconditions by the Holder to validly exercise the Structured Warrants as set out in Condition 2.1.2 within three (3) Market Days from the Exercise Date and the absence of a Settlement Disruption Event, the Issuer shall, within seven (7) Market Days from the Exercise Date or such other period as may be prescribed by Bursa Securities or such other relevant authority, pay to the relevant Holder the Cash Settlement Amount in the Settlement Currency calculated as set out below less Exercise Expenses:

For call warrants:

$$\text{Cash Settlement Amount} = \text{Number of Structured Warrants} \times \frac{(\text{Settlement Price}^{(1)} - \text{Exercise Price}^{(2)})}{1} \times \frac{1}{\text{Exercise Ratio}^{(2)}} \times \text{Settlement Exchange Rate (if applicable)}$$

For put warrants:

$$\text{Cash Settlement Amount} = \text{Number of Structured Warrants} \times \frac{(\text{Exercise Price}^{(2)} - \text{Settlement Price}^{(1)})}{1} \times \frac{1}{\text{Exercise Ratio}^{(2)}} \times \text{Settlement Exchange Rate (if applicable)}$$

- (1) The Settlement Price shall be calculated by reference to either:

- (a) In the event a valid Exercise Form is received in accordance with Condition 2.1.2 by the Structured Warrants Registrar:
- (i) before 12.30 p.m. on any Market Day other than on the Expiry Date, the exercise of the Structured Warrants shall be deemed to have been made on that Market Day and in such instance the Market Day of receipt of the Exercise Form shall be the Exercise Date and the Valuation Date and the Settlement Price shall be the closing price of the Underlying ETF on such Valuation Date; or
  - (ii) on or after 12.30 p.m. on any Market Day other than on the Expiry Date, the exercise of the Structured Warrants shall be deemed to have been made on the Market Day immediately following the Market Day of receipt of the Exercise Form and in such instance the Market Day immediately following the Market Day of receipt of the Exercise Form shall be the Exercise Date and the Valuation Date and the Settlement Price shall be the closing price of the Underlying ETF on such Valuation Date. For the avoidance of doubt, if a valid Exercise Form is received on or after 12.30 p.m. on a Market Day immediately preceding the Expiry Date, the exercise of the Structured Warrants shall be deemed to have been made on the Expiry Date and in such instance the

**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (cont'd)**

Settlement Price shall be the Expiry Date Settlement Price (as defined below) of the Underlying ETF; or

- (iii) on the Expiry Date, the Settlement Price shall be the Expiry Date Settlement Price (as defined below) of the Underlying ETF,

and as specified in the relevant Term Sheet and subject to the Market Disruption Event provision below.

If the Underlying ETF is delisted, the Settlement Price shall be determined in accordance with Condition 9.

- (b) In the event of any exercise of the Structured Warrants on the Expiry Date, the Settlement Price shall be calculated by reference to either:
  - (i) the VWAP of the Underlying ETF (subject to any adjustment as may be necessary to reflect any capitalisation, rights issue, distribution or others) for the five (5) Market Days prior to and including the Market Day immediately before the Expiry Date; or
  - (ii) the average closing price of the Underlying ETF (subject to any adjustment as may be necessary to reflect any capitalisation, rights issue, distribution or others) for the five (5) Market Days prior to and including the Market Day immediately before the Expiry Date; or
  - (iii) the closing price of the Underlying ETF on the Market Day immediately before the Expiry Date,

and as specified in the relevant Term Sheet ("**Expiry Date Settlement Price**") and subject to the Market Disruption Event and other provisions herein.

In the event the Underlying ETF is delisted, the Expiry Date Settlement Price shall be determined in accordance with Condition 9.

- (c) If a Market Disruption Event, or a public holiday unexpected by the Issuer, occurs on any of the five (5) Market Days described in sub-Conditions (1)(b)(i) or (1)(b)(ii) above, the valuation period applicable and the Settlement Price shall be as determined by the Issuer in such manner as it reasonably deems fit.

In any other cases where there is a single Valuation Date, if there is a Market Disruption Event on the Valuation Date, the Valuation Date shall be the next following Market Day after the Market Disruption Event. If the Market Disruption Event continues to occur up to the eighth (8<sup>th</sup>) Business Day following the original Valuation Date, then the Valuation Date shall be:

- (i) that eighth (8<sup>th</sup>) Business Day; and
- (ii) the Issuer shall determine as it reasonably deems fit and on the basis of the Issuer's good faith estimate the reference price and/or the exchange rate (if applicable) for that Valuation Date by determining the price of the Underlying ETF and/or the exchange rate (if applicable) based on the prevailing market conditions and other factors as the Issuer may consider relevant.

**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (cont'd)**

(2) The Exercise Price and/or Exercise Ratio shall be subject to the adjustments as may be necessary as provided in Condition 6.

- 2.1.4 In the event that the Cash Settlement Amount after deducting all the Exercise Expenses is equal to or less than zero, the Issuer shall not be obliged to make any payment to the relevant Holder, and the Structured Warrants exercised shall thereafter become void and cease to have the Exercise Rights and the Issuer's obligations in respect of the Structured Warrants shall terminate absolutely. The Holders shall not be required to pay or top up the Exercise Expenses in the event the Cash Settlement Amount is negative after deducting Exercise Expenses.
- 2.1.5 If the Structured Warrants are not earlier exercised, the Structured Warrants shall be deemed automatically exercised at 5.00 p.m. on the Expiry Date, without the Holders having to deliver a valid Exercise Form to the Structured Warrants Registrar and without notice of automatic exercise being given by the Issuer to the Holders.
- 2.1.6 Upon automatic exercise of the Structured Warrants on the Expiry Date in accordance with Condition 2.1.5, if the Cash Settlement Amount after deducting all Exercise Expenses:
- (a) is greater than zero, in the absence of a Settlement Disruption Event, payment shall be made by the Issuer to the relevant Holders within seven (7) Market Days from the Expiry Date and the Issuer's obligations in respect of the Structured Warrants, shall terminate absolutely; or
  - (b) is equal to or less than zero, the Structured Warrants shall terminate and cease to be valid and the Issuer's obligations in respect of the Structured Warrants, shall terminate absolutely. The Holders shall not be required to pay or top up the Exercise Expenses in the event the Cash Settlement Amount is negative after deducting Exercise Expenses.

## 2.2 European style Structured Warrants

- 2.2.1 The Structured Warrants shall be automatically exercised at 5.00 p.m. on the Expiry Date if the Cash Settlement Amount calculated in accordance with Condition 2.2.2 after deducting all Exercise Expenses, is greater than zero (without the Holders having to deliver a valid Exercise Form and without notice of automatic exercise being given by the Issuer to the Holders). If the scheduled Expiry Date is not a Market Day then it shall be deemed to be exercised on the next following Market Day. The Structured Warrants will automatically terminate and cease to be valid at 5.00 p.m. on the Expiry Date if the Cash Settlement Amount after deducting all Exercise Expenses is zero or less than zero and the Issuer's obligations in respect of the Structured Warrants shall terminate absolutely. The Holders shall not be required to pay or top up the Exercise Expenses in the event the Cash Settlement Amount is negative after deducting Exercise Expenses.
- 2.2.2 The Issuer shall in the absence of a Settlement Disruption Event, within seven (7) Market Days from the Expiry Date or such other period as may be prescribed by Bursa Securities or such other relevant authority, pay to the relevant Holder, the Cash Settlement Amount in the Settlement Currency calculated as set out below less Exercise Expenses:

For call warrants:

$$\text{Cash Settlement Amount} = \text{Number of Structured Warrants} \times \left( \text{Settlement Price}^{(1)} - \text{Exercise Price}^{(2)} \right) \times \frac{1}{\text{Exercise Ratio}^{(2)}} \times \text{Settlement Exchange Rate (if applicable)}$$

**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (cont'd)**

For put warrants:

$$\text{Cash Settlement Amount} = \text{Number of Structured Warrants} \times \frac{(\text{Exercise Price}^{(2)} - \text{Settlement Price}^{(1)})}{\text{Exercise Ratio}^{(2)}} \times \text{Settlement Exchange Rate (if applicable)}$$

(1) (a) The Settlement Price on the Expiry Date shall be calculated by reference to either:

- (i) the VWAP of the Underlying ETF (subject to any adjustment as may be necessary to reflect any capitalisation, rights issue, distribution or others) for the five (5) Market Days prior to and including the Market Day immediately before the Expiry Date; or
- (ii) the average closing price of the Underlying ETF (subject to any adjustment as may be necessary to reflect any capitalisation, rights issue, distribution or others) for the five (5) Market Days prior to and including the Market Day immediately before the Expiry Date; or
- (iii) the closing price of the Underlying ETF on the Market Day immediately before the Expiry Date,

and as specified in the relevant Term Sheet and subject to the Market Disruption Event and other provisions herein.

If the Underlying ETF is delisted, the Settlement Price shall be determined in accordance with Condition 9 below.

- (b) If a Market Disruption Event, or a public holiday unexpected by the Issuer, occurs on any of the five (5) Market Days described in sub-Conditions (1)(a)(i) or (1)(a)(ii) above, the valuation period applicable and the Settlement Price shall be as determined by the Issuer in such manner as it reasonably deems fit.

In any other cases where there is a single Valuation Date, if there is a Market Disruption Event on the Valuation Date, the Valuation Date shall be the next following Market Day after the Market Disruption Event. If the Market Disruption Event continues to occur up to the eighth (8<sup>th</sup>) Business Day following the original Valuation Date, then the Valuation Date shall be:

- (i) that eighth (8<sup>th</sup>) Business Day; and
- (ii) the Issuer shall determine as it reasonably deems fit and on the basis of the Issuer's good faith estimate the reference price and/or the exchange rate (if applicable) for that Valuation Date by determining the price of the Underlying ETF and/or the exchange rate (if applicable) based on the prevailing market conditions and other factors as the Issuer may consider relevant.

(2) The Exercise Price and/or Exercise Ratio shall be subject to such adjustments as may be necessary as provided in Condition 6.

2.2.3 In the event that the Cash Settlement Amount after deducting all the Exercise Expenses is equal to or less than zero on the Expiry Date, the Structured Warrants shall terminate on the Expiry Date and cease to be valid and the Issuer's obligations in respect of the Structured Warrants shall terminate absolutely. The Holders shall

**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (cont'd)**

- not be required to pay or top up the Exercise Expenses in the event the Cash Settlement Amount is negative after deducting Exercise Expenses.
- 2.3 (a) The Cash Settlement Amount less the Exercise Expenses may be made by way of cheque drawn in favour of the Holder to be delivered by ordinary post to the Holder's address last recorded in the Record of Depositors at the Holder's own risk or by way of telegraphic transfer to the bank account of the Holder last notified to the Structured Warrants Registrar or the Issuer. Where the Issuer makes a payment to a Holder pursuant to the terms of Conditions 2.1 or 2.2, the amount of such payment arising from the exercise of the Structured Warrants shall be final and conclusive and the Issuer shall be discharged from its obligation upon making such payment thereof in accordance with these Conditions.
- (b) The Cash Settlement Amount less the Exercise Expenses shall be calculated and be payable in the Settlement Currency and rounded down to the nearest two (2) decimal points. All determinations made by the Issuer pursuant to Conditions 2.1 or 2.2 shall be final and conclusive and binding on the Holders.
- (c) Unless otherwise specified in the relevant Term Sheet, the Holder is to bear all Exercise Expenses in relation to the exercise of the Structured Warrants and on exercise of the Structured Warrants, the Issuer shall be irrevocably authorised by the Holder to deduct all Exercise Expenses from the Cash Settlement Amount.
- (d) If as a result of a Settlement Disruption Event, it is not possible for the Issuer to make payment on the original Settlement Date, the Issuer shall use its reasonable endeavours to procure payment as soon as practicable after the original Settlement Date. The Issuer shall not be liable to the Holder for any interest in respect of the amount due or any loss or damage that such Holder may suffer as a result of the existence of the Settlement Disruption Event.
- 2.4 The Issuer shall not allow the Holder to exercise the Exercise Rights unless the Structured Warrants are or have been designated as "free securities" in accordance with the Rules of Bursa Depository.
- 2.5 The Issuer declares that approval shall be sought from Bursa Securities for the admission of the Structured Warrants to the Official List and for the listing of and quotation for the Structured Warrants on Bursa Securities.
- 2.6 All questions as to the validity, form, eligibility (including time of receipt) and acceptance of Exercise Form shall be resolved by the Structured Warrants Registrar in a manner as it reasonably deems fit, whose determination shall be final and binding on the Issuer and the Holder. The Structured Warrants Registrar is entitled to reject any Exercise Form that is not in proper form or the acceptance of which may, in the view of counsel for the Structured Warrants Registrar be unlawful. The Structured Warrants Registrar also reserves the right, subject to applicable law, to waive any irregularities. The interpretation of the Structured Warrants Registrar of the terms and conditions of exercise of the Structured Warrants shall be final and binding on the Issuer and the Holder. Unless waived, any irregularities in connection with the Exercise Form must be rectified by such time, as the Structured Warrants Registrar shall determine. The Structured Warrants Registrar shall not be under any duty to give notification of any irregularities in such Exercise Form and shall not incur liabilities for failure to give such notification. The Exercise Form shall not be considered to have been validly delivered until such irregularities have been rectified and waived.
- 2.7 The initial Structured Warrants Registrar and its specified offices are stated in the Deed Poll. The Issuer reserves the right at any time to terminate the appointment of the Structured Warrants Registrar. Prior written notice of any termination, appointment of Structured Warrants Registrar, resignation of the Structured Warrants Registrar or any changes in any of the specified offices of the relevant Structured Warrants Registrar shall be given to the Holders in accordance with Condition 15 and such prior notice shall be given to the Holders not more than sixty (60) days and less than thirty (30) days of such termination, appointment, resignation or change.

**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (cont'd)**

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- 2.8 In respect of each Structured Warrant in which Exercise Rights have been exercised, the Issuer shall instruct or procure the Structured Warrants Registrar to instruct Bursa Depository, in accordance with the Central Depositories Act and the Rules of Bursa Depository, to debit the appropriate number of Structured Warrants in respect of which Exercise Rights have been exercised from the Securities Account of such Holder. The Issuer shall be entitled at any time on or after the Expiry Date, to demand that Bursa Depository deliver to the Issuer the Structured Warrant Certificates and thereafter cancel or cause the cancellation of the Structured Warrant Certificates.
- 2.9 The Structured Warrants subject to the Exercise Rights which have been exercised in accordance with the Deed Poll shall cease to exist and all obligations of the Issuer in respect of those Structured Warrants shall terminate absolutely following payment of the amount (if any) referred to in this Condition 2.

**3 Exercise Rights and Suspension**

- 3.1 Upon and subject to the provisions of the Central Depositories Act, the Rules of Bursa Depository and the Deed Poll, the Holder whose name as stated in the Record of Depositors shall have the right at any time during the Exercise Period to invoke its Exercise Rights at the Exercise Price subject to adjustments in accordance with Condition 6.
- 3.2 The Structured Warrants shall, subject to any directions, order or notice from any relevant regulatory authority and any request for suspension by the Issuer which is not rejected by any such relevant regulatory authority, continue to be traded notwithstanding that the trading of the Underlying ETF may have been suspended. Any suspension in the trading of the Underlying ETF or the Structured Warrants shall not preclude the Holder from exercising the Exercise Rights.
- 3.3 The Issuer shall notify the Holders of the Expiry Date at least one (1) month prior to the Expiry Date or such other period as may be specified by the relevant authority. Such notice shall be given in accordance with Condition 15 stating the Expiry Date and treatment of the Structured Warrants which are not exercised.

**4 Deposit and Forfeiture of Unclaimed Amount**

- 4.1 In the event that the Issuer pays the Cash Settlement Amount to any Holder under Condition 2 by way of cheque payment and such Holder does not present the cheque for payment within six (6) months from the date of the cheque, the Issuer shall at any time thereafter deal with the said monies in accordance and in compliance with, the requirements of the Unclaimed Moneys Act 1965 (Act 370) (revised 1989) of Malaysia.

**5 Designation of Structured Warrants set out in the Exercise Form**

- 5.1 Subject to the approval of Bursa Depository and/or other relevant authority, the Issuer reserves all rights to instruct Bursa Depository and/or other relevant authority to designate the Structured Warrants held in the relevant Securities Account of a Holder which the Holder has purportedly exercised by submitting an Exercise Form to the Issuer and/or the Structured Warrants Registrar, in order for Bursa Depository and/or the relevant authority to prohibit the Holder from trading on the exchange the designated Structured Warrants after the aforesaid exercise. The Issuer's right to instruct Bursa Depository and/or the relevant authority shall be independent of whether the exercise is valid or otherwise, provided that the amount of Structured Warrants so designated by Bursa Depository and/or the relevant authority do not exceed the amount set out in such Exercise Form.



**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (cont'd)****6 Adjustment of Exercise Price and/or Exercise Ratio****6.1 Adjustments**

Subject to the Conditions as hereinafter provided and the Deed Poll, the Exercise Price and/or the Exercise Ratio for the relevant Structured Warrant shall from time to time be adjusted in accordance with the following provisions:

**(a) Bonus Issue**

If and whenever there is an issue of new units credited as fully paid-up to the holders of units generally (other than pursuant to a scrip distribution or similar scheme for the time being or otherwise in lieu of a cash distribution and without any payment or other consideration being made or given by such holders) ("**Bonus Issue**"), the Exercise Price and/or Exercise Ratio shall be adjusted on the Market Day immediately following the last day on which an instrument of transfer could be lodged so that the transferee of the units would qualify for the Bonus Issue in accordance with the following formula:

(i) Adjusted Exercise Ratio =

$$\frac{E}{(1 + N)}$$

(ii) Adjusted Exercise Price =

$$\frac{X}{(1 + N)}$$

Whereby in respect of this Condition 6.1(a)(i) and (ii):

X = Existing Exercise Price immediately prior to the Bonus Issue.

N = The number of additional units (whether a whole or a fraction) received by a holder of existing units for each unit held prior to the Bonus Issue.

E = Existing Exercise Ratio immediately prior to the Bonus Issue.

Alternatively, the Issuer may also, in good faith, make a corresponding adjustment to the Exercise Ratio and/or Exercise Price as the Issuer determines appropriate to account for the dilutive effect of the Bonus Issue.

On any such adjustment, the resultant Exercise Ratio and/or Exercise Price shall be rounded to the nearest four (4) decimal points of the Relevant Currency and all such adjustment made by the Issuer pursuant to this Condition shall be deemed as final and conclusive save for any manifest error.

**(b) Distribution Payment**

Should the Underlying ETF of the relevant Structured Warrants undertake a special distribution payment in cash during the tenure of the Structured Warrants, the Exercise Price and/or the Exercise Ratio of the Structured Warrants may be adjusted (as the Issuer reasonably deems fit) on the Market Day following the last day on which an instrument of transfer is lodged to enable the transferee of the Underlying ETF to qualify for the special distribution payment by the amount of the special distribution payment, net of taxation, if any.

The Exercise Ratio and/or Exercise Price for the Structured Warrants shall be adjusted in accordance with the following formula:

**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (cont'd)**

(i) Adjusted Exercise Ratio =

$$E \times \frac{(P - D)}{P}$$

(ii) Adjusted Exercise Price =

$$X \times \frac{(P - D)}{P}$$

Whereby, in respect of this Condition 6.1(b)(i) and (ii):

P = Closing price of the Underlying ETF on the last market day on which the Underlying ETF is traded on a cum-entitlement basis.

D = The special distribution amount per one (1) Underlying ETF unit held.

X = Existing Exercise Price immediately prior to the special distribution payment.

E = Existing Exercise Ratio immediately prior to the special distribution payment.

Alternatively, the Issuer may also, in good faith, make a corresponding adjustment to the Exercise Ratio and/or Exercise Price as the Issuer determines appropriate to account for the effect of the special distribution payment.

On any such adjustment, the resultant Exercise Ratio and/or Exercise Price shall be rounded to the nearest four (4) decimal points of the Relevant Currency and all such adjustment made by the Issuer pursuant to this Condition shall be deemed as final and conclusive save for any manifest error.

(c) Subdivision or Consolidation

If and whenever there is a subdivision of units or any class of outstanding units into a greater number of units (a "**Subdivision**"), or consolidation of the units or any class of its outstanding units into a smaller number of units (a "**Consolidation**"), the Exercise Price and/or the Exercise Ratio shall be adjusted on the Market Day on which the relevant Subdivision or Consolidation shall have taken effect in accordance with the following formula:

(i) Adjusted Exercise Ratio =

$$\frac{E \times N}{P}$$

(ii) Adjusted Exercise Price =

$$\frac{X \times N}{P}$$

Whereby, in respect of this Condition 6.1(c)(i) and (ii):

X = Existing Exercise Price immediately prior to the Subdivision or Consolidation.

N = Revised par value after the Subdivision or Consolidation.

**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (cont'd)**

P = Existing par value immediately prior to the Subdivision or Consolidation.

E = Existing Exercise Ratio immediately prior to the Subdivision or Consolidation.

Alternatively, the Issuer may also, in good faith, make a corresponding adjustment to the Exercise Ratio and/or Exercise Price as the Issuer determines appropriate to account for the dilutive or consolidative effect of the Subdivision or Consolidation.

On any such adjustment, the resultant Exercise Price and/or Exercise Ratio shall be rounded to the nearest four (4) decimal points of the Relevant Currency and all such adjustment made by the Issuer pursuant to this Condition shall be deemed as final and conclusive save for any manifest error.

(d) Other adjustments

The Issuer is entitled to make other adjustments as it reasonably believes are appropriate in circumstances where an event or events occur which the Issuer believes (notwithstanding any adjustment previously made by the Issuer) should, in the context of the issue of Structured Warrants and its obligations hereunder, give rise to such adjustment. The Issuer shall make such adjustment generally without considering the individual circumstances of any Holder or the tax or other consequences of such adjustment in any particular jurisdiction.

On any such adjustment, the resultant Exercise Price and/or Exercise Ratio shall be rounded to the nearest four (4) decimal points of the Relevant Currency and all such adjustment made by the Issuer pursuant to this Condition shall be deemed as final and conclusive save for any manifest error.

6.2 Notwithstanding the foregoing, no adjustments shall be made to the Exercise Price and/or Exercise Ratio if the formulae stated in Condition 6.1(a) to Condition 6.1(d) results in an adjustment which would amount to less than two percent (2%) of the Exercise Price and/or Exercise Ratio being changed.

6.3 Any adjustment made pursuant to Conditions 6.1 and 6.2 shall be binding on the Holders save in the case of manifest error. Notice of such adjustments or amendments shall be given to the Holders as soon as practicable thereafter in accordance with Condition 15 and in any event within five (5) Market Days of the adjustment being made.

## **7 Restrictions to Protect Rights of Holders**

7.1 As from the date of the issue of the Structured Warrants and for so long as any of the Structured Warrants remain exercisable, the Issuer shall have arrangements in place to ensure, for the benefit of the Holders that it is able to satisfy in full the exercise of all the Structured Warrants for the time being outstanding.

## **8 Merger or Consolidation of Underlying ETF**

8.1 If it is announced that the Underlying ETF is to or may merge with or consolidate into any other fund, other collective investment scheme or otherwise or that all or substantially all of its assets are or may be sold or transferred, ("**Restructuring Event**") the Issuer may in good faith take any of the actions below:

(a) cancel the Structured Warrants without prior notice to the Holders. If the Structured Warrants are so cancelled, the Issuer shall pay an amount to each Holder if the Cash Settlement Amount after deducting all Exercise Expenses is greater than zero (without the Holder having to deliver a valid Exercise Form). The Cash Settlement

**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (cont'd)**

Amount shall be determined by the Issuer in a manner as it reasonably deems fit based on the fair market value of the Underlying ETF (as determined by the Issuer) after taking into account the Restructuring Event less all Exercise Expenses; and/or

- (b) amend and determine the appropriate adjustment, if any, to be made to the terms and conditions of the Structured Warrants to account for the Restructuring Event and determine the effective date of that adjustment. After such adjustments (if any), the Structured Warrants shall relate to the number of units resulting from or surviving such Restructuring Event or other securities ("**Substituted Securities**") and/or cash offered in substitution for the affected Underlying ETF of the relevant Structured Warrants to which the holder of such number of Underlying ETF to which the Structured Warrants related immediately before such Restructuring Event would have been entitled upon such Restructuring Event, as the case may be. The Issuer may, but need not, determine the appropriate adjustment by reference to the adjustment in respect of the Restructuring Event made by a Securities Exchange to options on the relevant Underlying ETF traded on that Securities Exchange.
- 8.2 Upon the occurrence of a Restructuring Event, the rights attaching to the Structured Warrants in respect of that Underlying ETF may be amended by the Issuer no later than the Market Day preceding the consummation of such Restructuring Event.
- 8.3 The provisions of these Conditions shall apply to such Substituted Securities provided that, any Substituted Securities may, as the Issuer reasonably deems fit, be replaced by an amount in the Relevant Currency equal to the market value or, if no market value is available, fair value, of such Substituted Securities in each case as determined by the Issuer as soon as practicable after such Restructuring Event is effected.
- 8.4 Any cancellation of Structured Warrants or modification of rights made pursuant to Condition 8.1 or 8.2 shall be notified to the Holders as soon as practicable thereafter and in any event within five (5) Market Days from the date of such cancellation or modification in accordance with Condition 15.

**9 Delisting of the Underlying ETF**

- 9.1 If at any time the Underlying ETF of the Structured Warrants ceases to be listed on Bursa Securities or such other Securities Exchanges or there is an announcement of an intention to cease the listing of the Underlying ETF or the Underlying ETF is suspended from trading on Bursa Securities or such other Securities Exchanges prior to, and in connection with the delisting of the Underlying ETF, the Structured Warrants may if determined by the Issuer be automatically exercised without the Holder having to deliver a valid Exercise Form and without notice of automatic exercise being given by the Issuer to the Holder:
  - (a) if the Cash Settlement Amount after deducting all Exercise Expenses is greater than zero, the Issuer shall make payment of the Cash Settlement Amount to the relevant Holder; or
  - (b) if the Cash Settlement Amount after deducting all the Exercise Expenses is equal to or less than zero, the Issuer shall not be obliged to make any payment to the relevant Holder and the relevant Structured Warrants shall terminate and cease to be valid and the Issuer's obligations in respect of the Structured Warrants shall terminate absolutely. The Holders shall not be required to pay or top up the Exercise Expenses in the event the Cash Settlement Amount is negative after deducting Exercise Expenses.

In such event, the Settlement Price for the calculation of the Cash Settlement Amount (calculated in accordance with Condition 2) shall, at the Issuer's reasonable discretion, be one of the following:

- (i) the last quoted price of the Underlying ETF immediately before such events;
- (ii) the price determined in accordance with Condition 2.1.3(1)(b) or 2.2.2; or

**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (cont'd)**

(iii) such other price as determined by the Issuer in a commercially reasonable manner, as the case may be, and the Issuer shall not be obliged to make any adjustment to the Exercise Price.

- 9.2 Subject to the aforesaid, the Issuer may but shall not be obliged to make any adjustment to the terms and conditions of the Structured Warrants and the rights attaching to the Structured Warrants as it shall reasonably consider appropriate to ensure, so far as it is reasonably able to do so, that the interests of the Holders generally are not materially prejudiced as a consequence of such events (without considering the individual circumstances of any Holder or the tax or other consequences that may result in any particular jurisdiction).

**10 Liquidation, Dissolution or Winding-Up of the Underlying ETF**

- 10.1 In the event of a liquidation, dissolution or winding-up of the Underlying ETF or the appointment of a liquidator, receiver or administrator or analogous person under any applicable law in respect of the whole or substantially the whole of the Underlying ETF's Assets, the Structured Warrants will be automatically exercised without the Holder having to deliver a valid Exercise Form and without notice of automatic exercise being given by the Issuer to the Holder:

- (a) if the Cash Settlement Amount after deducting all Exercise Expenses is greater than zero, the Issuer shall make payment of the Cash Settlement Amount to the relevant Holder; or
- (b) if the Cash Settlement Amount after deducting all Exercise Expenses is equal to or less than zero, the Issuer shall not be obliged to make any payment to the relevant Holder and the relevant Structured Warrants shall terminate and cease to be valid and the Issuer's obligations in respect of the Structured Warrants shall terminate absolutely. The Holders shall not be required to pay or top up the Exercise Expenses in the event the Cash Settlement Amount is negative after deducting Exercise Expenses.

In such event, the Settlement Price for the calculation of the Cash Settlement Amount (calculated in accordance with Condition 2) shall, at the Issuer's reasonable discretion, be one of the following:

- (i) the last quoted price of the Underlying ETF immediately before such events;
- (ii) the price determined in accordance with Condition 2.1.3(1)(b) or 2.2.2; or
- (iii) such other price as determined by the Issuer in a commercially reasonable manner, as the case may be, and the Issuer shall not be obliged to make any adjustment to the Exercise Price.

- 10.2 Subject to the aforesaid, the Issuer may but shall not be obliged to make any adjustment to the terms and conditions of the Structured Warrants and the rights attaching to the Structured Warrants as it shall reasonably consider appropriate to ensure, so far as it is reasonably able to do so, that the interests of the Holders generally are not materially prejudiced as a consequence of such events (without considering the individual circumstances of any Holder or the tax or other consequences that may result in any particular jurisdiction).

**11 Takeover, Merger, Liquidation, Dissolution or Winding-Up of Issuer**

- 11.1 In the event of a take-over or a scheme of arrangement or any other form of reorganisation undertaken by the Issuer or any other events having similar effects on the rights of the Holders, the Issuer is entitled to deal with the Structured Warrants in such manner as it reasonably deems fit in the circumstances and with or without any adjustments to the rights attaching to the relevant Structured Warrants.

**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (cont'd)**

- 11.2 In the event of a merger, amalgamation or reconstruction of the Issuer, the corporation, trust or other body into which the Issuer is merged, amalgamated or reconstructed shall assume all the liabilities and the obligations of the Issuer in respect of the Structured Warrants so that the rights of the Holders shall continue to exist and be enforceable to the same extent as provided by the Issuer under the Deed Poll.
- 11.3 In the event of a liquidation, dissolution or winding-up of the Issuer or the appointment of a receiver or administrator or analogous person under any applicable law in respect of the whole or substantially the whole of the Issuer's Assets, the Structured Warrants remaining outstanding shall be deemed to be exercised on the Market Day immediately prior to the date of such liquidation, dissolution, winding-up or appointment as follows:

- (a) All unexercised Structured Warrants shall be automatically exercised without the Holders having to deliver a valid Exercise Form and without notice of automatic exercise being given by the Issuer to the Holders:
- (i) if the Cash Settlement Amount after deducting all the Exercise Expenses is greater than zero, the Issuer shall make payment of the Cash Settlement Amount to the relevant Holder; or
  - (ii) if the Cash Settlement Amount after deducting all the Exercise Expenses is equal to or less than zero, the Issuer shall not be obliged to make any payment to the relevant Holder and the relevant Structured Warrants shall terminate and cease to be valid and the Issuer's obligations in respect of the Structured Warrants shall terminate absolutely. The Holders shall not be required to pay or top up the Exercise Expenses in the event the Cash Settlement Amount is negative after deducting Exercise Expenses.

The closing price of the Underlying ETF on the Market Day immediately before the above events shall form the Settlement Price for the calculation of the Cash Settlement Amount.

- (b) Notwithstanding the foregoing, if there is a Market Disruption Event on the Set Date, the Settlement Price shall be based on the Market Day immediately preceding the Market Disruption Event. If the preceding Market Day is also affected by the Market Disruption Event, the Settlement Price shall be determined by the Issuer on the Set Date as it reasonably deems fit and on the basis of the Issuer's good faith estimate the reference price and/or the exchange rate (if applicable) for that Set Date by determining the price of the Underlying ETF and/or the exchange rate (if applicable) based on the prevailing market conditions and other factors as the Issuer may consider relevant.

**12 Replacement of Structured Warrant Certificate**

- 12.1 If the Structured Warrant Certificate which has been deposited with Bursa Depository is mutilated, defaced, lost, worn out, stolen or destroyed it shall be replaced by the Issuer at the registered office of the Structured Warrants Registrar on such terms as to evidence and indemnity or otherwise as the Issuer may require. All payment of such costs as may be incurred in connection therewith shall be borne by the Issuer. Mutilated, defaced, lost, worn, stolen or destroyed Structured Warrant Certificates shall be deemed cancelled.

**13 Register, Transfer and Transmission**

- 13.1 Each Holder registered in the Record of Depositors shall be entitled to all rights, benefits, powers and privileges and be subject to all liabilities, duties and obligations in respect of, or arising from the Structured Warrants, and shall be deemed and treated as the absolute owner of the relevant Structured Warrants, in accordance with the Central Depositories Act and the Rules of Bursa Depository, whether or not the Issuer shall be in default in respect of the Structured Warrants or any of the covenants contained herein and notwithstanding any notice

**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (cont'd)**

of ownership or writing thereon or notice of any previous loss or theft of any Structured Warrants. The provisions of the Central Depositories Act, the Rules of Bursa Depository and the Issuer's constitution for the time being relating to the registration, transfer and transmission of shares and the fees payable thereon shall with necessary modifications apply to the registration, transfer and transmission of the legal ownership of the Structured Warrants, subject always to the provisions of this Condition and Condition 2.

- 13.2 The entries made under the Record of Depositors shall be deemed to be the final record of all Depositors. No notice of any trust, express or implied, shall be entered upon the Record of Depositors otherwise than pursuant to an order of a court of competent jurisdiction or as required by law, and a Holder shall be deemed to be the beneficial owner of the Structured Warrants standing to the credit of his/its Securities Account, until such time as the Structured Warrants are duly transferred to another Holder and the name of the transferee is entered in the Record of Depositors.

**14 Meetings of Holders**

- 14.1 The procedure governing the convening and conduct of meetings of the Holders are set out in the Fourth Schedule to the Deed Poll.

**15 Notices**

- 15.1 Subject to Condition 15.2:
- (a) all notices to the Holders pertaining to the convening of meetings shall be made by way of notice published in at least one (1) English language national daily newspaper and announced through Bursa Securities; and
  - (b) all other notices shall either be announced through the Bursa Securities or published in at least one (1) English language national daily newspaper.
- 15.2 A notice is deemed to have been given and served to the Holders on the date of announcement or publication as the case may be or, if announced or published more than once or on different dates, on the first date on which it is announced or published.
- 15.3 All notices effected in accordance with this Condition 15 shall be deemed to be effective in respect of all persons who become Holders after the date of the relevant notice.
- 15.4 For the avoidance of doubt, a notice shall not be required to be published or announced in respect of an event contemplated under Conditions 6, 8, 9, 10 or 11, as the case may be, if no adjustment to the rights of the Holders or amendment to the terms and conditions of the relevant Structured Warrants is made or to be made pursuant thereto.

**16 Modification of rights**

- 16.1 All or any of the rights for the time being attached to the Structured Warrants (other than the Exercise Price which a Holder is entitled to or the formulae for the adjustment of the Exercise Price or the Exercise Ratio or any other condition, which may be modified in accordance with the provisions set out elsewhere in these Conditions) may be altered or abrogated by the Issuer from time to time (whether or not the Issuer is being wound up), and the sanction of a Special Resolution passed at a meeting of the Holders held as aforesaid shall be necessary to effect such alteration or abrogation.
- 16.2 Notwithstanding the provisions of Condition 16.1, the Issuer may without the consent of the Holders but in accordance with the terms of the Deed Poll, effect any modification to the Structured Warrants or the Deed Poll which, in the opinion of the Issuer, is:
- (a) not materially prejudicial to the interests of the Holders; or
  - (b) of a formal, minor or technical nature; or

**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (cont'd)**

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- (c) necessary or expedient to correct a manifest error, or to comply with mandatory provisions of law or rules or regulations; or
- (d) necessary or expedient to facilitate scripless trading in or exercise of the Structured Warrants or payment by way of electronic funds transfer as approved by the relevant government or statutory authorities in respect of the Structured Warrants or to amend the restrictions on transfer or exercise of the Structured Warrants to comply with the requirements of or the concessions granted by any relevant government or statutory authorities.

Any such modification shall be binding on all Holders and shall be notified by the Issuer to them as soon as practicable thereafter in accordance with Condition 15 but in any event not later than twenty (20) Market Days from the date of such modification.

- 16.3 Notwithstanding Condition 16.1, the Issuer may, at any time and from time to time for the purpose of an issue of new Structured Warrants or a new Series of Structured Warrants through the Base Prospectus and without the consent or sanction of the Holders supplement the Deed Poll with the terms and conditions of the new Structured Warrants or Series of Structured Warrants (as set out in the relevant Term Sheet), as the case may be. In the event such supplement to the Deed Poll shall affect the rights and interests of the Holders, the Issuer is to effect such supplement to the Deed Poll by notice to the Holders in accordance with Condition 15 and such supplement shall be binding on all Holders without any further action being required to be taken by the Issuer. For the avoidance of doubt, a Holder is deemed to have notice of all announcements (and their respective contents) made by the Issuer to Bursa Securities in respect of or affecting the Series of Structured Warrants held.

**17 Buy-backs and cancellation**

- 17.1 The Issuer, and/or its Affiliates, may at any time purchase or buy back the Structured Warrants in the open market or by tender or private treaty and become the Holder of the Structured Warrants. Any Structured Warrants so purchased may be held or resold or surrendered for cancellation provided that cancellation of the Structured Warrants may only occur if all outstanding Structured Warrants have been purchased by the Issuer and/or its Affiliates. If pursuant to this Condition, the Issuer purchases or buys back the Structured Warrants and becomes the Holder of and is beneficially entitled to the Structured Warrants, the Issuer shall not exercise the voting rights with respect to such Structured Warrants held in any meeting of the Holders, unless otherwise permitted by the authorities or applicable laws and requirements.
- 17.2 Notwithstanding Condition 17.1, any purchase of the Structured Warrants by the Issuer and/or its Affiliates shall be undertaken in such manner and on such terms as may be imposed by the SC.

**18 Structured Warrants Registrar**

- 18.1 The Structured Warrants Registrar acts as an agent of the Issuer and shall not assume any obligation or duty to or any relationship of agency or trust for the Holders except only as described in Condition 18.2.
- 18.2 The Structured Warrants Registrar shall not be liable to any Holder in respect of any losses, liabilities, costs, claims, actions or demands which such Holder may suffer or incur or allege to have suffered or incurred as a result of or in connection with the exercise or non-exercise of any Structured Warrants Registrar's powers, discretions and/or duties. The Structured Warrants Registrar may:
- (a) in the exercise of its powers, discretions and/or duties, act on the advice or opinion of, or any certificate or information obtained in good faith from, any lawyer, valuer, accountant, banker, broker, securities company or other expert whether obtained by the Issuer, the relevant Structured Warrants Registrar or otherwise (which advice,



**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (cont'd)**

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opinion, certificate or information may be sent or obtained by letter, telex, telegram, cable or facsimile device) and the Structured Warrants Registrar shall not be liable for any loss occasioned by acting on any such advice, opinion, certificate or information or by any such letter, telex, telegram, cable or facsimile message being forged or otherwise not authentic or containing some errors with respect to content, delivery or transmission;

- (b) receive and retain without liability to account, such fee or other remuneration as may from time to time be agreed between the Issuer and the Structured Warrants Registrar; and
- (c) enter into or be interested in any contract or financial or other transaction or arrangement with the Issuer or any person or body corporate associated with the Issuer in connection therewith to receive and retain, without liability to account any profit, fee, remuneration or other benefit received thereby or in connection therewith.

The Structured Warrants Registrar does not act as the agent of any Holder and therefore owes no fiduciary duty to any Holder in arriving at its calculations and determinations.

**19 Exclusion of equities**

- 19.1 Subject to the Central Depositories Act, the Rules of Bursa Depository, the Deed Poll, or these Conditions, no person shall be recognised by the Issuer as holding any Structured Warrants upon any trust, and the Issuer shall not be bound by or compelled in any way to recognise any equitable, contingent, future or partial interest in any Structured Warrant, or any interest in any fractional part of a Structured Warrant, or (except only as by these presents or by law otherwise provided) any other right in respect of any Structured Warrants, except an absolute right to the entirety thereof in the registered holder.

**20 Governing law**

- 20.1 The Structured Warrants and the Deed Poll are governed by and shall be construed in accordance with the laws of Malaysia. The Issuer and the Holders irrevocably agree that with respect to any proceedings in Malaysia in connection with any matter or issue relating to the Deed Poll and these Conditions, they shall be bound by the decision, ruling or order of the Malaysian Court.

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**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (cont'd)****Part 4****Conditions Of The Cash-Settled Single Equity Callable Bull Or Bear Certificates****1 General, Nature, Form, Transfer, Administration and Status of Structured Warrants**

- 1.1 The Structured Warrants comprise of **European style non-collateralised cash-settled callable bull or bear certificates over single equity** to be issued from time to time by the Issuer through the Base Prospectus and subject to, and with the benefit of the Deed Poll referred to on the face of the Structured Warrant Certificate and these Conditions. The Exercise Rights entitle the Holder of each Structured Warrant for each Series of Structured Warrants issued or to be issued, subject to the Deed Poll and in accordance with these Conditions, upon valid exercise thereof, to the Cash Settlement Amount calculated in accordance with Condition 2. Certain statements in these Conditions are summaries of and are subject to the detailed provisions of the Deed Poll and in the event of any inconsistency between a provision contained in these Conditions and a provision contained in the Deed Poll, the provisions in the Deed Poll shall prevail. Copies of the Deed Poll are available for inspection at the registered office of the Issuer, being at the date hereof at 10th floor Menara Hap Seng, No. 1 & 3 Jalan P. Ramlee, 50250 Kuala Lumpur, Malaysia. The payment obligation of the Issuer under these Conditions is guaranteed by Macquarie Financial Holdings Pty Limited (the "**Guarantor**") (the "**Guarantee**"). The Holders for the time being of the Structured Warrants and whose names appear on the Record of Depositors are all entitled to the benefit of, bound by, and deemed to have notice of, all the provisions of the Deed Poll. Further, each Holder acknowledges it has, where necessary, consulted its stockbroker, solicitor or other adviser before investing in the Structured Warrants and none of the Issuer or its directors or employees may be construed as investment adviser or agent of, or owe any fiduciary duty to the Holder. **For the purposes of this Part 4, the term "Structured Warrants" shall refer to the European style non-collateralised cash-settled callable bull or bear certificates over single equity.**
- 1.2 Subject to the Central Depositories Act, the Rules of Bursa Depository, the Deed Poll, the relevant applicable rules and regulations and these Conditions:
- (a) each Structured Warrant is an option which confers on the Holder the Exercise Rights which require the Issuer to pay the Cash Settlement Amount (if any) to the Holder in accordance with these Conditions; and
  - (b) the Structured Warrants are issued in registered form, serially numbered and are a Prescribed Security to be admitted to the Official List. The Structured Warrants are represented by a global/jumbo certificate issued to Bursa Depository or its nominee who holds the same as bare trustee on behalf of the Holders, and deposited with Bursa Depository in or substantially in the form set out in the First Schedule to the Deed Poll as the same may from time to time be modified in accordance with the Deed Poll.
- 1.3 Subject to all information provided by the subscriber for the Structured Warrants to the Issuer being complete and consistent with the records of Bursa Depository, the Issuer shall within seven (7) Market Days from the date of allotment of the Structured Warrants, cause and procure the Structured Warrants Registrar to notify Bursa Depository of the names of the Holders together with such particulars as may be required by Bursa Depository for the purpose of making appropriate entries in the Securities Account of the respective Holder, request Bursa Depository to credit the Securities Account of the Holders with the applicable Structured Warrants and shall deliver to Bursa Depository the Structured Warrant Certificate registered in the name of Bursa Depository or its nominee company in such manner as may be prescribed by the Rules of Bursa Depository or agreed with Bursa Depository. If, at any time, the information provided by the Holders for the Structured Warrants is incorrect or inaccurate or inconsistent with the records of Bursa Depository, the Issuer reserves the right and without any obligation whatsoever to the Holders, to accept, reject or otherwise deal with

**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (cont'd)**

- the Structured Warrants in such manner as it reasonably deems fit in the circumstances. The Holders are not entitled to any physical warrant certificates.
- 1.4 Subject to the provisions of the Central Depositories Act and the Rules of Bursa Depository, the registration and subsequent administration of Structured Warrants shall be in the manner set forth in the Deed Poll. It is hereby acknowledged that the Issuer shall be entitled to appoint registrars for the registration and administration of the Structured Warrants. The Issuer hereby confirms that it shall/has appointed the Structured Warrants Registrar for the purpose stipulated hereof, who shall perform such duties as required by the Issuer under the Deed Poll.
  - 1.5 The Holders may transfer the Structured Warrants in the manner prescribed under the Central Depositories Act and the Rules of Bursa Depository. Subject to the provisions of the Central Depositories Act and the Rules of Bursa Depository, the Structured Warrants shall be freely transferable but the trading of the Structured Warrants must be in the same board lot applicable to the trading of the Underlying Equity or in such odd lots as permitted by the SC and/or Bursa Securities. Where the board lot of the Underlying Equity is more than one hundred (100) equities per board lot, the Structured Warrants may be issued in board lots of one hundred (100) warrants.
  - 1.6 The Structured Warrants and the settlement obligation of the Issuer in respect of the Structured Warrants represent general and unsecured contractual obligations of the Issuer and of no other person which rank, and shall rank, equally among themselves and without preference in all respects, subject to such exceptions as may from time to time exist under applicable law or the Deed Poll, with the other existing and future unsecured and unsubordinated obligations of the Issuer. The Guarantee represents general and unsecured contractual obligations of the Guarantor and of no other person which rank, and shall rank, equally among themselves and without preference in all respects, subject to such exceptions as may from time to time exist under applicable law or the Guarantee, with the other existing and future unsecured and unsubordinated obligations of the Guarantor.
  - 1.7 The Structured Warrants do not confer on the Holders any right to acquire or dispose of equities or other securities, including the Underlying Equity and the Issuer is not under any obligation whatsoever to purchase, hold or deliver such equities or other securities, or any rights and benefits attaching thereto.
  - 1.8 The Holders are entitled to the Cash Settlement Amount in accordance with Condition 2.

**2 Exercise of the Structured Warrants****2.1 Mandatory Call Event**

- 2.1.1 The trading of the Structured Warrants will be suspended by Bursa Securities and the Structured Warrants will automatically terminate upon the occurrence of a Mandatory Call Event and the Issuer shall have no further obligation under the Structured Warrants except for the payment of the Cash Settlement Amount after deducting all Exercise Expenses (if greater than zero) following the Mandatory Call Event on the relevant Settlement Date. Except as otherwise permitted pursuant to or provided under the Listing Requirements of Bursa Securities, the Issuer shall announce the Cash Settlement Amount payable to the relevant Holder within one (1) Market Day from the end of the Next Trading Session after the Mandatory Call Event and the Structured Warrants will be de-listed from the Official List on the fourth (4<sup>th</sup>) Market Day after the occurrence of the Mandatory Call Event. The Issuer shall in the absence of a Settlement Disruption Event, within seven (7) Market Days from the date of de-listing of the Structured Warrants pursuant to a Mandatory Call Event or any other relevant date as may be prescribed by Bursa Securities or such other relevant authority, pay to the relevant Holder, the Cash Settlement Amount in the Settlement Currency calculated as set out below less Exercise Expenses:

**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (cont'd)**

## (i) Callable bull certificates

$$\text{Cash Settlement Amount} = \text{Number of Structured Warrants} \times \left( \text{Lowest Traded Price} - \text{Exercise Price} \right) \times \frac{1}{\text{Exercise Ratio}} \times \text{Settlement Exchange Rate (if applicable)}$$

If the Cash Settlement Amount after deducting all Exercise Expenses is equal to or less than zero, the Structured Warrants shall terminate on the occurrence of the Mandatory Call Event and cease to be valid and the Issuer's obligations in respect of the Structured Warrants shall terminate absolutely. The Holders shall not be required to pay or top up the Exercise Expenses in the event the Cash Settlement Amount is negative after deducting Exercise Expenses.

## (ii) Callable bear certificates

$$\text{Cash Settlement Amount} = \text{Number of Structured Warrants} \times \left( \text{Exercise Price} - \text{Highest Traded Price} \right) \times \frac{1}{\text{Exercise Ratio}} \times \text{Settlement Exchange Rate (if applicable)}$$

If the Cash Settlement Amount after deducting all Exercise Expenses is equal to or less than zero, the Structured Warrants shall terminate on the occurrence of the Mandatory Call Event and cease to be valid and the Issuer's obligations in respect of the Structured Warrants shall terminate absolutely. The Holders shall not be required to pay or top up the Exercise Expenses in the event the Cash Settlement Amount is negative after deducting Exercise Expenses.

2.1.2 On the occurrence of a Mandatory Call Event, the Issuer shall unless otherwise permitted pursuant to or provided under the Listing Requirements of Bursa Securities immediately:

- (a) notify Bursa Securities to suspend the trading of the Structured Warrants;
- (b) announce the Mandatory Call Event and suspension to Bursa Securities, such announcement to include:
  - (i) the time the Mandatory Call Event occurs;
  - (ii) the time when the trading of the Structured Warrants is called by the Issuer and suspended by Bursa Securities and the effect of the same; and
  - (iii) the date when the Structured Warrants will be de-listed by Bursa Securities.

## 2.1.3 Revocation of Mandatory Call Event

A Mandatory Call Event is irrevocable unless it is triggered as a result of any of the following events:

- (a) system malfunction or other technical errors of the relevant Securities Exchange; or
- (b) manifest errors caused by the relevant third party price source where applicable;

and

- (A) in the case of a system malfunction or other technical errors prescribed in paragraph (a) above, such event is reported by the relevant Securities

**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (cont'd)**

Exchange to the Issuer and the Issuer and Bursa Securities mutually agree that such Mandatory Call Event is to be revoked; and

- (B) in the case of an error by the relevant price source prescribed in paragraph (b) above, such event is reported by the Issuer to Bursa Securities and the Issuer and Bursa Securities mutually agree that such Mandatory Call Event is to be revoked,

in each case:

- (aa) such mutual agreement between the Issuer and Bursa Securities must be reached no later than 30 minutes before the commencement of trading (including the pre-opening session) on the Market Day immediately following the day on which the Mandatory Call Event occurs or such other time frame as prescribed by Bursa Securities from time to time;
- (bb) the Mandatory Call Event so triggered will be reversed; and
- (cc) all cancelled trades (if any) will be reinstated and trading of the Structured Warrants will resume no later than on the Market Day immediately following the Mandatory Call Event in accordance with the rules prescribed by Bursa Securities from time to time.

## 2.2 Automatic Exercise and Expiry

2.2.1 The Structured Warrants shall be automatically exercised at 5.00 p.m. on the Expiry Date provided that no Mandatory Call Event has occurred, and provided further that the Cash Settlement Amount calculated in accordance with Condition 2.2.2 after deducting all Exercise Expenses, is greater than zero (without the Holders having to deliver a valid Exercise Form and without notice of automatic exercise being given by the Issuer to the Holders provided that a Mandatory Call Event has not occurred). If the scheduled Expiry Date is not a Market Day then it shall be deemed to be exercised on the next following Market Day. The Structured Warrants will automatically terminate at 5.00 p.m. on the Expiry Date if the Cash Settlement Amount after deducting all Exercise Expenses is zero or less than zero.

2.2.2 Except as otherwise permitted pursuant to or provided under the Listing Requirements of Bursa Securities, the Issuer shall announce the Cash Settlement Amount payable to the relevant Holder at the end of the Expiry Date and shall in the absence of a Settlement Disruption Event, within seven (7) Market Days from the Expiry Date or such other period as may be prescribed by Bursa Securities or such other relevant authority, pay to the relevant Holder, the Cash Settlement Amount in the Settlement Currency calculated as set out below less Exercise Expenses.

- (i) Callable bull certificates

$$\text{Cash Settlement Amount} = \text{Number of Structured Warrants} \times \left( \frac{\text{Settlement Price}^{(1)} - \text{Exercise Price}^{(2)}}{\text{Exercise Ratio}^{(2)}} \right) \times \frac{1}{\text{Exercise Ratio}^{(2)}} \times \text{Settlement Exchange Rate (if applicable)}$$

- (ii) Callable bear certificates

$$\text{Cash Settlement Amount} = \text{Number of Structured Warrants} \times \left( \frac{\text{Exercise Price}^{(2)} - \text{Settlement Price}^{(1)}}{\text{Exercise Ratio}^{(2)}} \right) \times \frac{1}{\text{Exercise Ratio}^{(2)}} \times \text{Settlement Exchange Rate (if applicable)}$$

- (1) (a) The Settlement Price on the Expiry Date shall be calculated by reference to either:

**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (cont'd)**

- (i) the VWAP of the Underlying Equity (subject to any adjustment as may be necessary to reflect any capitalisation, rights issue, distribution or others) for the five (5) Market Days prior to and including the Market Day immediately before the Expiry Date; or
- (ii) the average closing price of the Underlying Equity (subject to any adjustment as may be necessary to reflect any capitalisation, rights issue, distribution or others) for the five (5) Market Days prior to and including the Market Day immediately before the Expiry Date; or
- (iii) the closing price of the Underlying Equity on the Market Day immediately before the Expiry Date,

and as specified in the relevant Term Sheet and subject to the Market Disruption Event and other provisions herein.

For the avoidance of doubt, in the event the Underlying Equity is delisted, the Settlement Price shall be determined in accordance with Condition 10 below.

- (b) If a Market Disruption Event, or a public holiday unexpected by the Issuer, occurs on any of the five (5) Market Days described in sub-Conditions (1)(a)(i) or (1)(a)(ii) above, the valuation period applicable and the Settlement Price shall be as determined by the Issuer in such manner as it reasonably deems fit.

Regarding paragraph (1)(a)(iii) above, if there is a Market Disruption Event on the Valuation Date, the Valuation Date shall be the next following Market Day after the Market Disruption Event. If the Market Disruption Event continues to occur up to the eighth (8<sup>th</sup>) Business Day following the original Valuation Date, then the Valuation Date shall be:

- (i) that eighth (8<sup>th</sup>) Business Day; and
- (ii) the Issuer shall determine as it reasonably deems fit and on the basis of the Issuer's good faith estimate the reference price and/or the exchange rate (if applicable) for that Valuation Date by determining the price of the Underlying Equity and/or the exchange rate (if applicable) based on the prevailing market conditions and other factors as the Issuer may consider relevant.

- (2) The Exercise Price and/or the Exercise Ratio shall be subject to such adjustments as may be necessary as provided in Condition 6.

In the event that the Cash Settlement Amount after deducting all the Exercise Expenses is equal to or less than zero on the Expiry Date, the Structured Warrants shall terminate on the Expiry Date and cease to be valid and the Issuer's obligations in respect of the Structured Warrants shall terminate absolutely. The Holders shall not be required to pay or top up the Exercise Expenses in the event the Cash Settlement Amount is negative after deducting Exercise Expenses.

- 2.3 (a) The Cash Settlement Amount less the Exercise Expenses may be made by way of cheque drawn in favour of the Holder to be delivered by ordinary post to the Holder's address last recorded in the Record of Depositors at the Holder's own risk or by way of telegraphic transfer to the bank account of the Holder last notified to the Structured Warrants Registrar or the Issuer. Where the Issuer makes a payment to a Holder pursuant to the terms of Condition 2.1 and 2.2, the amount of such payment arising from the exercise of the Structured Warrants shall be final and conclusive and the Issuer shall be discharged from its obligation upon making such payment thereof in accordance with these Conditions.

**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (cont'd)**

- (b) The Cash Settlement Amount less the Exercise Expenses shall be calculated and be payable in the Settlement Currency and rounded down to the nearest two (2) decimal points. All determinations made by the Issuer pursuant to Condition 2.1 and 2.2 shall be final and conclusive and binding on the Holders.
  - (c) Unless otherwise specified in the relevant Term Sheet, the Holder is to bear all Exercise Expenses in relation to the exercise of the Structured Warrants (or upon the occurrence of a Mandatory Call Event) and on exercise of the Structured Warrants, the Issuer shall be irrevocably authorised by the Holder to deduct all Exercise Expenses from the Cash Settlement Amount.
  - (d) If as a result of a Settlement Disruption Event, it is not possible for the Issuer to make payment on the original Settlement Date, the Issuer shall use its reasonable endeavours to procure payment as soon as practicable after the original Settlement Date. The Issuer shall not be liable to the Holder for any interest in respect of the amount due or any loss or damage that such Holder may suffer as a result of the existence of the Settlement Disruption Event.
- 2.4 The Issuer shall not allow the Holder to exercise the Exercise Rights unless the Structured Warrants are or have been designated as “free securities” in accordance with the Rules of Bursa Depository.
- 2.5 The Issuer declares that approval shall be sought from Bursa Securities for the admission of the Structured Warrants to the Official List and for the listing of and quotation for the Structured Warrants on Bursa Securities.
- 2.6 The initial Structured Warrants Registrar and its specified offices are stated in the Deed Poll. The Issuer reserves the right at any time to terminate the appointment of the Structured Warrants Registrar. Prior written notice of any termination, appointment of Structured Warrants Registrar, resignation of the Structured Warrants Registrar or any changes in any of the specified offices of the relevant Structured Warrants Registrar shall be given to the Holders in accordance with Condition 15 and such prior notice shall be given to the Holders not more than sixty (60) days and less than thirty (30) days of such termination, appointment, resignation or change.
- 2.7 In respect of each Structured Warrant in which Exercise Rights have been exercised, the Issuer shall instruct or procure the Structured Warrants Registrar to instruct Bursa Depository, in accordance with the Central Depositories Act and the Rules of Bursa Depository, to debit the appropriate number of Structured Warrants in respect of which Exercise Rights have been exercised from the Securities Account of such Holder. The Issuer shall be entitled at any time on or after the Expiry Date, to demand that Bursa Depository deliver to the Issuer the Structured Warrant Certificates and thereafter cancel or cause the cancellation of the Structured Warrant Certificates.
- 2.8 The Structured Warrants subject to the Exercise Rights which have been exercised in accordance with the Deed Poll shall cease to exist and all obligations of the Issuer in respect of those Structured Warrants shall terminate absolutely following payment of the amount (if any) referred to in this Condition 2.
- 3 Exercise Rights and Suspension**
- 3.1 Upon and subject to the provisions of the Central Depositories Act, the Rules of Bursa Depository and the Deed Poll, the Holder whose name as stated in the Record of Depositors shall have the right on the Expiry Date to invoke its Exercise Rights at the Exercise Price subject to adjustments in accordance with Condition 6.
- 3.2 The Structured Warrants shall, subject to any directions, order or notice from any relevant regulatory authority and any request for suspension by the Issuer which is not rejected by any such relevant regulatory authority, continue to be traded notwithstanding that the trading of the Underlying Equity may have been suspended.

**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (cont'd)**

- 3.3 The Issuer shall notify the Holders of the Expiry Date at least one (1) month prior to the Expiry Date or such other period as may be specified by the relevant authority. Such notice shall be given in accordance with Condition 15 stating the Expiry Date and treatment of the Structured Warrants which are not exercised.

**4 Funding Cost**

- 4.1 The issue price of a Structured Warrant represents the difference between the initial Spot Price of the Underlying Equity as at the launch date or price fixing date of the Structured Warrants and the Exercise Price (taken into account the Exercise Ratio), plus the applicable funding cost.

The initial funding cost applicable to each series of Structured Warrants will be specified in the relevant Term Sheet for the relevant series and will fluctuate throughout the life of the Structured Warrants as the funding rate changes from time to time.

**5 Deposit and Forfeiture of Unclaimed Amount**

- 5.1 In the event that the Issuer pays the Cash Settlement Amount to any Holder under Condition 2 by way of cheque payment and such Holder does not present the cheque for payment within six (6) months from the date of the cheque, the Issuer shall at any time thereafter deal with the said monies in accordance and in compliance with, the requirements of the Unclaimed Moneys Act 1965 (Act 370) (revised 1989) of Malaysia.

**6 Adjustment of Exercise Price, Exercise Ratio and/or Call Price****6.1 Adjustments**

Subject to the Conditions as hereinafter provided and the Deed Poll, the Exercise Price, Exercise Ratio and/or Call Price shall from time to time be adjusted in accordance with the following provisions:

**(a) Bonus Issue**

If and whenever the Underlying Company of the relevant Structured Warrants shall make an issue of new equities ("**Equities**") credited as fully paid-up to the holders of Equities generally by way of capitalisation of profits or reserves (other than pursuant to a scrip dividend or similar scheme for the time being operated by the Underlying Company or otherwise in lieu of a cash dividend and without any payment or other consideration being made or given by such holders) ("**Bonus Issue**"), the Exercise Ratio, Exercise Price and/or Call Price shall be adjusted on the Market Day immediately following the last day on which an instrument of transfer could be lodged so that the transferee of the Equities would qualify for the Bonus Issue in accordance with the following formula:

$$(i) \quad \text{Adjusted Exercise Ratio} = \frac{E}{(1 + N)}$$

$$(ii) \quad \text{Adjusted Exercise Price} = \frac{X}{(1 + N)}$$

$$(iii) \quad \text{Adjusted Call Price} = \frac{C}{(1 + N)}$$



**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (cont'd)**

Whereby in respect of this Condition 6.1(a)(i),(ii) and (iii):

E = Existing Exercise Ratio immediately prior to the Bonus Issue.

X = Existing Exercise Price immediately prior to the Bonus Issue.

C = Existing Call Price immediately prior to the Bonus Issue.

N = The number of additional Equities (whether a whole or a fraction) received by a holder of existing Equities for each Equity (of the relevant Underlying Company) held prior to the Bonus Issue.

Alternatively, the Issuer may also, in good faith, make a corresponding adjustment to the Exercise Ratio, Exercise Price and/or Call Price as the Issuer determines appropriate to account for the dilutive effect of the Bonus Issue.

On any such adjustment, the resultant Exercise Ratio, Exercise Price and/or Call Price shall be rounded to the nearest four (4) decimal points of the Relevant Currency and all such adjustment made by the Issuer pursuant to this Condition shall be deemed as final and conclusive save for any manifest error.

(b) Rights Issue

If and whenever an Underlying Company of the relevant Structured Warrants shall, by way of Rights (as defined below), offer new Equities for subscription at a fixed subscription price ("**Rights Issue Price**") to the holders of existing Equities pro rata to the holders' existing holdings ("**Rights Issue**"), the Exercise Ratio, Exercise Price and/or Call Price shall be adjusted on the Market Day immediately following the last day on which an instrument of transfer of such Equities could be lodged so that the transferee of the Equities would qualify for the Rights Issue in accordance with the following formula:

(i) Adjusted Exercise Ratio =

$$\frac{1 + (R/S) \times M}{1 + M} \times E$$

(ii) Adjusted Exercise Price =

$$\frac{1 + (R/S) \times M}{1 + M} \times X$$

(iii) Adjusted Call Price =

$$\frac{1 + (R/S) \times M}{1 + M} \times C$$

Whereby, in respect of this Condition 6.1(b)(i), (ii) and (iii):

R = Subscription price per Equity of the Underlying Company of the relevant Structured Warrants under the Rights Issue.

S = Cum-rights share price being the last traded price of an existing Equity of the Underlying Company of the relevant Structured Warrants making the Rights Issue on the last Market Day on which the Equities (of the Underlying Company of the relevant Structured Warrants making the Rights Issue) are traded on a cum-rights basis.

M = Number of new Equities (whether a whole or fraction) per existing Equity of the Underlying Company of the relevant Structured

**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (cont'd)**

Warrants making the Rights Issue each holder thereof is entitled to subscribe.

E = Existing Exercise Ratio immediately prior to the Rights Issue.

X = Existing Exercise Price immediately prior to the Right Issue

C = Existing Call Price immediately prior to the Rights Issue.

Alternatively, the Issuer may also, in good faith, make a corresponding adjustment to the Exercise Ratio, Exercise Price and/or Call Price as the Issuer determines appropriate to account for the dilutive effect of the Rights Issue.

On any such adjustment, the resultant Exercise Ratio, Exercise Price and/or Call Price (as the case may be) shall be rounded to the nearest four (4) decimal points of the Relevant Currency and all such adjustment made by the Issuer pursuant to this Condition shall be deemed as final and conclusive save for any manifest error.

For the purposes hereof, "**Rights**" means the Right(s) attached to each existing Equity or needed to acquire one new Equity (as the case may be) which are given to the holders of existing Equities to subscribe for new Equities at a fixed subscription price pursuant to the Rights Issue (whether by the exercise of one Right, a part of a Right or an aggregate number of Rights).

(c) Subdivision or Consolidation

If and whenever the Underlying Company of the relevant Structured Warrants shall subdivide its Equities or any class of its outstanding share capital comprising the Equities into a greater number of Equities (a "**Subdivision**"), or consolidate the Equities or any class of its outstanding share capital comprising the Equities into a smaller number of Equities (a "**Consolidation**"), the Exercise Ratio, Exercise Price and/or Call Price shall be adjusted on the Market Day on which the relevant Subdivision or Consolidation shall have taken effect in accordance with the following formula:

(i) Adjusted Exercise Ratio =

$$\frac{E \times P}{N}$$

(ii) Adjusted Exercise Price =

$$\frac{X \times P}{N}$$

(iii) Adjusted Call Price =

$$\frac{C \times P}{N}$$

Whereby, in respect of this Condition 6.1(c)(i), (ii) and (iii):

N = Revised number of Equities after the Subdivision or Consolidation.

P = Existing number of Equities immediately prior to the Subdivision or Consolidation.

**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (cont'd)**

E = Existing Exercise Ratio immediately prior to the Subdivision or Consolidation.

X = Existing Exercise Price immediately prior to the Subdivision or Consolidation.

C = Existing Call Price immediately prior to the Subdivision or Consolidation.

Alternatively, the Issuer may also, in good faith, make a corresponding adjustment to the Exercise Ratio, Exercise Price and/or Call Price as the Issuer determines appropriate to account for the dilutive or consolidative effect of the Subdivision or Consolidation.

On any such adjustment, the resultant Exercise Ratio, Exercise Price and/or Call Price shall be rounded to the nearest four (4) decimal points of the Relevant Currency and all such adjustment made by the Issuer pursuant to this Condition shall be deemed as final and conclusive save for any manifest error.

(d) Capital Repayment

Should the Underlying Company of the relevant Structured Warrants undertake a capital repayment in cash whether in the form of special dividend or not (pursuant to Section 115 of the Companies Act 2016 or such other corresponding provision in the Relevant Country in which the Underlying Equity is listed and quoted) during the tenure of the Structured Warrants, the Exercise Ratio, Exercise Price and/or the Call Price of the Structured Warrants shall be adjusted on the Market Day following the last day on which an instrument of transfer is lodged to enable the transferee of the Equities to qualify for the capital repayment by the amount of the capital repayment, net of taxation, if any.

The Exercise Ratio, Exercise Price and/or Call Price for the Structured Warrants shall be adjusted in accordance with the following formula:

(i) Adjusted Exercise Ratio =

$$E \times \frac{(P - D)}{P}$$

(ii) Adjusted Exercise Price =

$$X \times \frac{(P - D)}{P}$$

(iii) Adjusted Call Price =

$$C \times \frac{(P - D)}{P}$$

Whereby, in respect of this Condition 6.1(d)(i),(ii) and (iii):

P = Closing price of the Underlying Equity on the last market day on which the Underlying Equity is traded on a cum-entitlement basis.

D = The capital repayment/special dividend per one (1) Underlying Equity held.

**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (cont'd)**

E = Existing Exercise Ratio immediately prior to the capital repayment/special dividend.

X = Existing Exercise Price immediately prior to the capital repayment/special dividend.

C = Existing Call Price immediately prior to the capital repayment/special dividend.

Alternatively, the Issuer may also, in good faith, make a corresponding adjustment to the Exercise Ratio, Exercise Price and/or Call Price as the Issuer determines appropriate to account for the effect of the capital repayment.

On any such adjustment, the resultant Exercise Ratio, Exercise Price and/or Call Price shall be rounded to the nearest four (4) decimal points of the Relevant Currency and all such adjustment made by the Issuer pursuant to this Condition shall be deemed as final and conclusive save for any manifest error.

Notwithstanding the above, if a capital repayment undertaken by the relevant Underlying Company results in a significant change in the business of such Underlying Company or such other circumstances as the Issuer may determine, the Issuer is entitled to terminate the Structured Warrants without prior notice to the Holders. If the Issuer terminates the Structured Warrants, then the Issuer will, if and to the extent permitted by applicable law, pay an amount to each Holder in respect of each Structured Warrant held by such holder if the Cash Settlement Amount after deducting all Exercise Expenses, is greater than zero (without the Holder having to deliver a valid Exercise Form). The Cash Settlement Amount shall be determined by the Issuer in a manner as it reasonably deems fit based on the fair market value of the Structured Warrants (as determined by the Issuer) after taking into account the capital repayment exercise less all Exercise Expenses.

(e) Other adjustments

The Issuer is entitled to make other adjustments as it reasonably believes are appropriate in circumstances where an event or events occur which the Issuer believes (notwithstanding any adjustment previously made by the Issuer) should, in the context of the issue of Structured Warrants and its obligations hereunder, give rise to such adjustment. The Issuer shall make such adjustment generally without considering the individual circumstances of any Holder or the tax or other consequences of such adjustment in any particular jurisdiction.

On any such adjustment, the resultant Call Price, Exercise Ratio and/or Exercise Price shall be rounded to the nearest four (4) decimal points of the Relevant Currency and all such adjustment made by the Issuer pursuant to this Condition shall be deemed as final and conclusive save for any manifest error.

6.2 Notwithstanding the foregoing, no adjustments shall be made to the Exercise Ratio, Exercise Price and/or Call Price if the formulae stated in Condition 6.1(a) to Condition 6.1(e) results in an adjustment which would amount to less than two percent (2%) of the Exercise Ratio, Exercise Price and/or Call Price being changed.

6.3 Any termination of Structured Warrants or adjustment made pursuant to Conditions 6.1 and 6.2 shall be binding on the Holders save in the case of manifest error. Notice of such termination, adjustments or amendments shall be given to the Holders as soon as practicable thereafter in accordance with Condition 15 and in any event within five (5) Market Days of such termination or adjustment being made.

**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (cont'd)****7 Restrictions to Protect Rights of Holders**

- 7.1 As from the date of the issue of the Structured Warrants and for so long as any of the Structured Warrants remain exercisable, the Issuer shall have arrangements in place to ensure, for the benefit of the Holders that it is able to satisfy in full the exercise of all the Structured Warrants for the time being outstanding.

**8 Merger or Consolidation of Underlying Company**

- 8.1 In the event of a merger, amalgamation or reconstruction of the Underlying Company wherein an Underlying Company is to or may merge or consolidate with or into any other corporation (including becoming, by agreement or otherwise, a subsidiary of any corporation or controlled by any person or corporation) (except where the Underlying Company is the surviving corporation in a merger), or is to or may sell or transfer all or substantially all of its assets ("**Restructuring Event**"), the Issuer may in good faith take any of the actions below:
- (a) cancel the Structured Warrants without prior notice to the Holders. If the Structured Warrants are so cancelled, the Issuer shall pay an amount to each Holder, if the Cash Settlement Amount after deducting all Exercise Expenses, is greater than zero (without the Holder having to deliver a valid Exercise Form). The Cash Settlement Amount shall be determined by the Issuer in a manner as it reasonably deems fit based on the fair market value of the Underlying Equity (as determined by the Issuer) after taking into account the Restructuring Event less all Exercise Expenses; and/or
  - (b) amend and determine the appropriate adjustment, if any, to be made to the terms and conditions of the Structured Warrants to account for the Restructuring Event and determine the effective date of that adjustment. After such adjustments (if any), the Structured Warrants shall relate to the number of equities of the corporation(s) resulting from or surviving such Restructuring Event or other securities ("**Substituted Securities**") and/or cash offered in substitution for the affected Underlying Equity of the relevant Structured Warrants to which the holder of such number of Underlying Equity to which the Structured Warrants related immediately before such Restructuring Event would have been entitled upon such Restructuring Event, as the case may be. The Issuer may, but need not, determine the appropriate adjustment by reference to the adjustment in respect of the Restructuring Event made by a Securities Exchange to options on the relevant Underlying Equity traded on that Securities Exchange.
- 8.2 Upon the occurrence of a Restructuring Event, the rights attaching to the Structured Warrants in respect of that Underlying Company may be amended by the Issuer no later than the Market Day preceding the consummation of such Restructuring Event.
- 8.3 The provisions of these Conditions shall apply to such Substituted Securities provided that, any Substituted Securities may, as the Issuer reasonably deems fit, be replaced by an amount in the Relevant Currency equal to the market value or, if no market value is available, fair value, of such Substituted Securities in each case as determined by the Issuer as soon as practicable after such Restructuring Event is effected.
- 8.4 Any cancellation of Structured Warrants or modification of rights made pursuant to Condition 8.1 or 8.2 shall be notified to the Holders as soon as practicable thereafter and in any event within five (5) Market Days from the date of such cancellation or modification in accordance with Condition 15.

**9 Take-over Offer, Compulsory Acquisition or other Forms of Reorganisation in respect of the Underlying Company**

- 9.1 Take-over Offer or Compulsory Acquisition

**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (cont'd)**

In the event of the Take-Over Offer or Compulsory Acquisition or any other event having similar effect on the rights of the Holders ("**Other Event**") no cancellation of the relevant Structured Warrants shall be effected and the relevant Structured Warrants shall remain valid until its Expiry Date unless any such Take-Over Offer, Compulsory Acquisition or Other Event results in any of the circumstances referred to in Condition 10 or Condition 11, in which event, the relevant provisions of Condition 10 or Condition 11 shall apply.

9.2 Other Forms of Reorganisation

In the event of a scheme of arrangement or any other forms of reorganisation including any scheme of arrangement or reorganisation resulting in the privatisation of the Underlying Company, or the Underlying Company is placed under a judicial management under any applicable laws, the Issuer is entitled to deal with the Structured Warrants in such manner as it reasonably deems fit in the circumstances and with or without any adjustments to the rights attaching to the relevant Structured Warrants.

**10 Delisting of the Underlying Equity**

10.1 If at any time the Underlying Equity of the Structured Warrants ceases to be listed on Bursa Securities or such other Securities Exchanges or there is an announcement of an intention to cease the listing status of the Underlying Company or the Underlying Equity is suspended from trading on Bursa Securities or such other Securities Exchanges prior to, and in connection with the delisting of the Underlying Equity, the Structured Warrants may if determined by the Issuer be automatically exercised without the Holder having to deliver a valid Exercise Form and without notice of automatic exercise being given by the Issuer to the Holder:

- (a) if the Cash Settlement Amount after deducting all Exercise Expenses is greater than zero, the Issuer shall make payment of the Cash Settlement Amount to the relevant Holder; or
- (b) if the Cash Settlement Amount after deducting all the Exercise Expenses is equal to or less than zero, the Issuer shall not be obliged to make any payment to the relevant Holder and the relevant Structured Warrants shall terminate and cease to be valid and the Issuer's obligations in respect of the Structured Warrants shall terminate absolutely. The Holders shall not be required to pay or top up the Exercise Expenses in the event the Cash Settlement Amount is negative after deducting Exercise Expenses.

In such event, the Settlement Price for the calculation of the Cash Settlement Amount (calculated in accordance with Condition 2) shall, at the Issuer's reasonable discretion, be one of the following:

- (i) the last quoted price of the Underlying Equity immediately before such events;
- (ii) the price determined in accordance with Condition 2.2.2;
- (iii) in the case of a Take-over Offer or a Compulsory Acquisition, the announced price for such Take-over Offer or Compulsory Acquisition, or
- (iv) such other price as determined by the Issuer in a commercially reasonable manner as the case may be, and the Issuer shall not be obliged to make any adjustment to the Exercise Price.

10.2 Subject to the aforesaid, the Issuer may but shall not be obliged to make any adjustment to the terms and conditions of the Structured Warrants and the rights attaching to the Structured Warrants as it shall reasonably consider appropriate to ensure that the interests of the Holders generally are not materially prejudiced as a consequence of such events (without considering the individual circumstances of any Holder or the tax or other consequences that may result in any particular jurisdiction).

**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (cont'd)****11 Liquidation, Dissolution or Winding-Up of the Underlying Company**

11.1 In the event of a liquidation, dissolution or winding-up of the Underlying Company or the appointment of a liquidator, receiver or administrator or analogous person under any applicable law in respect of the whole or substantially the whole of the Underlying Company's Assets, the Structured Warrants will be automatically exercised without the Holder having to deliver a valid Exercise Form and without notice of automatic exercise being given by the Issuer to the Holder:

- (a) if the Cash Settlement Amount after deducting all Exercise Expenses is greater than zero, the Issuer shall make payment of the Cash Settlement Amount to the relevant Holder; or
- (b) if the Cash Settlement Amount after deducting all Exercise Expenses is equal to or less than zero, the Issuer shall not be obliged to make any payment to the relevant Holder and the relevant Structured Warrants shall terminate and cease to be valid and the Issuer's obligations in respect of the Structured Warrants shall terminate absolutely. The Holders shall not be required to pay or top up the Exercise Expenses in the event the Cash Settlement Amount is negative after deducting Exercise Expenses.

In such event, the Settlement Price for the calculation of the Cash Settlement Amount (calculated in accordance with Condition 2) shall, at the Issuer's reasonable discretion, be one of the following:

- (i) the last quoted price of the Underlying Equity immediately before such events;
- (ii) the price determined in accordance with Condition 2.2.2;
- (iii) in the case of a Take-over Offer or a Compulsory Acquisition, the announced price for such Take-over Offer or Compulsory Acquisition, or
- (iv) such other price as determined by the Issuer in a commercially reasonable manner, as the case may be, and the Issuer shall not be obliged to make any adjustment to the Exercise Price.

11.2 Subject to the aforesaid, the Issuer may but shall not be obliged to make any adjustment to the terms and conditions of the Structured Warrants and the rights attaching to the Structured Warrants as it shall reasonably consider appropriate to ensure that the interests of the Holders generally are not materially prejudiced as a consequence of such events (without considering the individual circumstances of any Holder or the tax or other consequences that may result in any particular jurisdiction).

**11A Takeover, Merger, Liquidation, Dissolution or Winding-Up of Issuer**

11A.1 In the event of a take-over or a scheme of arrangement or any other form of reorganisation undertaken by the Issuer or any other events having similar effects on the rights of the Holders, the Issuer is entitled to deal with the Structured Warrants in such manner as it reasonably deems fit in the circumstances and with or without any adjustments to the rights attaching to the relevant Structured Warrants.

11A.2 In the event of a merger, amalgamation or reconstruction of the Issuer, the corporation, trust or other body into which the Issuer is merged, amalgamated or reconstructed shall assume all the liabilities and the obligations of the Issuer in respect of the Structured Warrants so that the rights of the Holders shall continue to exist and be enforceable to the same extent as provided by the Issuer under the Deed Poll.

11A.3 In the event of a liquidation, dissolution or winding-up of the Issuer or the appointment of a receiver or administrator or analogous person under any applicable law in respect of the whole or substantially the whole of the Issuer's Assets, the Structured Warrants remaining outstanding shall be deemed to be exercised on the Market Day immediately prior to the date of such liquidation, dissolution, winding-up or appointment as follows:

**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (cont'd)**

- (a) All unexercised Structured Warrants shall automatically be exercised without the Holders having to deliver a valid Exercise Form and without notice of automatic exercise being given by the Issuer to the Holders:
- (i) if the Cash Settlement Amount after deducting all the Exercise Expenses is greater than zero, the Issuer shall make payment of the Cash Settlement Amount to the relevant Holder; or
  - (ii) if the Cash Settlement Amount after deducting all the Exercise Expenses is equal to or less than zero, the Issuer shall not be obliged to make any payment to the relevant Holder and the relevant Structured Warrants shall terminate and cease to be valid and the Issuer's obligations in respect of the Structured Warrants shall terminate absolutely. The Holders shall not be required to pay or top up the Exercise Expenses in the event the Cash Settlement Amount is negative after deducting Exercise Expenses.

The closing price of the Underlying Equity on the Market Day immediately before the above events shall form the Settlement Price for the calculation of the Cash Settlement Amount.

- (b) Notwithstanding the foregoing, if there is a Market Disruption Event on the Set Date, the Settlement Price shall be based on the Market Day immediately preceding the Market Disruption Event. If the preceding Market Day is also affected by the Market Disruption Event, the Settlement Price shall be determined by the Issuer on the Set Date as it reasonably deems fit and on the basis of the Issuer's good faith estimate the reference price and/or the exchange rate (if applicable) for that Set Date by determining the price of the Underlying Equity and/or the exchange rate (if applicable) based on the prevailing market conditions and other factors as the Issuer may consider relevant.

**12 Replacement of Structured Warrant Certificate**

- 12.1 If the Structured Warrant Certificate which has been deposited with Bursa Depository is mutilated, defaced, lost, worn out, stolen or destroyed it shall be replaced by the Issuer at the registered office of the Structured Warrants Registrar on such terms as to evidence and indemnity or otherwise as the Issuer may require. All payment of such costs as may be incurred in connection therewith shall be borne by the Issuer. Mutilated, defaced, lost, worn, stolen or destroyed Structured Warrant Certificates shall be deemed cancelled.

**13 Register, Transfer and Transmission**

- 13.1 Each Holder registered in the Record of Depositors shall be entitled to all rights, benefits, powers and privileges and be subject to all liabilities, duties and obligations in respect of, or arising from the Structured Warrants, and shall be deemed and treated as the absolute owner of the relevant Structured Warrants, in accordance with the Central Depositories Act and the Rules of Bursa Depository, whether or not the Issuer shall be in default in respect of the Structured Warrants or any of the covenants contained herein and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft of any Structured Warrants. The provisions of the Central Depositories Act, the Rules of Bursa Depository and the Issuer's constitution for the time being relating to the registration, transfer and transmission of shares and the fees payable thereon shall with necessary modifications apply to the registration, transfer and transmission of the legal ownership of the Structured Warrants, subject always to the provisions of this Condition and Condition 2.
- 13.2 The entries made under the Record of Depositors shall be deemed to be the final record of all Depositors. No notice of any trust, express or implied, shall be entered upon the Record of Depositors otherwise than pursuant to an order of a court of competent jurisdiction or as required by law, and a Holder shall be deemed to be the beneficial owner of the Structured



**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (cont'd)**

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Warrants standing to the credit of his/its Securities Account, until such time as the Structured Warrants are duly transferred to another Holder and the name of the transferee is entered in the Record of Depositors.

**14 Meetings of Holders**

- 14.1 The procedure governing the convening and conduct of meetings of the Holders are set out in the Fourth Schedule to the Deed Poll.

**15 Notices**

- 15.1 Subject to Condition 15.2:
- (a) all notices to the Holders pertaining to the convening of meetings shall be made by way of notice published in at least one (1) English language national daily newspaper and announced through Bursa Securities; and
  - (b) all other notices shall either be announced through the Bursa Securities or published in at least one (1) English language national daily newspaper.
- 15.2 A notice is deemed to have been given and served to the Holders on the date of announcement or publication as the case may be or, if announced or published more than once or on different dates, on the first date on which it is announced or published.
- 15.3 All notices effected in accordance with this Condition 15 shall be deemed to be effective in respect of all persons who become Holders after the date of the relevant notice.
- 15.4 For the avoidance of doubt, a notice shall not be required to be published or announced in respect of an event contemplated under Conditions 6, 8, 9, 10, 11 or 11A, as the case may be, if no adjustment to the rights of the Holders or amendment to the terms and conditions of the relevant Structured Warrants is made or to be made pursuant thereto.

**16 Modification of rights**

- 16.1 All or any of the rights for the time being attached to the Structured Warrants (other than the Exercise Price or Call Price which a Holder is entitled to or the formulae for the adjustment of the Exercise Price or the Exercise Ratio or any other condition, which may be modified in accordance with the provisions set out elsewhere in these Conditions) may be altered or abrogated by the Issuer from time to time (whether or not the Issuer is being wound up), and the sanction of a Special Resolution passed at a meeting of the Holders held as aforesaid shall be necessary to effect such alteration or abrogation.
- 16.2 Notwithstanding the provisions of Condition 16.1, the Issuer may without the consent of the Holders but in accordance with the terms of the Deed Poll, effect any modification to the Structured Warrants or the Deed Poll which, in the opinion of the Issuer, is:
- (a) not materially prejudicial to the interests of the Holders; or
  - (b) of a formal, minor or technical nature; or
  - (c) necessary or expedient to correct a manifest error, or to comply with mandatory provisions of law or rules or regulations; or
  - (d) necessary or expedient to facilitate scripless trading in or exercise of the Structured Warrants or payment by way of electronic funds transfer as approved by the relevant government or statutory authorities in respect of the Structured Warrants or to amend the restrictions on transfer or exercise of the Structured Warrants to comply with the requirements of or the concessions granted by any relevant government or statutory authorities.

**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (cont'd)**

Any such modification shall be binding on all Holders and shall be notified by the Issuer to them as soon as practicable thereafter in accordance with Condition 15 but in any event not later than twenty (20) Market Days from the date of such modification.

- 16.3 Notwithstanding Condition 16.1, the Issuer may, at any time and from time to time for the purpose of an issue of new Structured Warrants or a new Series of Structured Warrants through the Base Prospectus and without the consent or sanction of the Holders supplement the Deed Poll with the terms and conditions of the new Structured Warrants or Series of Structured Warrants (as set out in the relevant Term Sheet), as the case may be. In the event such supplement to the Deed Poll shall affect the rights and interests of the Holders, the Issuer is to effect such supplement to the Deed Poll by notice to the Holders in accordance with Condition 15 and such supplement shall be binding on all Holders without any further action being required to be taken by the Issuer. For the avoidance of doubt, a Holder is deemed to have notice of all announcements (and their respective contents) made by the Issuer to Bursa Securities in respect of or affecting the Series of Structured Warrants held.

**17 Buy-backs and cancellation**

- 17.1 The Issuer, and/or its Affiliates, may at any time purchase or buy back the Structured Warrants in the open market or by tender or private treaty and become the Holder of the Structured Warrants. Any Structured Warrants so purchased may be held or resold or surrendered for cancellation provided that cancellation of the Structured Warrants may only occur if all outstanding Structured Warrants have been purchased by the Issuer and/or its Affiliates. If pursuant to this Condition, the Issuer purchases or buys back the Structured Warrants and becomes the Holder of and is beneficially entitled to the Structured Warrants, the Issuer shall not exercise the voting rights with respect to such Structured Warrants held in any meeting of the Holders, unless otherwise permitted by the authorities or applicable laws and requirements.
- 17.2 Notwithstanding Condition 17.1, any purchase of the Structured Warrants by the Issuer and/or its Affiliates shall be undertaken in such manner and on such terms as may be imposed by the SC.

**18 Structured Warrants Registrar**

- 18.1 The Structured Warrants Registrar acts as an agent of the Issuer and shall not assume any obligation or duty to or any relationship of agency or trust for the Holders except only as described in Condition 18.2.
- 18.2 The Structured Warrants Registrar shall not be liable to any Holder in respect of any losses, liabilities, costs, claims, actions or demands which such Holder may suffer or incur or allege to have suffered or incurred as a result of or in connection with the exercise or non-exercise of any Structured Warrants Registrar's powers, discretions and/or duties. The Structured Warrants Registrar may:
- (a) in the exercise of its powers, discretions and/or duties, act on the advice or opinion of, or any certificate or information obtained in good faith from, any lawyer, valuer, accountant, banker, broker, securities company or other expert whether obtained by the Issuer, the relevant Structured Warrants Registrar or otherwise (which advice, opinion, certificate or information may be sent or obtained by letter, telex, telegram, cable or facsimile device) and the Structured Warrants Registrar shall not be liable for any loss occasioned by acting on any such advice, opinion, certificate or information or by any such letter, telex, telegram, cable or facsimile message being forged or otherwise not authentic or containing some errors with respect to content, delivery or transmission;
  - (b) receive and retain without liability to account, such fee or other remuneration as may from time to time be agreed between the Issuer and the Structured Warrants Registrar; and

**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (cont'd)**

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- (c) enter into or be interested in any contract or financial or other transaction or arrangement with the Issuer or any person or body corporate associated with the Issuer in connection therewith to receive and retain, without liability to account any profit, fee, remuneration or other benefit received thereby or in connection therewith.

The Structured Warrants Registrar does not act as the agent of any Holder and therefore owes no fiduciary duty to any Holder in arriving at its calculations and determinations.

**19 Exclusion of equities**

- 19.1 Subject to the Central Depositories Act, the Rules of Bursa Depository, the Deed Poll, or these Conditions, no person shall be recognised by the Issuer as holding any Structured Warrants upon any trust, and the Issuer shall not be bound by or compelled in any way to recognise any equitable, contingent, future or partial interest in any Structured Warrant, or any interest in any fractional part of a Structured Warrant, or (except only as by these presents or by law otherwise provided) any other right in respect of any Structured Warrants, except an absolute right to the entirety thereof in the registered holder.

**20 Governing Law**

- 20.1 The Structured Warrants and the Deed Poll are governed by and shall be construed in accordance with the laws of Malaysia. The Issuer and the Holders irrevocably agree that with respect to any proceedings in Malaysia in connection with any matter or issue relating to the Deed Poll and these Conditions, they shall be bound by the decision, ruling or order of the Malaysian Court.

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**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (cont'd)****Part 5****Conditions Of The Cash-Settled Single Index Callable Bull Or Bear Certificates****1 General, Nature, Form, Transfer, Administration and Status of Structured Warrants**

- 1.1 The Structured Warrants comprise of **European style non-collateralised cash-settled callable bull or bear certificates over a single index** to be issued from time to time by the Issuer through the Base Prospectus and subject to, and with the benefit of the Deed Poll referred to on the face of the Structured Warrant Certificate and these Conditions. The Exercise Rights entitle the Holder of each Structured Warrant for each Series of Structured Warrants issued or to be issued, subject to the Deed Poll and in accordance with these Conditions, upon valid exercise thereof, to the Cash Settlement Amount calculated in accordance with Condition 2. Certain statements in these Conditions are summaries of and are subject to the detailed provisions of the Deed Poll and in the event of any inconsistency between a provision contained in these Conditions and a provision contained in the Deed Poll, the provisions in the Deed Poll shall prevail. Copies of the Deed Poll are available for inspection at the registered office of the Issuer, being at the date hereof at 10th floor Menara Hap Seng, No. 1 & 3 Jalan P. Ramlee, 50250 Kuala Lumpur, Malaysia. The payment obligation of the Issuer under these Conditions is guaranteed by Macquarie Financial Holdings Pty Limited (the "**Guarantor**") (the "**Guarantee**"). The Holders for the time being of the Structured Warrants and whose names appear on the Record of Depositors are all entitled to the benefit of, bound by, and deemed to have notice of, all the provisions of the Deed Poll. Further, each Holder acknowledges it has, where necessary, consulted its stockbroker, solicitor or other adviser before investing in the Structured Warrants and none of the Issuer or its directors or employees may be construed as investment adviser or agent of, or owe any fiduciary duty to the Holder. **For the purposes of this Part 5, the term "Structured Warrants" shall refer to the European style non-collateralised cash-settled callable bull or bear certificates over a single index.**
- 1.2 Subject to the Central Depositories Act, the Rules of Bursa Depository, the Deed Poll, the relevant applicable rules and regulations and these Conditions:
- (a) each Structured Warrant is an option which confers on the Holder the Exercise Rights which require the Issuer to pay the Cash Settlement Amount (if any) to the Holder in accordance with these Conditions; and
  - (b) the Structured Warrants are issued in registered form, serially numbered and are a Prescribed Security to be admitted to the Official List. The Structured Warrants are represented by a global/jumbo certificate issued to Bursa Depository or its nominee who holds the same as bare trustee on behalf of the Holders, and deposited with Bursa Depository in or substantially in the form set out in the First Schedule to the Deed Poll as the same may from time to time be modified in accordance with the Deed Poll.
- 1.3 Subject to all information provided by the subscriber for the Structured Warrants to the Issuer being complete and consistent with the records of Bursa Depository, the Issuer shall within seven (7) Market Days from the date of allotment of the Structured Warrants, cause and procure the Structured Warrants Registrar to notify Bursa Depository of the names of the Holders together with such particulars as may be required by Bursa Depository for the purpose of making appropriate entries in the Securities Account of the respective Holder, request Bursa Depository to credit the Securities Account of the Holders with the applicable Structured Warrants and shall deliver to Bursa Depository the Structured Warrant Certificate registered in the name of Bursa Depository or its nominee company in such manner as may be prescribed by the Rules of Bursa Depository or agreed with Bursa Depository. If, at any time, the information provided by the Holders for the Structured Warrants is incorrect or inaccurate or inconsistent with the records of Bursa Depository, the Issuer reserves the right and without any obligation whatsoever to the Holders, to accept, reject or otherwise deal with the Structured Warrants in such manner as it reasonably deems fit in the circumstances. The Holders are not entitled to any physical warrant certificates.

**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (cont'd)**

- 1.4 Subject to the provisions of the Central Depositories Act and the Rules of Bursa Depository, the registration and subsequent administration of Structured Warrants shall be in the manner set forth in the Deed Poll. It is hereby acknowledged that the Issuer shall be entitled to appoint registrars for the registration and administration of the Structured Warrants. The Issuer hereby confirms that it shall/has appointed the Structured Warrants Registrar for the purpose stipulated hereof, who shall perform such duties as required by the Issuer under the Deed Poll.
- 1.5 The Holders may transfer the Structured Warrants in the manner prescribed under the Central Depositories Act and the Rules of Bursa Depository. Structured Warrants shall be issued in board lots of one hundred (100) warrants or such other board lot as permitted by the SC and/or Bursa Securities.
- 1.6 The Structured Warrants and the settlement obligation of the Issuer in respect of the Structured Warrants represent general and unsecured contractual obligations of the Issuer and of no other person which rank, and shall rank, equally among themselves and without preference in all respects, subject to such exceptions as may from time to time exist under applicable law or the Deed Poll, with the other existing and future unsecured and unsubordinated obligations of the Issuer. The Guarantee represents general and unsecured contractual obligations of the Guarantor and of no other person which rank, and shall rank, equally among themselves and without preference in all respects, subject to such exceptions as may from time to time exist under applicable law or the Guarantee, with the other existing and future unsecured and unsubordinated obligations of the Guarantor.
- 1.7 The Structured Warrants do not confer on the Holders any right to acquire or dispose of equities or other securities, including the equities in the companies constituting the Underlying Index and the Issuer is not under any obligation whatsoever to purchase, hold or deliver such equities or other securities, or any rights and benefits attaching thereto.
- 1.8 The Holders are entitled to the Cash Settlement Amount in accordance with Condition 2.

**2 Exercise of the Structured Warrants****2.1 Mandatory Call Event**

- 2.1.1 The trading of the Structured Warrants will be suspended by Bursa Securities and the Structured Warrants will automatically terminate upon the occurrence of a Mandatory Call Event and the Issuer shall have no further obligation under the Structured Warrants except for the payment of the Cash Settlement Amount after deducting all Exercise Expenses (if greater than zero) following the Mandatory Call Event on the relevant Settlement Date. Except as otherwise permitted pursuant to or provided under the Listing Requirements of Bursa Securities, the Issuer shall announce the Cash Settlement Amount payable to the relevant Holder within one (1) Market Day from the end of the Next Trading Session after the Mandatory Call Event and the Structured Warrants will be de-listed from the Official List on the fourth (4<sup>th</sup>) Market Day after the occurrence of the Mandatory Call Event. The Issuer shall in the absence of a Settlement Disruption Event, within seven (7) Market Days from the date of de-listing of the Structured Warrants pursuant to a Mandatory Call Event or any other relevant date as may be prescribed by Bursa Securities or such other relevant authority, pay to the relevant Holder, the Cash Settlement Amount in the Settlement Currency calculated as set out below less Exercise Expenses:

(i) Callable bull certificates

$$\text{Cash Settlement Amount} = \text{Number of Structured Warrants} \times \left( \text{Lowest Index Level} - \text{Exercise Level} \right) \times \frac{1}{\text{Exercise Ratio}} \times \text{Multiplier}_{(1)} \times \text{Settlement Exchange Rate (if applicable)}$$

**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (cont'd)**

- (1) The Multiplier shall be specified in the relevant Term Sheet.

If the Cash Settlement Amount after deducting all Exercise Expenses is equal to or less than zero, the Structured Warrants shall terminate on the occurrence of the Mandatory Call Event and cease to be valid and the Issuer's obligations in respect of the Structured Warrants shall terminate absolutely. The Holders shall not be required to pay or top up the Exercise Expenses in the event the Cash Settlement Amount is negative after deducting Exercise Expenses.

- (ii) Callable bear certificates

$$\text{Cash Settlement Amount} = \text{Number of Structured Warrants} \times \left( \text{Exercise Level} - \text{Highest Index Level} \right) \times \frac{1}{\text{Exercise Ratio}} \times \text{Multiplier}_{(1)} \times \text{Settlement Exchange Rate (if applicable)}$$

- (1) The Multiplier shall be specified in the relevant Term Sheet.

If the Cash Settlement Amount after deducting all Exercise Expenses is equal to or less than zero, the Structured Warrants shall terminate on the occurrence of the Mandatory Call Event and cease to be valid and the Issuer's obligations in respect of the Structured Warrants shall terminate absolutely. The Holders shall not be required to pay or top up the Exercise Expenses in the event the Cash Settlement Amount is negative after deducting Exercise Expenses.

- 2.1.2 On the occurrence of a Mandatory Call Event, the Issuer shall unless otherwise permitted pursuant to or provided under the Listing Requirements of Bursa Securities immediately:

- (a) notify Bursa Securities to suspend the trading of the Structured Warrants;
- (b) announce the Mandatory Call Event and suspension to Bursa Securities, such announcement to include:
  - (i) the time the Mandatory Call Event occurs;
  - (ii) the time when the trading of the Structured Warrants is called by the Issuer and suspended by Bursa Securities and the effect of the same; and
  - (iii) the date when the Structured Warrants will be de-listed by Bursa Securities.

- 2.1.3 Revocation of Mandatory Call Event

A Mandatory Call Event is irrevocable unless it is triggered as a result of any of the following events:

- (a) system malfunction or other technical errors of the relevant Securities Exchange; or
  - (b) manifest errors caused by the relevant third party price source where applicable;
- and
- (A) in the case of a system malfunction or other technical errors prescribed in paragraph (a) above, such event is reported by the relevant Securities Exchange to the Issuer and the Issuer and Bursa Securities mutually agree that such Mandatory Call Event is to be revoked; and
  - (B) in the case of an error by the relevant price source prescribed in paragraph (b) above, such event is reported by the Issuer to Bursa Securities and the

**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (cont'd)**

Issuer and Bursa Securities mutually agree that such Mandatory Call Event is to be revoked,

in each case:

- (aa) such mutual agreement between the Issuer and Bursa Securities must be reached no later than 30 minutes before the commencement of trading (including the pre-opening session) on the Market Day immediately following the day on which the Mandatory Call Event occurs or such other time frame as prescribed by Bursa Securities from time to time;
- (bb) the Mandatory Call Event so triggered will be reversed; and
- (cc) all cancelled trades (if any) will be reinstated and trading of the Structured Warrants will resume no later than on the Market Day immediately following the Mandatory Call Event in accordance with the rules prescribed by Bursa Securities from time to time.

In respect of an Underlying Index located outside Malaysia:

- (i) such event is communicated to the other party by 9.00 a.m. (Malaysia time) or such other time frame as prescribed by the Bursa Securities from time to time on the notification day; and
- (ii) the issuer and the Bursa Securities mutually agree that such Mandatory Call Event is to be revoked on the notification day

## 2.2 Automatic Exercise and Expiry

2.2.1 The Structured Warrants shall be automatically exercised at 5.00 p.m. on the Expiry Date provided that no Mandatory Call Event has occurred and provided further that the Cash Settlement Amount calculated in accordance with Condition 2.2.2 after deducting all Exercise Expenses, is greater than zero (without the Holders having to deliver a valid Exercise Form and without notice of automatic exercise being given by the Issuer to the Holders provided that a Mandatory Call Event has not occurred). If the scheduled Expiry Date is not a Market Day then it shall be deemed to be exercised on the next following Market Day. The Structured Warrants will automatically terminate at 5.00 p.m. on the Expiry Date if the Cash Settlement Amount after deducting all Exercise Expenses is zero or less than zero.

2.2.2 Except as otherwise permitted pursuant to or provided under the Listing Requirements of Bursa Securities, the Issuer shall announce the Cash Settlement Amount payable to the relevant Holder at the end of the Expiry Date and shall in the absence of a Settlement Disruption Event, within seven (7) Market Days from the Expiry Date or such other period as may be prescribed by Bursa Securities or such other relevant authority, pay to the relevant Holder, the Cash Settlement Amount in the Settlement Currency calculated as set out below less Exercise Expenses:

- (i) Callable bull certificates

$$\text{Cash Settlement Amount} = \text{Number of Structured Warrants} \times \frac{(\text{Settlement Level}^{(1)} - \text{Exercise Level}^{(2)})}{1} \times \frac{1}{\text{Exercise Ratio}^{(2)}} \times \text{Multiplier}^{(3)} \times \text{Settlement Exchange Rate (if applicable)}$$

- (ii) Callable bear certificates

$$\text{Cash Settlement Amount} = \text{Number of Structured Warrants} \times \frac{(\text{Exercise Level}^{(2)} - \text{Settlement Level}^{(1)})}{1} \times \frac{1}{\text{Exercise Ratio}^{(2)}} \times \text{Multiplier}^{(3)} \times \text{Settlement Exchange Rate (if applicable)}$$

**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (cont'd)**

- (1) (a) The Settlement Level on the Expiry Date shall be calculated by reference to either:
- (i) the closing level of the Underlying Index on the Market Day immediately before the Expiry Date; or
  - (ii) the final settlement price for settling the corresponding spot-month index futures contracts scheduled to expire on the scheduled Expiry Date; or
  - (iii) the average of the closing levels of the Underlying Index for the five (5) Market Days prior to and including the Market Day immediately before the Expiry Date,
- and as specified in the relevant Term Sheet subject to the Market Disruption Event provision below.
- (b) If a Market Disruption Event, or a public holiday unexpected by the Issuer, occurs on any of the five (5) Market Days described in sub-Condition (iii) above, the valuation period applicable and the Settlement Price shall be as determined by the Issuer in such manner as it reasonably deems fit.
- Regarding sub-Condition (1)(a)(i) above, if there is a Market Disruption Event on the Valuation Date, the Valuation Date shall be the next following Market Day after the Market Disruption Event. If the Market Disruption Event continues to occur up to the eighth (8<sup>th</sup>) Business Day following the original Valuation Date, then the Valuation Date shall be:
- (i) that eighth (8<sup>th</sup>) Business Day; and
  - (ii) the Issuer shall determine as it reasonably deems fit and on the basis of the Issuer's good faith estimate the reference level and/or the exchange rate (if applicable) for that Valuation Date by determining the level of the Underlying Index and/or the exchange rate (if applicable) based on the prevailing market conditions and other factors as the Issuer may consider relevant.
- Regarding sub-Condition (1)(a)(ii) above, if there is a Market Disruption Event on the scheduled Expiry Date or the final settlement price for settling the corresponding spot-month index futures contracts scheduled to expire on the scheduled Expiry Date is otherwise unavailable on that date, the Expiry Date will be postponed until such final settlement price for settling the corresponding spot-month index futures contracts is published.
- (2) The Exercise Level and/or the Exercise Ratio shall be subject to such adjustments as may be necessary as provided in Condition 6.
- (3) The Multiplier shall be specified in the relevant Term Sheet.
- 2.2.3 In the event that the Cash Settlement Amount after deducting all Exercise Expenses is equal to or less than zero on the Expiry Date, the Structured Warrants shall terminate on the Expiry Date and cease to be valid and the Issuer's obligations in respect of the Structured Warrants shall terminate absolutely. The Holders shall not be required to pay or top up the Exercise Expenses in the event the Cash Settlement Amount is negative after deducting Exercise Expenses.
- 2.3 (a) The Cash Settlement Amount less the Exercise Expenses may be made by way of cheque drawn in favour of the Holder to be delivered by ordinary post to the Holder's address last recorded in the Record of Depositors at the Holder's own risk or by way of telegraphic transfer to the bank account of the Holder last notified to the Structured Warrants Registrar or the Issuer. Where the Issuer makes a payment to a Holder pursuant to the terms of Conditions 2.1 and 2.2, the amount of such payment arising



**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (cont'd)**

from the exercise of the Structured Warrants shall be final and conclusive and the Issuer shall be discharged from its obligation upon making such payment thereof in accordance with these Conditions.

- (b) The Cash Settlement Amount less the Exercise Expenses shall be calculated and be payable in Settlement Currency and rounded down to the nearest two (2) decimal points. All determinations made by the Issuer pursuant to Conditions 2.1 and 2.2 shall be final and conclusive and binding on the Holders.
  - (c) Unless otherwise specified in the relevant Term Sheet, the Holder is to bear all Exercise Expenses in relation to the exercise of Structured Warrants (or upon the occurrence of a Mandatory Call Event), and on exercise of the Structured Warrants, the Issuer shall be irrevocably authorised by the Holder to deduct all Exercise Expenses from the Cash Settlement Amount.
  - (d) If as a result of a Settlement Disruption Event, it is not possible for the Issuer to make payment on the original Settlement Date, the Issuer shall use its reasonable endeavours to procure payment as soon as practicable after the original Settlement Date. The Issuer shall not be liable to the Holder for any interest in respect of the amount due or any loss or damage that such Holder may suffer as a result of the existence of the Settlement Disruption Event.
- 2.4 The Issuer shall not allow the Holder to exercise the Exercise Rights unless the Structured Warrants are or have been designated as “free securities” in accordance with the Rules of Bursa Depository.
- 2.5 The Issuer declares that approval shall be sought from Bursa Securities for the admission of the Structured Warrants to the Official List and for the listing of and quotation for the Structured Warrants on Bursa Securities.
- 2.6 The initial Structured Warrants Registrar and its specified offices are stated in the Deed Poll. The Issuer reserves the right at any time to terminate the appointment of the Structured Warrants Registrar. Prior written notice of any termination, appointment of Structured Warrants Registrar, resignation of the Structured Warrants Registrar or any changes in any of the specified offices of the relevant Structured Warrants Registrar shall be given to the Holders in accordance with Condition 12 and such prior notice shall be given to the Holders not more than sixty (60) days and less than thirty (30) days of such termination, appointment, resignation or change.
- 2.7 In respect of each Structured Warrant in which Exercise Rights have been exercised, the Issuer shall instruct or procure the Structured Warrants Registrar to instruct Bursa Depository, in accordance with the Central Depositories Act and the Rules of Bursa Depository, to debit the appropriate number of Structured Warrants in respect of which Exercise Rights have been exercised from the Securities Account of such Holder. The Issuer shall be entitled at any time on or after the Expiry Date, to demand that Bursa Depository deliver to the Issuer the Structured Warrant Certificates and thereafter cancel or cause the cancellation of the Structured Warrant Certificates.
- 2.8 The Structured Warrants subject to the Exercise Rights which have been exercised in accordance with the Deed Poll shall cease to exist and all obligations of the Issuer in respect of those Structured Warrants shall terminate absolutely following payment of the amount (if any) referred to in this Condition 2.

**3 Exercise Rights and Suspension**

- 3.1 Upon and subject to the provisions of the Central Depositories Act, the Rules of Bursa Depository and the Deed Poll, the Holder whose name as stated in the Record of Depositors shall have the right on the Expiry Date to invoke its Exercise Rights at the Exercise Level subject to adjustments in accordance with Condition 6.

**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (cont'd)**

3.2 The Structured Warrants shall, subject to any directions, order or notice from any relevant regulatory authority and any request for suspension by the Issuer which is not rejected by any such relevant regulatory authority, continue to be traded notwithstanding that the trading of the options or futures relating to the relevant Underlying Index on any options or futures exchanges may have been suspended.

3.3 The Issuer shall notify the Holders of the Expiry Date at least one (1) month prior to the Expiry Date or such other period as may be specified by the relevant authority. Such notice shall be given in accordance with Condition 12 stating the Expiry Date and treatment of the Structured Warrants which are not exercised.

**4 Funding Cost**

4.1 The issue price of a Structured Warrant represents the difference between the initial Spot Level of the Underlying Index as at the launch date or price fixing date of the Structured Warrant and the Exercise Level (taken into account the Exercise Ratio), plus the applicable funding cost.

The initial funding cost applicable to each series of Structured Warrants will be specified in the relevant Term Sheet for the relevant series and will fluctuate throughout the life of the Structured Warrants as the funding rate changes from time to time.

**5 Deposit and Forfeiture of Unclaimed Amount**

5.1 In the event that the Issuer pays the Cash Settlement Amount to any Holder under Condition 2 by way of cheque payment and such Holder does not present the cheque for payment within six (6) months from the date of the cheque, the Issuer shall at any time thereafter deal with the said monies in accordance and in compliance with, the requirements of the Unclaimed Moneys Act 1965 (Act 370) (revised 1989) of Malaysia.

**6 Adjustment of the Underlying Index, Exercise Level, Call Level and/or Exercise Ratio**

6.1 Adjustments

Subject to the Conditions as hereinafter provided and the Deed Poll, the Underlying Index of the relevant Structured Warrants shall from time to time be adjusted in accordance with the following provisions:

(a) Successor for the Underlying Index Sponsor calculates and reports on the Underlying Index

If a relevant Underlying Index is:

- (i) not calculated and announced by the Underlying Index Sponsor but is calculated and published by a successor to the Underlying Index Sponsor (the “**Successor Underlying Index Sponsor**”) acceptable to the Issuer; or
- (ii) replaced by a successor index using, in the determination of the Issuer, the same or a substantially similar formula for and method of calculation as used in the calculation of the Underlying Index,

then in each case, that underlying index (“**Successor Index**”) shall be deemed to be the Underlying Index.

(b) Modification and Cessation of Calculation of Underlying Index

If:

- (i) on or prior to the Exercise Date or Mandatory Call Event, the Underlying Index Sponsor or (if applicable) the Successor Underlying Index Sponsor makes or announces that they shall make a material change in the formula

**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (cont'd)**

for or the method of calculating the Underlying Index or in any other way materially modifies the Underlying Index (other than a modification prescribed in that formula or method to maintain the Underlying Index in the event of changes in constituent securities and other capitalisation and routine events) or cancels or announces the cancellation of the Underlying Index and no Successor Index exists; or

- (ii) on the Exercise Date or Mandatory Call Event, the Underlying Index Sponsor or the Successor Underlying Index Sponsor fails to calculate and publish the Underlying Index (other than as a result of a Market Disruption Event),

then the Issuer may determine the reference level using, in lieu of a published level for the Underlying Index, the level for the Underlying Index as at that Exercise Date or Mandatory Call Event (as the case may be) as determined by the Issuer in accordance with the formula for and method of calculating the Underlying Index last in effect prior to that change, modification, cancellation or failure, but using only securities that constituted the Underlying Index immediately prior to that change, modification, cancellation or failure (other than those securities that constituted the Underlying Index which have since ceased to be listed on or quoted by the relevant Securities Exchange). Alternatively, the Issuer may determine the reference level using the closing level of the corresponding spot-month index futures contract, if available.

- (c) Correction of closing level

In the event that the closing level published by the Underlying Index Sponsor or the Successor Underlying Index Sponsor which is utilised for any calculation or determination made under the Structured Warrants is subsequently corrected, the Issuer will, as it reasonably deems fit, adjust the terms of the Structured Warrants to account for such correction provided that such correction is published and made available to the public by the Underlying Index Sponsor or the Successor Underlying Index Sponsor during a period following original publication equal in duration to the period in which a trade in futures or options contracts relating to the Underlying Index on the relevant Securities Exchange would customarily settle according to the rules of Bursa Depository of such Securities Exchange, or if there are multiple Securities Exchanges in respect of the Underlying Index, the longest such period, and further provided, that such publication of such correction is made sufficiently in advance of the Settlement Date.

- (d) Other adjustments

The Issuer is entitled to make other adjustments as it reasonably believes are appropriate in circumstances where an event or events occur which the Issuer believes (notwithstanding any adjustment previously made by the Issuer) should, in the context of the issue of Structured Warrants and its obligations hereunder, give rise to such adjustment. The Issuer shall make such adjustment generally without considering the individual circumstances of any Holder or the tax or other consequences of such adjustment in any particular jurisdiction.

- (e) Notice of Determinations

All determinations made by the Issuer pursuant hereto shall be conclusive and binding on the Holders. The Issuer shall give, or procure that there is given, notice as soon as practicable of any adjustment and of the date from which such adjustment is effective by notification to the Holders in accordance with Condition 12.

6.2 Notwithstanding the foregoing, no adjustments shall be made to the Exercise Level, Call Level and/or Exercise Ratio if such adjustments would amount to less than two percent (2%) of the Exercise Level, Call Level and/or Exercise Ratio being changed.

6.3 Any adjustment made pursuant to Condition 6.1 and Condition 6.2 shall be binding on the Holders save in the case of manifest error. Notice of such adjustments or amendments shall

**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (cont'd)**

be given to the Holders as soon as practicable thereafter in accordance with Condition 12 and in any event within five (5) Market Days of the adjustment being made.

**7 Restrictions to Protect Rights of Holders**

- 7.1 As from the date of the issue of the Structured Warrants and for so long as any of the Structured Warrants remain exercisable, the Issuer shall have arrangements in place to ensure, for the benefit of the Holders that it is able to satisfy in full the exercise of all the Structured Warrants for the time being outstanding.

**8 Takeover, Merger, Liquidation, Dissolution or Winding-Up of Issuer**

- 8.1 In the event of a take-over or a scheme of arrangement or any other form of reorganisation undertaken by the Issuer or any other events having similar effects on the rights of the Holders, the Issuer is entitled to deal with the Structured Warrants in such manner as it reasonably deems fit in the circumstances and with or without any adjustments to the rights attaching to the relevant Structured Warrants.
- 8.2 In the event of a merger, amalgamation or reconstruction of the Issuer, the corporation, trust or other body into which the Issuer is merged, amalgamated or reconstructed shall assume all the liabilities and the obligations of the Issuer in respect of the Structured Warrants so that the rights of the Holders shall continue to exist and be enforceable to the same extent as provided by the Issuer under the Deed Poll.
- 8.3 In the event of a liquidation, dissolution or winding-up of the Issuer or the appointment of a receiver or administrator or analogous person under any applicable law in respect of the whole or substantially the whole of the Issuer's Assets the Structured Warrants remaining outstanding shall be deemed to be exercised on the Market Day immediately prior to the date of such liquidation, dissolution, winding-up or appointment as follows:
- (a) All unexercised Structured Warrants shall automatically be exercised without the Holders having to deliver a valid Exercise Form and without notice of automatic exercise being given by the Issuer to the Holders:
    - (i) if the Cash Settlement Amount after deducting all the Exercise Expenses is greater than zero, the Issuer shall make payment of the Cash Settlement Amount to the relevant Holder; or
    - (ii) if the Cash Settlement Amount after deducting all the Exercise Expenses is equal to or less than zero, the Issuer shall not be obliged to make any payment to the relevant Holder and the relevant Structured Warrants shall terminate and cease to be valid and the Issuer's obligations in respect of the Structured Warrants shall terminate absolutely. The Holders shall not be required to pay or top up the Exercise Expenses in the event the Cash Settlement Amount is negative after deducting Exercise Expenses.
  - (b) The closing level of the Underlying Index on the Market Day immediately before the above events shall form the Settlement Level for the calculation of the Cash Settlement Amount for the Structured Warrants.
  - (c) Notwithstanding the foregoing, if there is a Market Disruption Event on the date immediately before the above events ("**Set Date**"), the Settlement Level shall be based on the Market Day immediately preceding the Market Disruption Event. If the preceding Market Day is also affected by the Market Disruption Event, then the Settlement Level shall be determined by the Issuer on the Set Date as it reasonably deems fit and on the basis of the Issuer's good faith estimate the reference level and/or the exchange rate (if applicable) for that Set Date by determining the level of the Underlying Index and/or the exchange rate (if applicable) based on the prevailing market conditions and other factors as the Issuer may consider relevant.

**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (cont'd)**

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**9 Replacement of Structured Warrant Certificate**

- 9.1 If the Structured Warrant Certificate which has been deposited with Bursa Depository is mutilated, defaced, lost, worn out, stolen or destroyed it shall be replaced by the Issuer at the registered office of the Structured Warrants Registrar on such terms as to evidence and indemnity or otherwise as the Issuer may require. All payment of such costs as may be incurred in connection therewith shall be borne by the Issuer. Mutilated, defaced, lost, worn, stolen or destroyed Structured Warrant Certificates shall be deemed cancelled.

**10 Register, Transfer and Transmission**

- 10.1 Each Holder registered in the Record of Depositors shall be entitled to all rights, benefits, powers and privileges and be subject to all liabilities, duties and obligations in respect of, or arising from the Structured Warrants, and shall be deemed and treated as the absolute owner of the relevant Structured Warrants, in accordance with the Central Depositories Act and the Rules of Bursa Depository, whether or not the Issuer shall be in default in respect of the Structured Warrants or any of the covenants contained herein and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft of any Structured Warrants. The provisions of the Central Depositories Act, the Rules of Bursa Depository and the Issuer's constitution for the time being relating to the registration, transfer and transmission of shares and the fees payable thereon shall with necessary modifications apply to the registration, transfer and transmission of the legal ownership of the Structured Warrants, subject always to the provisions of this Condition and Condition 2.
- 10.2 The entries made under the Record of Depositors shall be deemed to be the final record of all Depositors. No notice of any trust, express or implied, shall be entered upon the Record of Depositors otherwise than pursuant to an order of a court of competent jurisdiction or as required by law, and a Holder shall be deemed to be the beneficial owner of the Structured Warrants standing to the credit of his/its Securities Account, until such time as the Structured Warrants are duly transferred to another Holder and the name of the transferee is entered in the Record of Depositors.

**11 Meetings of Holders**

- 11.1 The procedure governing the convening and conduct of meetings of the Holders are set out in the Fourth Schedule to the Deed Poll.

**12 Notices**

- 12.1 Subject to Condition 12.2:
- (a) all notices to the Holders pertaining to the convening of meetings shall be made by way of notice published in at least one (1) English language national daily newspaper and announced through Bursa Securities; and
  - (b) all other notices shall either be announced through the Bursa Securities or published in at least one (1) English language national daily newspaper.
- 12.2 A notice is deemed to have been given and served to the Holders on the date of announcement or publication as the case may be or, if announced or published more than once or on different dates, on the first date on which it is announced or published.
- 12.3 All notices effected in accordance with this Condition 12 shall be deemed to be effective in respect of all persons who become Holders after the date of the relevant notice.
- 12.4 For the avoidance of doubt, a notice shall not be required to be published or announced in respect of an event contemplated under Conditions 6 or 8, as the case may be, if no adjustment to the rights of the Holders or amendment to the terms and conditions of the relevant Structured Warrants is made or to be made pursuant thereto.

**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (cont'd)**

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**13 Modification of rights**

- 13.1 All or any of the rights for the time being attached to the Structured Warrants (other than the Exercise Level which a Holder is entitled to or the formulae for the adjustment of the Exercise Level, or the Exercise Ratio or any other condition, which may be modified in accordance with the provisions set out elsewhere in these Conditions) may be altered or abrogated by the Issuer from time to time (whether or not the Issuer is being wound up), and the sanction of a Special Resolution passed at a meeting of the Holders held as aforesaid shall be necessary to effect such alteration or abrogation.
- 13.2 Notwithstanding the provisions of Condition 13.1, the Issuer may without the consent of the Holders but in accordance with the terms of the Deed Poll, effect any modification to the Structured Warrants or the Deed Poll which, in the opinion of the Issuer, is:
- (a) not materially prejudicial to the interests of the Holders; or
  - (b) of a formal, minor or technical nature; or
  - (c) necessary or expedient to correct a manifest error, or to comply with mandatory provisions of law or rules or regulations; or
  - (d) necessary or expedient to facilitate scripless trading in or exercise of the Structured Warrants or payment by way of electronic funds transfer as approved by the relevant government or statutory authorities in respect of the Structured Warrants or to amend the restrictions on transfer or exercise of the Structured Warrants to comply with the requirements of or the concessions granted by any relevant government or statutory authorities.

Any such modification shall be binding on all Holders and shall be notified by the Issuer to them as soon as practicable thereafter in accordance with Condition 12 but in any event not later than twenty (20) Market Days from the date of such modification.

- 13.3 Notwithstanding Condition 13.1, the Issuer may, at any time and from time to time for the purpose of an issue of new Structured Warrants or a new Series of Structured Warrants through the Base Prospectus and without the consent or sanction of the Holders supplement the Deed Poll with the terms and conditions of the new Structured Warrants or Series of Structured Warrants (as set out in the relevant Term Sheet), as the case may be. In the event such supplement to the Deed Poll shall affect the rights and interests of the Holders, the Issuer is to effect such supplement to the Deed Poll by notice to the Holders in accordance with Condition 12 and such supplement shall be binding on all Holders without any further action being required to be taken by the Issuer. For the avoidance of doubt, a Holder is deemed to have notice of all announcements (and their respective contents) made by the Issuer to Bursa Securities in respect of or affecting the Series of Structured Warrants held.

**14 Buy-backs and cancellation**

- 14.1 The Issuer, and/or its Affiliates, may at any time purchase or buy back the Structured Warrants in the open market or by tender or private treaty and become the Holder of the Structured Warrants. Any Structured Warrants so purchased may be held or resold or surrendered for cancellation provided that cancellation of the Structured Warrants may only occur if all outstanding Structured Warrants have been purchased by the Issuer and/or its Affiliates. If pursuant to this Condition, the Issuer purchases or buys back the Structured Warrants and becomes the Holder of and is beneficially entitled to the Structured Warrants, the Issuer shall not exercise the voting rights with respect to such Structured Warrants held in any meeting of the Holders, unless otherwise permitted by the authorities or applicable laws and requirements.
- 14.2 Notwithstanding Condition 14.1, any purchase of the Structured Warrants by the Issuer and/or its Affiliates shall be undertaken in such manner and on such terms as may be imposed by the SC.

**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (cont'd)**

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**15 Structured Warrants Registrar**

- 15.1 The Structured Warrants Registrar shall be acting as an agent of the Issuer and shall not assume any obligation or duty to or any relationship of agency or trust for the Holders except only as described in Condition 15.2 below.
- 15.2 The Structured Warrants Registrar shall not be liable to any Holder in respect of any losses, liabilities, costs, claims, actions or demands which such Holder may suffer or incur or allege to have suffered or incurred as a result of or in connection with the exercise or non-exercise of any Structured Warrants Registrar's powers, discretions and/or duties. The Structured Warrants Registrar may:
- (a) in the exercise of its powers, discretions and/or duties, act on the advice or opinion of, or any certificate or information obtained in good faith from, any lawyer, valuer, accountant, banker, broker, securities company or other expert whether obtained by the Issuer, the relevant Structured Warrants Registrar or otherwise (which advice, opinion, certificate or information may be sent or obtained by letter, telex, telegram, cable or facsimile device) and the Structured Warrants Registrar shall not be liable for any loss occasioned by acting on any such advice, opinion, certificate or information or by any such letter, telex, telegram, cable or facsimile message being forged or otherwise not authentic or containing some errors with respect to content, delivery or transmission;
  - (b) receive and retain without liability to account, such fee or other remuneration as may from time to time be agreed between the Issuer and the Structured Warrants Registrar; and
  - (c) enter into or be interested in any contract or financial or other transaction or arrangement with the Issuer or any person or body corporate associated with the Issuer in connection therewith to receive and retain, without liability to account any profit, fee, remuneration or other benefit received thereby or in connection therewith.

The Structured Warrants Registrar does not act as the agent of any Holder and therefore owes no fiduciary duty to any Holder in arriving at its calculations and determinations.

**16 Exclusion of equities**

- 16.1 Subject to the Central Depositories Act, the Rules of Bursa Depository, the Deed Poll, or these Conditions, no person shall be recognised by the Issuer as holding any Structured Warrants upon any trust, and the Issuer shall not be bound by or compelled in any way to recognise any equitable, contingent, future or partial interest in any Structured Warrant, or any interest in any fractional part of a Structured Warrant, or (except only as by these presents or by law otherwise provided) any other right in respect of any Structured Warrants, except an absolute right to the entirety thereof in the registered holder.

**17 Governing law**

- 17.1 The Structured Warrants and the Deed Poll are governed by and shall be construed in accordance with the laws of Malaysia. The Issuer and the Holders irrevocably agree that with respect to any proceedings in Malaysia in connection with any matter or issue relating to the Deed Poll and these Conditions, they shall be bound by the decision, ruling or order of the Malaysian Court.

**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (cont'd)****Part 6****Conditions Of The Cash-Settled Single Exchange-Traded Fund Callable Bull Or Bear Certificates****1 General, Nature, Form, Transfer, Administration and Status of Structured Warrants**

- 1.1 The Structured Warrants comprise of **European style non-collateralised cash-settled callable bull or bear certificates over a single exchange-traded fund** to be issued from time to time by the Issuer through the Base Prospectus and subject to, and with the benefit of the Deed Poll referred to on the face of the Structured Warrant Certificate and these Conditions. The Exercise Rights entitle the Holder of each Structured Warrant for each Series of Structured Warrants issued or to be issued, subject to the Deed Poll and in accordance with these Conditions, upon valid exercise thereof, to the Cash Settlement Amount calculated in accordance with Condition 2. Certain statements in these Conditions are summaries of and are subject to the detailed provisions of the Deed Poll and in the event of any inconsistency between a provision contained in these Conditions and a provision contained in the Deed Poll, the provisions in the Deed Poll shall prevail. Copies of the Deed Poll are available for inspection at the registered office of the Issuer, being at the date hereof at 10th floor Menara Hap Seng, No. 1 & 3 Jalan P. Ramlee, 50250 Kuala Lumpur, Malaysia. The payment obligation of the Issuer under these Conditions is guaranteed by Macquarie Financial Holdings Pty Limited (the "**Guarantor**") (the "**Guarantee**"). The Holders for the time being of the Structured Warrants and whose names appear on the Record of Depositors are all entitled to the benefit of, bound by, and deemed to have notice of, all the provisions of the Deed Poll. Further, each Holder acknowledges it has, where necessary, consulted its stockbroker, solicitor or other adviser before investing in the Structured Warrants and none of the Issuer or its directors or employees may be construed as investment adviser or agent of, or owe any fiduciary duty to the Holder. **For the purposes of this Part 6, the term "Structured Warrants" shall refer to the European style non-collateralised cash-settled callable bull or bear certificates over a single exchange-traded fund.**
- 1.2 Subject to the Central Depositories Act, the Rules of Bursa Depository, the Deed Poll, the relevant applicable rules and regulations and these Conditions:
- (a) each Structured Warrant is an option which confers on the Holder the Exercise Rights which require the Issuer to pay the Cash Settlement Amount (if any) to the Holder in accordance with these Conditions; and
  - (b) the Structured Warrants are issued in registered form, serially numbered and are a Prescribed Security to be admitted to the Official List. The Structured Warrants are represented by a global/jumbo certificate issued to Bursa Depository or its nominee who holds the same as bare trustee on behalf of the Holders, and deposited with Bursa Depository in or substantially in the form set out in the First Schedule to the Deed Poll as the same may from time to time be modified in accordance with the Deed Poll.
- 1.3 Subject to all information provided by the subscriber for the Structured Warrants to the Issuer being complete and consistent with the records of Bursa Depository, the Issuer shall within seven (7) Market Days from the date of allotment of the Structured Warrants, cause and procure the Structured Warrants Registrar to notify Bursa Depository of the names of the Holders together with such particulars as may be required by Bursa Depository for the purpose of making appropriate entries in the Securities Account of the respective Holder, request Bursa Depository to credit the Securities Account of the Holders with the applicable Structured Warrants and shall deliver to Bursa Depository the Structured Warrant Certificate registered in the name of Bursa Depository or its nominee company in such manner as may be prescribed by the Rules of Bursa Depository or agreed with Bursa Depository. If, at any time, the information provided by the Holders for the Structured Warrants is incorrect or inaccurate or inconsistent with the records of Bursa Depository, the Issuer reserves the right and without any obligation whatsoever to the Holders, to accept, reject or otherwise deal with



**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (cont'd)**

- the Structured Warrants in such manner as it reasonably deems fit in the circumstances. The Holders are not entitled to any physical warrant certificates.
- 1.4 Subject to the provisions of the Central Depositories Act and the Rules of Bursa Depository, the registration and subsequent administration of Structured Warrants shall be in the manner set forth in the Deed Poll. It is hereby acknowledged that the Issuer shall be entitled to appoint registrars for the registration and administration of the Structured Warrants. The Issuer hereby confirms that it shall/has appointed the Structured Warrants Registrar for the purpose stipulated hereof, who shall perform such duties as required by the Issuer under the Deed Poll.
  - 1.5 The Holders may transfer the Structured Warrants in the manner prescribed under the Central Depositories Act and the Rules of Bursa Depository. Subject to the provisions of the Central Depositories Act and the Rules of Bursa Depository, the Structured Warrants shall be freely transferable but the trading of the Structured Warrants must be in the same board lot applicable to the trading of the Underlying ETF or in such odd lots as permitted by the SC and/or Bursa Securities. Where the board lot of the Underlying ETF is more than one hundred (100) units per board lot, the Structured Warrants may be issued in board lots of one hundred (100) warrants.
  - 1.6 The Structured Warrants and the settlement obligation of the Issuer in respect of the Structured Warrants represent general and unsecured contractual obligations of the Issuer and of no other person which rank, and shall rank, equally among themselves and without preference in all respects, subject to such exceptions as may from time to time exist under applicable law or the Deed Poll, with the other existing and future unsecured and unsubordinated obligations of the Issuer. The Guarantee represents general and unsecured contractual obligations of the Guarantor and of no other person which rank, and shall rank, equally among themselves and without preference in all respects, subject to such exceptions as may from time to time exist under applicable law or the Guarantee, with the other existing and future unsecured and unsubordinated obligations of the Guarantor.
  - 1.7 The Structured Warrants do not confer on the Holders any right to acquire or dispose of units of the Underlying ETF and the Issuer is not under any obligation whatsoever to purchase, hold or deliver such units, or any rights and benefits attaching thereto.
  - 1.8 The Holders are entitled to the Cash Settlement Amount in accordance with Condition 2.

**2 Exercise of the Structured Warrants****2.1 Mandatory Call Event**

- 2.1.1 The trading of the Structured Warrants will be suspended by Bursa Securities and the Structured Warrants will automatically terminate upon the occurrence of a Mandatory Call Event and the Issuer shall have no further obligation under the Structured Warrants except for the payment of the Cash Settlement Amount after deducting all Exercise Expenses (is greater than zero) following the Mandatory Call Event on the relevant Settlement Date. Except as otherwise permitted pursuant to or provided under the Listing Requirements of Bursa Securities, the Issuer shall announce the Cash Settlement Amount payable to the relevant Holder within one (1) Market Day from the end of the Next Trading Session after the Mandatory Call Event and the Structured Warrants will be de-listed from the Official List on the fourth (4<sup>th</sup>) Market Day after the occurrence of the Mandatory Call Event. The Issuer shall in the absence of a Settlement Disruption Event, within seven (7) Market Days from the date of de-listing of the Structured Warrants pursuant to a Mandatory Call Event or any other relevant date as may be prescribed by Bursa Securities or such other relevant authority, pay to the relevant Holder, the Cash Settlement Amount in the Settlement Currency calculated as set out below less Exercise Expenses:

**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (cont'd)**

## (i) Callable bull certificates

$$\text{Cash Settlement Amount} = \text{Number of Structured Warrants} \times \left( \text{Lowest Traded Price} - \text{Exercise Price} \right) \times \frac{1}{\text{Exercise Ratio}} \times \text{Settlement Exchange Rate (if applicable)}$$

If the Cash Settlement Amount after deducting all Exercise Expenses is equal to or less than zero, the Structured Warrants shall terminate on the occurrence of the Mandatory Call Event and cease to be valid and the Issuer's obligations in respect of the Structured Warrants shall terminate absolutely. The Holders shall not be required to pay or top up the Exercise Expenses in the event the Cash Settlement Amount is negative after deducting Exercise Expenses.

## (ii) Callable bear certificates

$$\text{Cash Settlement Amount} = \text{Number of Structured Warrants} \times \left( \text{Exercise Price} - \text{Highest Traded Price} \right) \times \frac{1}{\text{Exercise Ratio}} \times \text{Settlement Exchange Rate (if applicable)}$$

If the Cash Settlement Amount after deducting all Exercise Expenses is equal to or less than zero, the Structured Warrants shall terminate on the occurrence of the Mandatory Call Event and cease to be valid and the Issuer's obligations in respect of the Structured Warrants shall terminate absolutely. The Holders shall not be required to pay or top up the Exercise Expenses in the event the Cash Settlement Amount is negative after deducting Exercise Expenses.

2.1.2 On the occurrence of a Mandatory Call Event, the Issuer shall unless otherwise permitted pursuant to or provided under the Listing Requirements of Bursa Securities immediately:

- (a) notify Bursa Securities to suspend the trading of the Structured Warrants;
- (b) announce the Mandatory Call Event and suspension to Bursa Securities, such announcement to include:
  - (i) the time the Mandatory Call Event occurs;
  - (ii) the time when the trading of the Structured Warrants is called by the Issuer and suspended by Bursa Securities and the effect of the same; and
  - (iii) the date when the Structured Warrants will be de-listed by Bursa Securities.

## 2.1.3 Revocation of Mandatory Call Event

A Mandatory Call Event is irrevocable unless it is triggered as a result of any of the following events:

- (a) system malfunction or other technical errors of the relevant Securities Exchange; or
- (b) manifest errors caused by the relevant third party price source where applicable;

and

- (A) in the case of a system malfunction or other technical errors prescribed in paragraph (a) above, such event is reported by the relevant Securities Exchange to the Issuer and the Issuer and Bursa Securities mutually agree that such Mandatory Call Event is to be revoked; and

**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (cont'd)**

- (B) in the case of an error by the relevant price source prescribed in paragraph (b) above, such event is reported by the Issuer to Bursa Securities and the Issuer and Bursa Securities mutually agree that such Mandatory Call Event is to be revoked,

in each case:

- (aa) such mutual agreement between the Issuer and Bursa Securities must be reached no later than 30 minutes before the commencement of trading (including the pre-opening session) on the Market Day immediately following the day on which the Mandatory Call Event occurs or such other time frame as prescribed by Bursa Securities from time to time;
- (bb) the Mandatory Call Event so triggered will be reversed; and
- (cc) all cancelled trades (if any) will be reinstated and trading of the Structured Warrants will resume no later than on the Market Day immediately following the Mandatory Call Event in accordance with the rules prescribed by Bursa Securities from time to time.

## 2.2 Automatic Exercise and Expiry

2.2.1 The Structured Warrants shall be automatically exercised at 5.00 p.m. on the Expiry Date provided that no Mandatory Call Event has occurred and provided further that the Cash Settlement Amount calculated in accordance with Condition 2.2.2 after deducting all Exercise Expenses, is greater than zero (without the Holders having to deliver a valid Exercise Form and without notice of automatic exercise being given by the Issuer to the Holders provided that a Mandatory Call Event has not occurred). If the scheduled Expiry Date is not a Market Day then it shall be deemed to be exercised on the next following Market Day. The Structured Warrants will automatically terminate at 5.00 p.m. on the Expiry Date if the Cash Settlement Amount after deducting all Exercise Expenses is zero or less than zero.

2.2.2 Except as otherwise permitted pursuant to or provided under the Listing Requirements of Bursa Securities, the Issuer shall announce the Cash Settlement Amount payable to the relevant Holder at the end of the Expiry Date and shall in the absence of a Settlement Disruption Event, within seven (7) Market Days from the Expiry Date or such other period as may be prescribed by Bursa Securities or such other relevant authority, pay to the relevant Holder, the Cash Settlement Amount in the Settlement Currency calculated as set out below less Exercise Expenses.

### (i) Callable bull certificates

$$\text{Cash Settlement Amount} = \text{Number of Structured Warrants} \times (\text{Settlement Price}^{(1)} - \text{Exercise Price}^{(2)}) \times \frac{1}{\text{Exercise Ratio}^{(2)}} \times \text{Settlement Exchange Rate (if applicable)}$$

### (ii) Callable bear certificates

$$\text{Cash Settlement Amount} = \text{Number of Structured Warrants} \times (\text{Exercise Price}^{(2)} - \text{Settlement Price}^{(1)}) \times \frac{1}{\text{Exercise Ratio}^{(2)}} \times \text{Settlement Exchange Rate (if applicable)}$$

- (1) (a) The Settlement Price on the Expiry Date shall be calculated by reference to either:

- (i) the VWAP of the Underlying ETF (subject to any adjustment as may be necessary to reflect any capitalisation, rights issue,

**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (cont'd)**

distribution or others) for the five (5) Market Days prior to and including the Market Day immediately before the Expiry Date; or

- (ii) the average closing price of the Underlying ETF (subject to any adjustment as may be necessary to reflect any capitalisation, rights issue, distribution or others) for the five (5) Market Days prior to and including the Market Day immediately before the Expiry Date; or
- (iii) the closing price of the Underlying ETF on the Market Day immediately before the Expiry Date,

and as specified in the relevant Term Sheet and subject to the Market Disruption Event and other provisions herein.

If the Underlying ETF is delisted, the Settlement Price shall be determined in accordance with Condition 9 below.

- (b) If a Market Disruption Event, or a public holiday unexpected by the Issuer, occurs on any of the five (5) Market Days described in sub-Conditions (1)(a)(i) or (1)(a)(ii) above, the valuation period applicable and the Settlement Price shall be as determined by the Issuer in such manner as it reasonably deems fit.

Regarding sub-Condition (1)(a)(iii) above, if there is a Market Disruption Event on the Valuation Date, the Valuation Date shall be the next following Market Day after the Market Disruption Event. If the Market Disruption Event continues to occur up to the eighth (8<sup>th</sup>) Business Day following the original Valuation Date, then the Valuation Date shall be:

- (i) that eighth (8<sup>th</sup>) Business Day; and
- (ii) the Issuer shall determine as it reasonably deems fit and on the basis of the Issuer's good faith estimate the reference price and/or the exchange rate (if applicable) for that Valuation Date by determining the price of the Underlying ETF and/or the exchange rate (if applicable) based on the prevailing market conditions and other factors as the Issuer may consider relevant.

- (2) The Exercise Price and/or Exercise Ratio shall be subject to such adjustments as may be necessary as provided in Condition 6.

In the event that the Cash Settlement Amount after deducting all the Exercise Expenses is equal to or less than zero on the Expiry Date, the Structured Warrants shall terminate on the Expiry Date and cease to be valid and the Issuer's obligations in respect of the Structured Warrants shall terminate absolutely. The Holders shall not be required to pay or top up the Exercise Expenses in the event the Cash Settlement Amount is negative after deducting Exercise Expenses.

- 2.3 (a) The Cash Settlement Amount less the Exercise Expenses may be made by way of cheque drawn in favour of the Holder to be delivered by ordinary post to the Holder's address last recorded in the Record of Depositors at the Holder's own risk or by way of telegraphic transfer to the bank account of the Holder last notified to the Structured Warrants Registrar or the Issuer. Where the Issuer makes a payment to a Holder pursuant to the terms of Conditions 2.1 and 2.2, the amount of such payment arising from the exercise of the Structured Warrants shall be final and conclusive and the Issuer shall be discharged from its obligation upon making such payment thereof in accordance with these Conditions.
- (b) The Cash Settlement Amount less the Exercise Expenses shall be calculated and be payable in the Settlement Currency and rounded down to the nearest two (2) decimal

**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (cont'd)**

points. All determinations made by the Issuer pursuant to Conditions 2.1 or 2.2 shall be final and conclusive and binding on the Holders.

- (c) Unless otherwise specified in the relevant Term Sheet, the Holder is to bear all Exercise Expenses in relation to the exercise of the Structured Warrants (or upon the occurrence of a Mandatory Call Event) and on exercise of the Structured Warrants, the Issuer shall be irrevocably authorised by the Holder to deduct all Exercise Expenses from the Cash Settlement Amount.
  - (d) If as a result of a Settlement Disruption Event, it is not possible for the Issuer to make payment on the original Settlement Date, the Issuer shall use its reasonable endeavours to procure payment as soon as practicable after the original Settlement Date. The Issuer shall not be liable to the Holder for any interest in respect of the amount due or any loss or damage that such Holder may suffer as a result of the existence of the Settlement Disruption Event.
- 2.4 The Issuer shall not allow the Holder to exercise the Exercise Rights unless the Structured Warrants are or have been designated as "free securities" in accordance with the Rules of Bursa Depository.
  - 2.5 The Issuer declares that approval shall be sought from Bursa Securities for the admission of the Structured Warrants to the Official List and for the listing of and quotation for the Structured Warrants on Bursa Securities.
  - 2.6 The initial Structured Warrants Registrar and its specified offices are stated in the Deed Poll. The Issuer reserves the right at any time to terminate the appointment of the Structured Warrants Registrar. Prior written notice of any termination, appointment of Structured Warrants Registrar, resignation of the Structured Warrants Registrar or any changes in any of the specified offices of the relevant Structured Warrants Registrar shall be given to the Holders in accordance with Condition 15 and such prior notice shall be given to the Holders not more than sixty (60) days and less than thirty (30) days of such termination, appointment, resignation or change.
  - 2.7 In respect of each Structured Warrant in which Exercise Rights have been exercised, the Issuer shall instruct or procure the Structured Warrants Registrar to instruct Bursa Depository, in accordance with the Central Depositories Act and the Rules of Bursa Depository, to debit the appropriate number of Structured Warrants in respect of which Exercise Rights have been exercised from the Securities Account of such Holder. The Issuer shall be entitled at any time on or after the Expiry Date, to demand that Bursa Depository deliver to the Issuer the Structured Warrant Certificates and thereafter cancel or cause the cancellation of the Structured Warrant Certificates.
  - 2.8 The Structured Warrants subject to the Exercise Rights which have been exercised in accordance with the Deed Poll shall cease to exist and all obligations of the Issuer in respect of those Structured Warrants shall terminate absolutely following payment of the amount (if any) referred to in this Condition 2.

**3 Exercise Rights and Suspension**

- 3.1 Upon and subject to the provisions of the Central Depositories Act, the Rules of Bursa Depository and the Deed Poll, the Holder whose name as stated in the Record of Depositors shall have the right on the Expiry Date to invoke its Exercise Rights at the Exercise Price subject to adjustments in accordance with Condition 6.
- 3.2 The Structured Warrants shall, subject to any directions, order or notice from any relevant regulatory authority and any request for suspension by the Issuer which is not rejected by any such relevant regulatory authority, continue to be traded notwithstanding that the trading of the Underlying ETF may have been suspended.
- 3.3 The Issuer shall notify the Holders of the Expiry Date at least one (1) month prior to the Expiry Date or such other period as may be specified by the relevant authority. Such notice shall be

**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (cont'd)**

given in accordance with Condition 15 stating the Expiry Date and treatment of the Structured Warrants which are not exercised.

**4 Funding Cost**

- 4.1 The issue price of a Structured Warrant represents the difference between the initial Spot Price of the Underlying ETF as at the launch date or price fixing date of the Structured Warrant and the Exercise Price (taken into account the Exercise Ratio), plus the applicable funding cost.

The initial funding cost applicable to each series of Structured Warrants will be specified in the relevant Term Sheet for the relevant series and will fluctuate throughout the life of the Structured Warrants as the funding rate changes from time to time.

**5 Deposit and Forfeiture of Unclaimed Amount**

- 5.1 In the event that the Issuer pays the Cash Settlement Amount to any Holder under Condition 2 by way of cheque payment and such Holder does not present the cheque for payment within six (6) months from the date of the cheque, the Issuer shall at any time thereafter deal with the said monies in accordance and in compliance with, the requirements of the Unclaimed Moneys Act 1965 (Act 370) (revised 1989) of Malaysia.

**6 Adjustment of Exercise Price, Call Price and/or Exercise Ratio****6.1 Adjustments**

Subject to the Conditions as hereinafter provided and the Deed Poll, the Exercise Price, Call Price and/or the Exercise Ratio shall from time to time be adjusted in accordance with the following provisions:

**(a) Bonus Issue**

If and whenever there is an issue of new units credited as fully paid-up to the holders of units generally (other than pursuant to a scrip dividend or similar scheme for the time being or otherwise in lieu of a cash dividend and without any payment or other consideration being made or given by such holders) ("**Bonus Issue**"), the Exercise Price, Call Price and/or the Exercise Ratio shall be adjusted on the Market Day immediately following the last day on which an instrument of transfer could be lodged so that the transferee of the units would qualify for the Bonus Issue in accordance with the following formula:

- (i) Adjusted Exercise Ratio =

$$\frac{E}{(1 + N)}$$

- (ii) Adjusted Exercise Price or Call Price =

$$\frac{X \text{ or } C}{(1 + N)}$$

Whereby in respect of this Condition 6.1(a)(i) and (ii):

X = Existing Exercise Price immediately prior to the Bonus Issue.

C = Existing Call Price immediately prior to the Bonus Issue.

**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (cont'd)**

N = The number of additional units (whether a whole or a fraction) received by a holder of existing units for each unit held prior to the Bonus Issue.

E = Existing Exercise Ratio immediately prior to the Bonus Issue.

Alternatively, the Issuer may also, in good faith, make a corresponding adjustment to the Exercise Price, Call Price and/or Exercise Ratio as the Issuer determines appropriate to account for the dilutive effect of the Bonus Issue.

On any such adjustment, the resultant Exercise Price, Call Price and/or Exercise Ratio shall be rounded to the nearest four (4) decimal points of the Relevant Currency and all such adjustment made by the Issuer pursuant to this Condition shall be deemed as final and conclusive save for any manifest error.

(b) Special Distribution Payment

Should the Underlying ETF of the relevant Structured Warrants undertake a special distribution payment in cash during the tenure of the Structured Warrants, the Exercise Price, Call Price and/or the Exercise Ratio of the Structured Warrants may be adjusted (as the Issuer reasonably deems fit) on the Market Day following the last day on which an instrument of transfer is lodged to enable the transferee of the Underlying ETF to qualify for the special distribution payment by the amount of the special distribution payment, net of taxation, if any.

The Exercise Price, Call Price and/or Exercise Ratio for the Structured Warrants shall be adjusted in accordance with the following formula:

(i) Adjusted Exercise Ratio =

$$E \times \frac{(P - D)}{P}$$

(ii) Adjusted Exercise Price or Call Price =

$$(X \text{ or } C) \times \frac{(P - D)}{P}$$

Whereby, in respect of this Condition 6.1(b)(i) and (ii):

P = Closing price of the Underlying ETF on the last market day on which the Underlying ETF is traded on a cum-entitlement basis.

D = The special distribution amount per one (1) Underlying ETF unit held.

C = Existing Call Price immediately prior to the special distribution payment

X = Existing Exercise Price immediately prior to the special distribution payment.

E = Existing Exercise Ratio immediately prior to the special distribution payment

Alternatively, the Issuer may also, in good faith, make a corresponding adjustment to the Exercise Price, Call Price and/or Exercise Ratio as the Issuer determines appropriate to account for the effect of the special distribution payment.

On any such adjustment, the resultant Exercise Price, Call Price and/or Exercise Ratio shall be rounded to the nearest four (4) decimal points of the

**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (cont'd)**

Relevant Currency and all such adjustment made by the Issuer pursuant to this Condition shall be deemed as final and conclusive save for any manifest error.

**(c) Subdivision or Consolidation**

If and whenever there is a subdivision of units or any class of its outstanding units into a greater number of units (a "**Subdivision**"), or consolidation of the units or any class of its outstanding units into a smaller number of units (a "**Consolidation**"), the Exercise Price, Call Price and/or Exercise Ratio shall be adjusted on the Market Day on which the relevant Subdivision or Consolidation shall have taken effect in accordance with the following formula:

**(i) Adjusted Exercise Ratio=**

$$\frac{E \times N}{P}$$

**(ii) Adjusted Exercise Price or Call Price =**

$$\frac{(X \text{ or } C) \times N}{P}$$

Whereby, in respect of this Condition 6.1(c)(i) and (ii):

X = Existing Exercise Price immediately prior to the Subdivision or Consolidation.

C = Existing Call Price immediately prior to the Subdivision or Consolidation.

N = Revised par value after the Subdivision or Consolidation.

P = Existing par value immediately prior to the Subdivision or Consolidation.

E = Existing Exercise Ratio immediately prior to the Subdivision or Consolidation.

Alternatively, the Issuer may also, in good faith, make a corresponding adjustment to the Exercise Price, Call Price and/or Exercise Ratio as the Issuer determines appropriate to account for the dilutive or consolidative effect of the Subdivision or Consolidation.

On any such adjustment, the resultant Exercise Price, Call Price and/or Exercise Ratio shall be rounded to the nearest four (4) decimal points of the Relevant Currency and all such adjustment made by the Issuer pursuant to this Condition shall be deemed as final and conclusive save for any manifest error.

**(d) Other adjustments**

The Issuer is entitled to make other adjustments as it reasonably believes are appropriate in circumstances where an event or events occur which the Issuer believes (notwithstanding any adjustment previously made by the Issuer) should, in the context of the issue of Structured Warrants and its obligations hereunder, give rise to such adjustment. The Issuer shall make such adjustment generally without considering the individual circumstances of any Holder or the tax or other consequences of such adjustment in any particular jurisdiction.

On any such adjustment, the resultant Exercise Price, Call Price and/or Exercise Ratio shall be rounded to the nearest four (4) decimal points of the Relevant Currency



**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (cont'd)**

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and all such adjustment made by the Issuer pursuant to this Condition shall be deemed as final and conclusive save for any manifest error.

- 6.2 Notwithstanding the foregoing, no adjustments shall be made to the Exercise Price, Call Price and/or Exercise Ratio if the formulae stated in Condition 6.1(a) to Condition 6.1(d) results in an adjustment which would amount to less than two percent (2%) of the Exercise Price, Call Price and/or Exercise Ratio being changed.
- 6.3 Any adjustment made pursuant to Conditions 6.1 and 6.2 shall be binding on the Holders save in the case of manifest error. Notice of such adjustments or amendments shall be given to the Holders as soon as practicable thereafter in accordance with Condition 15 and in any event within five (5) Market Days of the adjustment being made.

**7 Restrictions to Protect Rights of Holders**

- 7.1 As from the date of the issue of the Structured Warrants and for so long as any of the Structured Warrants remain exercisable, the Issuer shall have arrangements in place to ensure, for the benefit of the Holders that it is able to satisfy in full the exercise of all the Structured Warrants for the time being outstanding.

**8 Merger or Consolidation of Underlying ETF**

- 8.1 If it is announced that the Underlying ETF is to or may merge with or consolidate into any other fund, other collective investment schemes or otherwise or that all or substantially all of its assets are or may be sold or transferred ("**Restructuring Event**"), the Issuer may in good faith take any of the actions below:
- (a) cancel the Structured Warrants without prior notice in accordance with Condition 15 to the Holders. If the Structured Warrants are so cancelled, the Issuer shall pay an amount to each Holder, if the Cash Settlement Amount after deducting all Exercise Expenses, is greater than zero (without the Holder having to deliver a valid Exercise Form). The Cash Settlement Amount shall be determined by the Issuer in a manner as it reasonably deems fit based on the fair market value of the Underlying ETF (as determined by the Issuer) after taking into account the Restructuring Event less all Exercise Expenses; and/or
  - (b) amend and determine the appropriate adjustment, if any, to be made to the terms and conditions of the Structured Warrants to account for the Restructuring Event and determine the effective date of that adjustment. After such adjustments (if any), the Structured Warrants shall relate to the number of units resulting from or surviving such Restructuring Event or other securities ("**Substituted Securities**") and/or cash offered in substitution for the affected Underlying ETF of the relevant Structured Warrants to which the holder of such number of Underlying ETF to which the Structured Warrants related immediately before such Restructuring Event would have been entitled upon such Restructuring Event, as the case may be. The Issuer may, but need not, determine the appropriate adjustment by reference to the adjustment in respect of the Restructuring Event made by a Securities Exchange to options on the relevant Underlying ETF traded on that Securities Exchange.
- 8.2 Upon the occurrence of a Restructuring Event, the rights attaching to the Structured Warrants in respect of that Underlying ETF may be amended by the Issuer no later than the Market Day preceding the consummation of such Restructuring Event.
- 8.3 The provisions of these Conditions shall apply to such Substituted Securities provided that, any Substituted Securities may, as the Issuer reasonably deems fit, be replaced by an amount in the Relevant Currency equal to the market value or, if no market value is available, fair value, of such Substituted Securities in each case as determined by the Issuer as soon as practicable after such Restructuring Event is effected.

**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (cont'd)**

- 8.4 Any cancellation of Structured Warrants or modification of rights made pursuant to Condition 8.1 or 8.2 shall be notified to the Holders as soon as practicable thereafter and in any event within five (5) Market Days from the date of such cancellation or modification in accordance with Condition 15.

**9 Delisting of the Underlying ETF**

- 9.1 If at any time the Underlying ETF of the Structured Warrants ceases to be listed on Bursa Securities or such other Securities Exchanges or there is an announcement of an intention to cease the listing status of the Underlying ETF is suspended from trading on Bursa Securities or such other Securities Exchanges prior to, and in connection with the delisting of the Underlying ETF, the Structured Warrants may if determined by the Issuer be automatically exercised without the Holder having to deliver a valid Exercise Form and without notice of automatic exercise being given by the Issuer to the Holder:

- (a) if the Cash Settlement Amount after deducting all Exercise Expenses is greater than zero, the Issuer shall make payment of the Cash Settlement Amount to the relevant Holder; or
- (b) if the Cash Settlement Amount after deducting all the Exercise Expenses is equal to or less than zero, the Issuer shall not be obliged to make any payment to the relevant Holder and the relevant Structured Warrants shall terminate and cease to be valid and the Issuer's obligations in respect of the Structured Warrants shall terminate absolutely. The Holders shall not be required to pay or top up the Exercise Expenses in the event the Cash Settlement Amount is negative after deducting Exercise Expenses.

In such event, the Settlement Price for the calculation of the Cash Settlement Amount (calculated in accordance with Condition 2) shall, at the Issuer's reasonable discretion, be one of the following:

- (i) the last quoted price of the Underlying ETF immediately before such events;
- (ii) the price determined in accordance with Condition 2.2.2; or
- (iii) such other price as determined by the Issuer in a commercially reasonable manner, as the case may be, and the Issuer shall not be obliged to make any adjustment to the Exercise Price.

- 9.2 Subject to the aforesaid, the Issuer may but shall not be obliged to make any adjustment to the terms and conditions of the Structured Warrants and the rights attaching to the Structured Warrants as it shall reasonably consider appropriate to ensure that the interests of the Holders generally are not materially prejudiced as a consequence of such events (without considering the individual circumstances of any Holder or the tax or other consequences that may result in any particular jurisdiction).

**10 Liquidation, Dissolution or Winding-Up of the Underlying ETF**

- 10.1 In the event of a liquidation, dissolution or winding-up of the Underlying ETF or the appointment of a liquidator, receiver or administrator or analogous person under any applicable law in respect of the whole or substantially the whole of the Underlying ETF's Assets, the Structured Warrants will be automatically exercised without the Holder having to deliver a valid Exercise Form and without notice of automatic exercise being given by the Issuer to the Holder:

- (a) if the Cash Settlement Amount after deducting all Exercise Expenses is greater than zero, the Issuer shall make payment of the Cash Settlement Amount to the relevant Holder; or

**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (cont'd)**

- (b) if the Cash Settlement Amount after deducting all Exercise Expenses is equal to or less than zero, the Issuer shall not be obliged to make any payment to the relevant Holder and the relevant Structured Warrants shall terminate and cease to be valid and the Issuer's obligations in respect of the Structured Warrants shall terminate absolutely. The Holders shall not be required to pay or top up the Exercise Expenses in the event the Cash Settlement Amount is negative after deducting Exercise Expenses.

In such event, the Settlement Price for the calculation of the Cash Settlement Amount (calculated in accordance with Condition 2) shall, at the Issuer's reasonable discretion, be one of the following:

- (i) the last quoted price of the Underlying ETF immediately before such events;
- (ii) the price determined in accordance with Condition 2.2.2; or
- (iii) such other price as determined by the Issuer in a commercially reasonable manner, as the case may be, and the Issuer shall not be obliged to make any adjustment to the Exercise Price.

- 10.2 Subject to the aforesaid, the Issuer may but shall not be obliged to make any adjustment to the terms and conditions of the Structured Warrants and the rights attaching to the Structured Warrants as it shall reasonably consider appropriate to ensure that the interests of the Holders generally are not materially prejudiced as a consequence of such events (without considering the individual circumstances of any Holder or the tax or other consequences that may result in any particular jurisdiction).

**11 Takeover, Merger, Liquidation, Dissolution or Winding-Up of Issuer**

- 11.1 In the event of a take-over or a scheme of arrangement or any other form of reorganisation undertaken by the Issuer or any other events having similar effects on the rights of the Holders, the Issuer is entitled to deal with the Structured Warrants in such manner as it reasonably deems fit in the circumstances and with or without any adjustments to the rights attaching to the relevant Structured Warrants.
- 11.2 In the event of a merger, amalgamation or reconstruction of the Issuer, the corporation, trust or other body into which the Issuer is merged, amalgamated or reconstructed shall assume all the liabilities and the obligations of the Issuer in respect of the Structured Warrants so that the rights of the Holders shall continue to exist and be enforceable to the same extent as provided by the Issuer under the Deed Poll.
- 11.3 In the event of a liquidation, dissolution or winding-up of the Issuer or the appointment of a receiver or administrator or analogous person under any applicable law in respect of the whole or substantially the whole of the Issuer's Assets, the Structured Warrants remaining outstanding shall be deemed to be exercised on the Market Day immediately prior to the date of such liquidation, dissolution, winding-up or appointment as follows:
- (a) All unexercised Structured Warrants shall automatically be exercised without the Holders having to deliver a valid Exercise Form and without notice of automatic exercise being given by the Issuer to the Holders:
    - (i) if the Cash Settlement Amount after deducting all the Exercise Expenses is greater than zero, the Issuer shall make payment of the Cash Settlement Amount to the relevant Holder; or
    - (ii) if the Cash Settlement Amount after deducting all the Exercise Expenses is equal to or less than zero, the Issuer shall not be obliged to make any payment to the relevant Holder and the relevant Structured Warrants shall terminate and cease to be valid and the Issuer's obligations in respect of the Structured Warrants shall terminate absolutely. The Holders shall not be

**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (cont'd)**

required to pay or top up the Exercise Expenses in the event the Cash Settlement Amount is negative after deducting Exercise Expenses.

The closing price of the Underlying ETF on the Market Day immediately before the above events shall form the Settlement Price for the calculation of the Cash Settlement Amount.

- (b) Notwithstanding the foregoing, if there is a Market Disruption Event on the Set Date, the Settlement Price shall be based on the Market Day immediately preceding the Market Disruption Event. If the preceding Market Day is also affected by the Market Disruption Event, the Settlement Price shall be determined by the Issuer on the Set Date as it reasonably deems fit and on the basis of the Issuer's good faith estimate the reference price and/or the exchange rate (if applicable) for that Set Date by determining the price of the Underlying Equity and/or the exchange rate (if applicable) based on the prevailing market conditions and other factors as the Issuer may consider relevant.

**12 Replacement of Structured Warrant Certificate**

- 12.1 If the Structured Warrant Certificate which has been deposited with Bursa Depository is mutilated, defaced, lost, worn out, stolen or destroyed it shall be replaced by the Issuer at the registered office of the Structured Warrants Registrar on such terms as to evidence and indemnity or otherwise as the Issuer may require. All payment of such costs as may be incurred in connection therewith shall be borne by the Issuer. Mutilated, defaced, lost, worn, stolen or destroyed Structured Warrant Certificates shall be deemed cancelled.

**13 Register, Transfer and Transmission**

- 13.1 Each Holder registered in the Record of Depositors shall be entitled to all rights, benefits, powers and privileges and be subject to all liabilities, duties and obligations in respect of, or arising from the Structured Warrants, and shall be deemed and treated as the absolute owner of the relevant Structured Warrants, in accordance with the Central Depositories Act and the Rules of Bursa Depository, whether or not the Issuer shall be in default in respect of the Structured Warrants or any of the covenants contained herein and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft of any Structured Warrants. The provisions of the Central Depositories Act, the Rules of Bursa Depository and the Issuer's constitution for the time being relating to the registration, transfer and transmission of shares and the fees payable thereon shall with necessary modifications apply to the registration, transfer and transmission of the legal ownership of the Structured Warrants, subject always to the provisions of this Condition and Condition 2.
- 13.2 The entries made under the Record of Depositors shall be deemed to be the final record of all Depositors. No notice of any trust, express or implied, shall be entered upon the Record of Depositors otherwise than pursuant to an order of a court of competent jurisdiction or as required by law, and a Holder shall be deemed to be the beneficial owner of the Structured Warrants standing to the credit of his/its Securities Account, until such time as the Structured Warrants are duly transferred to another Holder and the name of the transferee is entered in the Record of Depositors.

**14 Meetings of Holders**

- 14.1 The procedure governing the convening and conduct of meetings of the Holders are set out in the Fourth Schedule to the Deed Poll.

**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (cont'd)**

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**15 Notices**

15.1 Subject to Condition 15.2:

- (a) all notices to the Holders pertaining to the convening of meetings shall be made by way of notice published in at least one (1) English language national daily newspaper and announced through Bursa Securities; and
- (b) all other notices shall either be announced through the Bursa Securities or published in at least one (1) English language national daily newspaper.

15.2 A notice is deemed to have been given and served to the Holders on the date of announcement or publication as the case may be or, if announced or published more than once or on different dates, on the first date on which it is announced or published.

15.3 All notices effected in accordance with this Condition 15 shall be deemed to be effective in respect of all persons who become Holders after the date of the relevant notice.

15.4 For the avoidance of doubt, a notice shall not be required to be published or announced in respect of an event contemplated under Conditions 6, 8, 9, 10 or 11, as the case may be, if no adjustment to the rights of the Holders or amendment to the terms and conditions of the relevant Structured Warrants is made or to be made pursuant thereto.

**16 Modification of rights**

16.1 All or any of the rights for the time being attached to the Structured Warrants (other than the Exercise Price which a Holder is entitled to or the formulae for the adjustment of the Exercise Price or the Exercise Ratio or any other condition, which may be modified in accordance with the provisions set out elsewhere in these Conditions) may be altered or abrogated by the Issuer from time to time (whether or not the Issuer is being wound up), and the sanction of a Special Resolution passed at a meeting of the Holders held as aforesaid shall be necessary to effect such alteration or abrogation.

16.2 Notwithstanding the provisions of Condition 16.1, the Issuer may without the consent of the Holders but in accordance with the terms of the Deed Poll, effect any modification to the Structured Warrants or the Deed Poll which, in the opinion of the Issuer, is:

- (a) not materially prejudicial to the interests of the Holders; or
- (b) of a formal, minor or technical nature; or
- (c) necessary or expedient to correct a manifest error, or to comply with mandatory provisions of law or rules or regulations; or
- (d) necessary or expedient to facilitate scripless trading in or exercise of the Structured Warrants or payment by way of electronic funds transfer as approved by the relevant government or statutory authorities in respect of the Structured Warrants or to amend the restrictions on transfer or exercise of the Structured Warrants to comply with the requirements of or the concessions granted by any relevant government or statutory authorities.

Any such modification shall be binding on all Holders and shall be notified by the Issuer to them as soon as practicable thereafter in accordance with Condition 15 but in any event not later than twenty (20) Market Days from the date of such modification.

16.3 Notwithstanding Condition 16.1, the Issuer may, at any time and from time to time for the purpose of an issue of new Structured Warrants or a new Series of Structured Warrants through the Base Prospectus and without the consent or sanction of the Holders supplement the Deed Poll with the terms and conditions of the new Structured Warrants or Series of Structured Warrants (as set out in the relevant Term Sheet), as the case may be. In the event such supplement to the Deed Poll shall affect the rights and interests of the Holders, the Issuer is to effect such supplement to the Deed Poll by notice to the Holders in accordance with Condition 15 and such supplement shall be binding on all Holders without any further action

**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (cont'd)**

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being required to be taken by the Issuer. For the avoidance of doubt, a Holder is deemed to have notice of all announcements (and their respective contents) made by the Issuer to Bursa Securities in respect of or affecting the Series of Structured Warrants held.

**17 Buy-backs and cancellation**

- 17.1 The Issuer, and/or its Affiliates, may at any time purchase or buy back the Structured Warrants in the open market or by tender or private treaty and become the Holder of the Structured Warrants. Any Structured Warrants so purchased may be held or resold or surrendered for cancellation provided that cancellation of the Structured Warrants may only occur if all outstanding Structured Warrants have been purchased by the Issuer and/or its Affiliates. If pursuant to this Condition, the Issuer purchases or buys back the Structured Warrants and becomes the Holder of and is beneficially entitled to the Structured Warrants, the Issuer shall not exercise the voting rights with respect to such Structured Warrants held in any meeting of the Holders, unless otherwise permitted by the authorities or applicable laws and requirements.
- 17.2 Notwithstanding Condition 17.1, any purchase of the Structured Warrants by the Issuer and/or its Affiliates shall be undertaken in such manner and on such terms as may be imposed by the SC.

**18 Structured Warrants Registrar**

- 18.1 The Structured Warrants Registrar acts as an agent of the Issuer and shall not assume any obligation or duty to or any relationship of agency or trust for the Holders except only as described in Condition 18.2.
- 18.2 The Structured Warrants Registrar shall not be liable to any Holder in respect of any losses, liabilities, costs, claims, actions or demands which such Holder may suffer or incur or allege to have suffered or incurred as a result of or in connection with the exercise or non-exercise of any Structured Warrants Registrar's powers, discretions and/or duties. The Structured Warrants Registrar may:
- (a) in the exercise of its powers, discretions and/or duties, act on the advice or opinion of, or any certificate or information obtained in good faith from, any lawyer, valuer, accountant, banker, broker, securities company or other expert whether obtained by the Issuer, the relevant Structured Warrants Registrar or otherwise (which advice, opinion, certificate or information may be sent or obtained by letter, telex, telegram, cable or facsimile device) and the Structured Warrants Registrar shall not be liable for any loss occasioned by acting on any such advice, opinion, certificate or information or by any such letter, telex, telegram, cable or facsimile message being forged or otherwise not authentic or containing some errors with respect to content, delivery or transmission;
  - (b) receive and retain without liability to account, such fee or other remuneration as may from time to time be agreed between the Issuer and the Structured Warrants Registrar; and
  - (c) enter into or be interested in any contract or financial or other transaction or arrangement with the Issuer or any person or body corporate associated with the Issuer in connection therewith to receive and retain, without liability to account any profit, fee, remuneration or other benefit received thereby or in connection therewith.

The Structured Warrants Registrar does not act as the agent of any Holder and therefore owes no fiduciary duty to any Holder in arriving at its calculations and determinations.

**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (cont'd)**

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**19 Exclusion of equities**

- 19.1 Subject to the Central Depositories Act, the Rules of Bursa Depository, the Deed Poll, or these Conditions, no person shall be recognised by the Issuer as holding any Structured Warrants upon any trust, and the Issuer shall not be bound by or compelled in any way to recognise any equitable, contingent, future or partial interest in any Structured Warrant, or any interest in any fractional part of a Structured Warrant, or (except only as by these presents or by law otherwise provided) any other right in respect of any Structured Warrants, except an absolute right to the entirety thereof in the registered holder.

**20 Governing law**

- 20.1 The Structured Warrants and the Deed Poll are governed by and shall be construed in accordance with the laws of Malaysia. The Issuer and the Holders irrevocably agree that with respect to any proceedings in Malaysia in connection with any matter or issue relating to the Deed Poll and these Conditions, they shall be bound by the decision, ruling or order of the Malaysian Court.

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**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (cont'd)****Part 7****Conditions Of The Bull Equity-linked Structures****1 General, Nature, Form, Transfer, Administration and Status of Structured Warrants**

- 1.1 The Structured Warrants comprise of **bull equity-linked structures** to be issued from time to time by the Issuer through the Base Prospectus and subject to, and with the benefit of the Deed Poll referred to on the face of the Structured Warrant Certificate and these Conditions. The Exercise Rights entitle the Holder of each Structured Warrant for each Series of Structured Warrants issued or to be issued, subject to the Deed Poll and in accordance with these Conditions, upon valid exercise thereof, to the Physical Settlement Amount (or its cash equivalent), Cash Settlement Amount for Odd Lots and/or Cash Settlement Amount, as the case may be, calculated in accordance with Condition 2. Certain statements in these Conditions are summaries of and are subject to the detailed provisions of the Deed Poll and in the event of any inconsistency between a provision contained in these Conditions and a provision contained in the Deed Poll, the provisions in the Deed Poll shall prevail. Copies of the Deed Poll are available for inspection at the registered office of the Issuer, being at the date hereof at 10th floor Menara Hap Seng, No. 1 & 3 Jalan P. Ramlee, 50250 Kuala Lumpur, Malaysia. The payment obligation of the Issuer under these Conditions is guaranteed by Macquarie Financial Holdings Pty Limited (the "**Guarantor**") (the "**Guarantee**"). The Holders for the time being of the Structured Warrants and whose names appear on the Record of Depositors are all entitled to the benefit of, bound by, and deemed to have notice of, all the provisions of the Deed Poll. Further, each Holder acknowledges it has, where necessary, consulted its stockbroker, solicitor or other adviser before investing in the Structured Warrants and none of the Issuer or its directors or employees may be construed as investment adviser or agent of, or owe any fiduciary duty to the Holder. **For the purposes of this Part 7, the term "Structured Warrants" shall refer to the bull equity-linked structures.**
- 1.2 Subject to the Central Depositories Act, the Rules of Bursa Depository, the Deed Poll, the relevant applicable rules and regulations and these Conditions:
- (a) each Structured Warrant requires the Issuer to make or pay the Physical Settlement Amount (or its cash equivalent), Cash Settlement Amount for Odd Lots and/or Cash Settlement Amount, as the case may be, to the Holder in accordance with these Conditions; and
  - (b) the Structured Warrants are issued in registered form, serially numbered and are a Prescribed Security to be admitted to the Official List. The Structured Warrants are represented by a global/jumbo certificate issued to Bursa Depository or its nominee who holds the same as bare trustee on behalf of the Holders, and deposited with Bursa Depository in or substantially in the form set out in the First Schedule to the Deed Poll as the same may from time to time be modified in accordance with the Deed Poll.
- 1.3 Subject to all information provided by the subscriber for the Structured Warrants to the Issuer being complete and consistent with the records of Bursa Depository, the Issuer shall within seven (7) Market Days from the date of allotment of the Structured Warrants, cause and procure the Structured Warrants Registrar to notify Bursa Depository of the names of the Holders together with such particulars as may be required by Bursa Depository for the purpose of making appropriate entries in the Securities Account of the respective Holder, request Bursa Depository to credit the Securities Account of the Holders with the applicable Structured Warrants and shall deliver to Bursa Depository the Structured Warrant Certificate registered in the name of Bursa Depository or its nominee company in such manner as may be prescribed by the Rules of Bursa Depository or agreed with Bursa Depository. If, at any time, the information provided by the Holders for the Structured Warrants is incorrect or inaccurate or inconsistent with the records of Bursa Depository, the Issuer reserves the right and without any obligation whatsoever, to accept, reject or otherwise deal with the Structured Warrants in such manner as it reasonably deems fit in the circumstances. The Holders are not entitled to any physical warrant certificates.



**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (cont'd)**

- 1.4 Subject to the provisions of the Central Depositories Act and the Rules of Bursa Depository, the registration and subsequent administration of Structured Warrants shall be in the manner set forth in the Deed Poll. It is hereby acknowledged that the Issuer shall be entitled to appoint registrars for the registration and administration of the Structured Warrants. The Issuer hereby confirms that it shall/has appointed the Structured Warrants Registrar for the purpose stipulated hereof, who shall perform such duties as required by the Issuer under the Deed Poll.
- 1.5 The Holders may transfer the Structured Warrants in the manner prescribed under the Central Depositories Act and the Rules of Bursa Depository. Subject to the provisions of the Central Depositories Act and the Rules of Bursa Depository, the Structured Warrants shall be freely transferable but the trading of the Structured Warrants must be in the same board lot applicable to the trading of the Underlying Equity or in such odd lots as permitted by the SC and/or Bursa Securities. Where the board lot of the Underlying Equity is more than 100 equities per board lot, the Structured Warrants may be issued in board lots of 100 warrants.
- 1.6 The Structured Warrants and the settlement obligation of the Issuer in respect of the Structured Warrants represent general and unsecured contractual obligations of the Issuer and of no other person which rank, and shall rank, equally among themselves and without preference in all respects, subject to such exceptions as may from time to time exist under applicable law or the Deed Poll, with the other existing and future unsecured and subordinated obligations of the Issuer. The Guarantee represents general and unsecured contractual obligations of the Guarantor and of no other person which rank, and shall rank, equally among themselves and without preference in all respects, subject to such exceptions as may from time to time exist under applicable law or the Guarantee, with the other existing and future unsecured and unsubordinated obligations of the Guarantor.
- 1.7 The Holders are entitled to the Physical Settlement Amount (or its cash equivalent), Cash Settlement Amount for Odd Lots (if any) of the Cash Settlement Amount, as the case may be, in accordance with Condition 2 provided always that the settlement to the Holder must be in cash if the Underlying Equity comprise of equities quoted on a Securities Exchange outside Malaysia.

**2 Exercise of the Structured Warrants**

- 2.1 Exercise Rights
- 2.1.1 The Structured Warrants shall be automatically exercised at 5.00 p.m. on the Expiry Date (without the Holders having to deliver a valid Exercise Form and without notice of automatic exercise being given by the Issuer to the Holders) and the Issuer shall pay the Cash Settlement Amount or deliver the Physical Settlement Amount (or its cash equivalent), as the case may be, to the Holder in accordance with this Condition 2.1. If the scheduled Expiry Date is not a Market Day then the Structured Warrants are deemed to be exercised on the next following Market Day.
- 2.1.2 The Issuer shall in the absence of a Settlement Disruption Event, within seven (7) Market Days from the Expiry Date or such other period as may be prescribed by Bursa Securities or such other relevant authority, pay to the relevant Holder, the Cash Settlement Amount or deliver the Physical Settlement Amount (or its cash equivalent) set out below less all Exercise Expenses incurred in respect of the exercise of the Structured Warrants:
- (a) if the Settlement Price<sup>(1)</sup> of the Underlying Equity is equal to or exceeds the Exercise Price<sup>(2)</sup>, the Holder shall be entitled to the Cash Settlement Amount in the Settlement Currency calculated as set out below, less all Exercise Expenses:

**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (cont'd)**

$$\text{Cash Settlement Amount} = (\text{Number of Structured Warrants held} \times \text{Exercise Price}) \times \text{Settlement Exchange Rate (if applicable)}$$

- (b) if the Settlement Price of the Underlying Equity is below the Exercise Price, the Holder shall be entitled to the Physical Settlement Amount which shall be the number of Underlying Equity equivalent to the number of units of Structured Warrants held on the Expiry Date, or, the cash equivalent of the Physical Settlement Amount (if the Underlying Equity comprise of equities quoted on a Securities Exchange outside Malaysia) as determined by the Issuer in such manner as it reasonably deems fit.

For the avoidance of doubt, if a book closure date has been declared by the Underlying Company and trading in the Underlying Equity is on a "cum-entitlement" basis on the Expiry Date, the Underlying Equity to be delivered by the Issuer to the Holder upon the valid exercise of the Structured Warrants shall also be on a "cum-entitlement" basis.

- (1) (a) The Settlement Price on the Expiry Date shall be calculated by reference to either:
- (i) the VWAP of the Underlying Equity (subject to any adjustment as may be necessary to reflect any capitalisation, rights issue, distribution or others) for the five (5) Market Days prior to and including the Market Day immediately before the Expiry Date;
  - (ii) the average closing price of the Underlying Equity (subject to any adjustment as may be necessary to reflect any capitalisation, rights issue, distribution or others) for the five (5) Market Days prior to and including the Market Day immediately before the Expiry Date; or
  - (iii) the closing price of the Underlying Equity on the Market Day immediately before the Expiry Date,

and as specified in the relevant Term Sheet and subject to the Market Disruption Event and other provisions herein.

For the avoidance of doubt, in the event any of the Underlying Equity is delisted, the Settlement Price shall be determined in accordance with Condition 10 below.

- (b) If a Market Disruption Event, or a public holiday unexpected by the Issuer, occurs on any of the five (5) Market Days described in sub-Conditions (1)(a)(i) or (1)(a)(ii) above, the valuation period applicable and the Settlement Price shall be as determined by the Issuer in such manner as it reasonably deems fit.

Regarding paragraph (1)(a)(iii) above, if there is a Market Disruption Event on the Valuation Date, the Valuation Date shall be the next following Market Day after the Market Disruption Event. If the Market Disruption Event continues to occur up to the eighth (8th) Business Day following the original Valuation Date, then the Valuation Date shall be:

- (i) that eighth (8<sup>th</sup>) Business Day; and
- (ii) the Issuer shall determine as it reasonably deems fit and on the basis of the Issuer's good faith estimate the reference price and/or the exchange rate (if applicable) for that Valuation Date by determining the price of the Underlying Equity and/or the exchange rate (if applicable) based on the prevailing market

**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (cont'd)**

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conditions and other factors as the Issuer may consider relevant.

- (2) Such price shall be a percentage of the Spot Price on the price fixing date as determined by the Issuer and as specified in the relevant Term Sheet and subject to such adjustments as may be necessary as provided in Condition 6.
- 2.1.3 The Issuer shall in the absence of a Settlement Disruption Event, deliver the Physical Settlement Amount (where applicable) comprising the relevant Underlying Equity to the exercising Holder by crediting the relevant number of Underlying Equity which is equivalent to the number of the Structured Warrants held by the exercising Holder to the exercising Holder's Securities Account and despatch the notice of transfer to the Holder within seven (7) Market Days from the Expiry Date or such other period as may be prescribed by Bursa Securities or such other relevant authority. Provided always that the delivery of the Underlying Equity shall not be effected until the Exercise Expenses have been received by the Issuer or the Issuer is satisfied that the Exercise Expenses are received or shall be received by the Issuer from the Holder.
- 2.1.4 The Issuer shall settle the odd lots on Settlement Date in cash based on the Settlement Price as determined in accordance with this Condition 2.1 and as specified in the relevant Term Sheet.
- 2.1.5 The Cash Settlement Amount less the Exercise Expenses may be made by way of cheque drawn in favour of the Holder to be delivered by ordinary post to the Holder's address last recorded in the Record of Depositors at the Holder's own risk or by way of telegraphic transfer to the bank account of the Holder last notified to the Structured Warrants Registrar or the Issuer. Where the Issuer makes a payment to a Holder pursuant to the terms of this Condition 2.1, the amount of such payment arising from the exercise of the Structured Warrants shall be final and conclusive and the Issuer shall be discharged from its obligations upon making such payment thereof in accordance with these conditions.
- 2.1.6 The Cash Settlement Amount less the Exercise Expenses shall be calculated and be payable in Settlement Currency and rounded down to the nearest two decimal points. All determinations made by the Issuer pursuant to this Condition 2.1.6 (in the absence of manifest error) shall be final and conclusive and binding on the Holders.
- 2.1.7 In the event the Issuer is unable to deliver the Underlying Equity upon the automatic exercise of the Structured Warrants, the Issuer shall pay the Holders the Cash Settlement Amount in the Settlement Currency, which shall be calculated in accordance with Condition 2.1.10 below, less all Exercise Expenses. The events that would result in the Issuer unable to deliver the Underlying Equity are liquidation, dissolution or winding up of the Underlying Company or the Underlying Equity is suspended or have been delisted on the Expiry Date. Upon occurrence of any of these events, the Issuer will make the necessary announcement prior to the Expiry Date, that the Structured Warrants shall be cash-settled.
- 2.1.8 Unless otherwise specified in the relevant Term Sheet, the Holder is to bear all Exercise Expenses in relation to the exercise of the Structured Warrants and on exercise of the Structured Warrants, the Issuer shall be irrevocably authorised by the Holder to deduct all Exercise Expenses from the Cash Settlement Amount.
- 2.1.9 If as a result of a Settlement Disruption Event, it is not possible for the Issuer to make payment on the original Settlement Date, the Issuer shall use its reasonable endeavours to procure payment as soon as practicable after the original Settlement Date. The Issuer shall not be liable to the Holder for any interest in respect of the amount due or any loss or damage that such Holder may suffer as a result of the existence of the Settlement Disruption Event.

**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (cont'd)**

2.1.10 Notwithstanding the above, in the case where the Underlying Equity are equities quoted on a Securities Exchange outside Malaysia, the Holder shall only be entitled to Cash Settlement Amount which shall be calculated in the manner set out below less all Exercise Expenses:

- (a) if the Settlement Price<sup>(1)</sup> of the Underlying Equity is equal to or exceeds the Exercise Price<sup>(2)</sup>, the Holder shall be entitled to Cash Settlement Amount payable in the Settlement Currency calculated as set out below less all Exercise Expenses:

$$\text{Cash Settlement Amount} = \frac{\text{(Number of Structured Warrants held)}}{\text{Exercise Price}} \times \text{Settlement Exchange Rate (if applicable)}$$

- (b) If the Settlement Price<sup>(1)</sup> of the Underlying Equity is below the Exercise Price<sup>(2)</sup>, the Holder shall be entitled to Cash Settlement Amount payable in the Settlement Currency calculated as set out below:

$$\text{Cash Settlement Amount} = \frac{\text{(Number of Structured Warrants held)}}{\text{Settlement Price}} \times \text{Settlement Exchange Rate (if applicable)}$$

(1) As set out in Condition 2.1.2 above.

(2) As set out in Condition 2.1.2 above.

- 2.2 The Issuer shall not allow the Holder to exercise the Exercise Rights unless the Structured Warrants are or have been designated as "free securities" in accordance with the Rules of Bursa Depository.
- 2.3 The Issuer declares that approval shall be sought from Bursa Securities for the admission of the Structured Warrants to the Official List and for the listing of and quotation for the Structured Warrants on Bursa Securities.
- 2.4 All questions as to the validity, form, eligibility (including time of receipt) and acceptance of Exercise Form shall be resolved by the Structured Warrants Registrar in a manner as it reasonably deems fit, whose determination shall be final and binding on the Issuer and the Holder. The Structured Warrants Registrar is entitled to reject any Exercise Form that is not in proper form or the acceptance of which may, in the view of counsel for the Structured Warrants Registrar be unlawful. The Structured Warrants Registrar also reserves the right, subject to applicable law, to waive any irregularities. The interpretation of the Structured Warrants Registrar of the terms and conditions of exercise of the Structured Warrants shall be final and binding on the Issuer and the Holder. Unless waived, any irregularities in connection with the Exercise Form must be rectified by such time, as the Structured Warrants Registrar shall determine. The Structured Warrants Registrar shall not be under any duty to give notification of any irregularities in such Exercise Form and shall not incur liabilities for failure to give such notification. The Exercise Form shall not be considered to have been validly delivered until such irregularities have been rectified and waived.
- 2.5 The initial Structured Warrants Registrar and its specified offices are stated in the Deed Poll. The Issuer reserves the right at any time to vary or terminate the appointment of the Structured Warrants Registrar. Prior written notice of any termination, appointment of Structured Warrants Registrar, resignation of the Structured Warrants Registrar or any changes in any of the specified offices of the relevant Structured Warrants Registrar shall be given to the Holders in accordance with Condition 15 and such prior notice shall be given to the Holders not more than sixty (60) days and less than thirty (30) days of such termination, appointment, resignation or change.
- 2.6 In respect of each exercised Structured Warrant, the Issuer shall instruct or procure the Structured Warrants Registrar to instruct Bursa Depository, in accordance with the Central

**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (cont'd)**

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Depositories Act and the Rules of Bursa Depository, to debit the Structured Warrant from the Securities Account of the Holder. The Issuer shall be entitled at any time on or after the Expiry Date, to demand that Bursa Depository deliver to the Issuer the Structured Warrant Certificates and thereafter cancel or cause the cancellation of the Structured Warrant Certificates.

- 2.7 The Structured Warrants subject to the Exercise Rights which have been exercised in accordance with the Deed Poll shall cease to exist and all obligations of the Issuer in respect of those Structured Warrants shall terminate absolutely following payment of the amount (if any) referred to in this Condition 2.

**3 Exercise Rights and Suspension**

- 3.1 Upon and subject to the provisions of the Central Depositories Act, the Rules of Bursa Depository and the Deed Poll, the Holder whose name as stated in the Record of Depositors shall have the right at any time during the Exercise Period to invoke its Exercise Rights at the Exercise Price subject to adjustments in accordance with Condition 6.
- 3.2 The Structured Warrants shall, subject to any directions, order or notice from any relevant regulatory authority and any request for suspension by the Issuer which is not rejected by any such relevant regulatory authority, continue to be traded notwithstanding that the trading of the Underlying Equity of the Underlying Company, may have been suspended.
- 3.3 The Issuer shall notify the Holders of the Expiry Date at least two (2) weeks prior to the Expiry Date for Structured Warrants with a tenure of twenty eight (28) days but not more than six (6) months and at least one (1) month prior to the Expiry Date for Structured Warrants with more than six (6) months' tenure or such other period as may be specified by the relevant authority. Such notice shall be given in accordance with Condition 15 stating the Expiry Date and treatment of the Structured Warrants which are not exercised.

**4 Deposit and Forfeiture of Unclaimed Amount**

- 4.1 In the event that the Issuer pays the Cash Settlement Amount for Odd Lots or Cash Settlement Amount, as the case may be, to any Holder under Condition 2 by way of cheque payment and such Holder does not present the cheque for payment within six (6) months from the date of the cheque, the Issuer shall at any time thereafter deal with the said monies in accordance and in compliance with, the requirements of the Unclaimed Moneys Act 1965 (Act 370) (revised 1989) of Malaysia.

**5 Designation of Structured Warrants set out in the Exercise Form**

- 5.1 Subject to the approval of Bursa Depository and/or other relevant authority, the Issuer reserves all rights to instruct Bursa Depository and/or other relevant authority to designate the Structured Warrants held in the relevant Securities Account of a Holder which the Holder has purportedly exercised by submitting an Exercise Form to the Issuer and/or the Structured Warrants Registrar, in order for Bursa Depository and/or the relevant authority to prohibit the Holder from trading on the exchange the designated Structured Warrants after the aforesaid exercise. The Issuer's right to instruct Bursa Depository and/or the relevant authority shall be independent of whether the exercise is valid or otherwise, provided that the amount of Structured Warrants so designated by Bursa Depository and/or the relevant authority do not exceed the amount set out in such Exercise Form.

**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (cont'd)****6 Adjustment of Exercise Price****6.1 Adjustments**

Subject to the Conditions as hereinafter provided and the Deed Poll, the Exercise Price for the relevant Structured Warrant shall from time to time be adjusted in accordance with the following provisions:

**(a) Bonus Issue**

If and whenever the Underlying Company of the relevant Structured Warrants shall make an issue of new equities ("**Equities**") credited as fully paid-up to the holders of Equities generally by way of capitalisation of profits or reserves (other than pursuant to a scrip dividend or similar scheme for the time being operated by the relevant Underlying Company or otherwise in lieu of a cash dividend and without any payment or other consideration being made or given by such holders) ("**Bonus Issue**"), the Exercise Price shall be adjusted on the Market Day immediately following the last day on which an instrument of transfer could be lodged so that the transferee of the Equities would qualify for the Bonus Issue in accordance with the following formula:

(i) Adjusted Exercise Price =

$$\frac{X}{(1 + N)}$$

Whereby in respect of this Condition 6.1(a)(i):

X = Existing Exercise Price immediately prior to the Bonus Issue

N = The number of additional Equities (whether a whole or a fraction) received by a holder of existing Equities for each Equity (of the relevant Underlying Company) held prior to the Bonus Issue

Alternatively, the Issuer may also, in good faith, make a corresponding adjustment to the Exercise Price as the Issuer determines appropriate to account for the dilutive effect of the Bonus Issue.

On any such adjustment, the resultant Exercise Price shall be rounded up to the nearest two decimal points of the Relevant Currency and all such adjustment made by the Issuer pursuant to this Condition shall be deemed as final and conclusive save for any manifest error.

**(b) Rights Issue**

If and whenever an Underlying Company of the relevant Structured Warrants shall, by way of Rights (as defined below), offer new Equities for subscription at a fixed subscription price ("**Rights Issue Price**") to the holders of existing Equities pro rata to existing holdings ("**Rights Issue**"), the Exercise Price shall be adjusted on the Market Day immediately following the last day on which an instrument of transfer of such Equities could be lodged so that the transferee of the Equity(ies) would qualify for the Rights Issue in accordance with the following formula:

(i) Adjusted Exercise Price =

$$\frac{1 + (R/S) \times M}{1 + M} \times X$$

Whereby, in respect of this Condition 6.1(b)(i):

R = Subscription price per Equity of the Underlying Company of the relevant Structured Warrants under the Rights Issue.

S = Cum-rights share price being the last traded price of an existing Equity of the Underlying Company of the relevant Structured

**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (cont'd)**

Warrants making the Rights Issue on the last Market Day on which the Equities (of the Underlying Company of the relevant Structured Warrants making the Rights Issue) are traded on a cum-rights basis.

M = Number of new Equities (whether a whole or fraction) per existing equity of the Underlying Company of the relevant Structured Warrants making the Rights Issue each holder thereof is entitled to subscribe.

X = Existing Exercise Price immediately prior to the Rights Issue.

Alternatively, the Issuer may also, in good faith, make a corresponding adjustment to the Exercise Price as the Issuer determines appropriate to account for the dilutive effect of the Rights Issue.

On any such adjustment, the resultant Exercise Price shall be rounded up to the nearest four (4) decimal points of the Relevant Currency and all such adjustment made by the Issuer pursuant to this Condition shall be deemed as final and conclusive save for any manifest error.

For the purposes hereof, "**Rights**" means the Right(s) attached to each existing Equity or needed to acquire one new Equity (as the case may be) which are given to the holders of existing Equities to subscribe at a fixed subscription price for new Equities pursuant to the Rights Issue (whether by the exercise of one Right, a part of a Right or an aggregate number of Rights).

(c) Subdivision or Consolidation

If and whenever the Underlying Company of the relevant Structured Warrants shall subdivide its Equities or any class of its outstanding share capital comprising the Equities into a greater number of Equities (a "**Subdivision**"), or consolidate the equities or any class of its outstanding share capital comprising the equities into a smaller number of equities (a "**Consolidation**"), the Exercise Price shall be adjusted on the Market Day on which the relevant Subdivision or Consolidation shall have taken effect in accordance with the following formula:

$$(i) \quad \text{Adjusted Exercise Price} = \frac{X \times P}{N}$$

Whereby, in respect of this Condition 6.1(c)(i):

X = Existing Exercise Price immediately prior to the Subdivision or Consolidation.

N = Revised number of Equities after the Subdivision or Consolidation.

P = Existing number of Equities immediately prior to the Subdivision or Consolidation.

Alternatively, the Issuer may also, in good faith, make a corresponding adjustment to the Exercise Price as the Issuer determines appropriate to account for the dilutive or consolidative effect of the Subdivision or Consolidation.

On any such adjustment, the resultant Exercise Price shall be rounded up to the nearest four (4) decimal points of the Relevant Currency and all such adjustment made by the Issuer pursuant to this Condition shall be deemed as final and conclusive save for any manifest error.

**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (cont'd)****(d) Capital Repayment**

Should the Underlying Company of the relevant Structured Warrants undertake a capital repayment in cash whether in the form of special dividend or not (pursuant to Section 115 of the Companies Act 2016 or such other corresponding provision in the Relevant Country in which the Underlying Equity is listed and quoted) during the tenure of the Structured Warrants, the Exercise Price of the Structured Warrants shall be adjusted on the Market Day following the last day on which an instrument of transfer is lodged to enable the transferee of the Equities to qualify for the capital repayment by the amount of the capital repayment, net of taxation, if any.

The Exercise Price for the Structured Warrants shall be adjusted in accordance with the following formula:

(i) Adjusted Exercise Price =

$$X \times \frac{(P - D)}{P}$$

Whereby, in respect of this Condition 6.1(d)(i):

P = Closing price of the Underlying Equity immediately preceding the last market day on which the Underlying Equity is traded on a cum-entitlement basis.

D = The capital repayment/special dividend per one (1) Underlying Equity held.

X = Existing Exercise Price immediately prior to the capital repayment/special dividend.

Alternatively, the Issuer may also, in good faith, make a corresponding adjustment to the Exercise Price as the Issuer determines appropriate to account for the effect of the capital repayment.

On any such adjustment, the resultant Exercise Price shall be rounded up to the nearest two decimal points of the Relevant Currency and all such adjustment made by the Issuer pursuant to this Condition shall be deemed as final and conclusive save for any manifest error.

**(e) Other adjustments**

The Issuer is entitled to make such adjustments as it reasonably believes are appropriate in circumstances where an event or events occur which the Issuer believes (notwithstanding any adjustment previously made by the Issuer) should, in the context of the issue of Structured Warrants and its obligations hereunder, give rise to such adjustment, provided that such adjustment is considered by the Issuer to be beneficial to Holders generally without considering the individual circumstances of any Holder or the tax or other consequences of such adjustment in any particular jurisdiction.

On any such adjustment, the resultant Exercise Price shall be rounded to the nearest four (4) decimal points of the Relevant Currency and all such adjustment made by the Issuer pursuant to this Condition shall be deemed as final and conclusive save for any manifest error.

6.2 Notwithstanding the foregoing, no adjustments shall be made to the Exercise Price if the formulae stated in Condition 6.1(a) to Condition 6.1(e) results in an adjustment which would amount to less than two percent (2%) of the Exercise Price being changed.

6.3 Any adjustment made pursuant to Condition 6.1 shall be binding on the Holders save in the case of manifest error. Notice of such adjustments or amendments shall be given to the



**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (cont'd)**

Holders as soon as practicable thereafter in accordance with Condition 15 and in any event within five (5) Market Days of the adjustment being made.

**7 Restrictions to Protect Rights of Holders**

- 7.1 As from the date of the issue of the Structured Warrants and for so long as any of the Structured Warrants remain exercisable, the Issuer shall have arrangements in place to ensure, for the benefit of the Holders that it is able to satisfy in full the exercise of all the Structured Warrants for the time being outstanding.

**8 Merger or Consolidation of Underlying Company**

- 8.1 In the event of a merger, amalgamation or reconstruction of the Underlying Company wherein an Underlying Company is to or may merge or consolidate with or into any other corporation (including becoming, by agreement or otherwise, a subsidiary of any corporation or controlled by any person or corporation) (except where the Underlying Company is the surviving corporation in a merger), or is to or may sell or transfer all or substantially all of its assets ("**Restructuring Event**"), the Issuer may in good faith take any of the actions below:
- (a) cancel the Structured Warrants without prior notice to the Holders. If the Structured Warrants are so cancelled, the Issuer shall pay an amount to each Holder, if the Cash Settlement Amount after deducting all Exercise Expenses, is greater than zero (without the Holder having to deliver a valid Exercise Form). The Cash Settlement Amount shall be determined by the Issuer in a manner as it reasonably deems fit based on the fair market value of the Underlying Equity (as determined by the Issuer) after taking into account the Restructuring Event less all Exercise Expenses and the cost to the Issuer and/or any of the Issuer's Affiliates in unwinding any Underlying Equity related hedging arrangements; and/or
  - (b) amend and determine the appropriate adjustment, if any, to be made to the terms and conditions of the Structured Warrants to account for the Restructuring Event and determine the effective date of that adjustment. After such adjustments (if any), the Structured Warrants shall relate to the number of equities of the corporation(s) resulting from or surviving such Restructuring Event or other securities ("**Substituted Securities**") and/or cash offered in substitution for the affected Underlying Equity of the relevant Structured Warrants to which the holder of such number of Underlying Equity to which the Structured Warrants related immediately before such Restructuring Event would have been entitled upon such Restructuring Event, as the case may be. The Issuer may, but need not, determine the appropriate adjustment by reference to the adjustment in respect of the Restructuring Event made by a Securities Exchange to options on the relevant Underlying Equity traded on that Securities Exchange.
- 8.2 Upon the occurrence of a Restructuring Event, the rights attaching to the Structured Warrants in respect of that Underlying Company be amended by the Issuer no later than the Market Day preceding the consummation of such Restructuring Event.
- 8.3 The provisions of these Conditions shall apply to such Substituted Securities provided that, any Substituted Securities may, as the Issuer reasonably deems fit, be deemed to be replaced by an amount in the Relevant Currency equal to the market value or, if no market value is available, fair value, of such Substituted Securities in each case as determined by the Issuer as soon as practicable after such Restructuring Event is effected.
- 8.4 Any cancellation of Structured Warrants or modification of rights made pursuant to Condition 8.1 or 8.2 above shall be notified to the Holders as soon as practicable thereafter and in any event within five (5) Market Days from the date of such cancellation or modification in accordance with Condition 15.

**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (cont'd)****9 Take-over Offer, Compulsory Acquisition or other Forms of Reorganisation in respect of the Underlying Company****9.1 Take-over Offer, Compulsory Acquisition**

In the event of the Take-Over Offer or Compulsory Acquisition or any other event having similar effect on the rights of the Holders ("**Other Event**") no cancellation of the relevant Structured Warrants shall be effected and the relevant Structured Warrants shall remain exercisable by the Holder for the remaining tenure of the Exercise Period unless any such Take-Over Offer, Compulsory Acquisition or Other Event results in any of the circumstances referred to in Condition 10 or Condition 11, in which event, the relevant provisions of Condition 10 or Condition 11 shall apply.

**9.2 Other Forms of Reorganisation**

In the event of a scheme of arrangement or any other forms of reorganisation including any scheme of arrangement or reorganisation resulting in the privatisation of the Underlying Company, or the Underlying Company is placed under a judicial management under any applicable laws, the Issuer is entitled to deal with the Structured Warrants in such manner as it reasonably deems fit in the circumstances and with or without any adjustments to the rights attaching to the relevant Structured Warrants.

**10 Delisting of the Underlying Equity**

10.1 If at any time the Underlying Equity of the Structured Warrants ceases to be listed on Bursa Securities or such other Securities Exchanges or there is an announcement of an intention to cease the listing status of the Underlying Company or the Underlying Equity is suspended from trading on Bursa Securities or such other Securities Exchanges prior to, and in connection with the delisting of the Underlying Equity, the Structured Warrants may if determined by the Issuer be automatically exercised without the Holder having to deliver a valid Exercise Form and without notice of automatic exercise being given by the Issuer to the Holder:

- (a) if the Cash Settlement Amount after deducting all Exercise Expenses is greater than zero, the Issuer shall make payment of the Cash Settlement Amount to the relevant Holder; or
- (b) if the Cash Settlement Amount after deducting all the Exercise Expenses is equal to or less than zero, the Issuer shall not be obliged to make any payment to the relevant Holder, and the relevant Structured Warrants shall lapse and cease to be valid and the Issuer's obligations in respect of the Structured Warrants shall terminate absolutely. The Holders shall not be required to pay or top up the Exercise Expenses in the event the Cash Settlement Amount is negative after deducting Exercise Expenses.

In such event, the Settlement Price for the calculation of the Cash Settlement Amount (calculated in accordance with Condition 2) shall, at the Issuer's reasonable discretion, be one of the following:

- (i) the last quoted price of the Underlying Equity immediately before such events;
- (ii) the price determined in accordance with Condition 2.1.2(1)(a);
- (iii) in the case of a Take-over Offer or a Compulsory Acquisition, the announced price for such Take-over Offer or Compulsory Acquisition,
- (iv) such other price as determined by the Issuer in a commercially reasonable manner, as the case may be, and the Issuer shall not be obliged to make any adjustment to the Exercise Price.

10.2 Subject to the aforesaid, the Issuer may but shall not be obliged to make any adjustment to the terms and conditions of the Structured Warrants and the rights attaching to the Structured

**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (cont'd)**

Warrants as it shall reasonably consider appropriate to ensure that the interests of the Holders generally are not materially prejudiced as a consequence of such events (without considering the individual circumstances of any Holder or the tax or other consequences that may result in any particular jurisdiction).

**11 Liquidation, Dissolution or Winding-Up of the Underlying Company**

11.1 In the event of a liquidation, dissolution or winding up of the Underlying Company or the appointment of a liquidator, receiver or administrator or analogous person under any applicable law in respect of the whole or substantially the whole of the Underlying Company's undertaking, property or assets, the Structured Warrants will be automatically exercised without the Holder having to deliver a valid Exercise Form and without notice of automatic exercise being given by the Issuer to the Holder:

- (a) if the Cash Settlement Amount after deducting all Exercise Expenses is greater than zero, the Issuer shall make payment of the Cash Settlement Amount to the relevant Holder; or
- (b) if the Cash Settlement Amount after deducting all Exercise Expenses is equal to or less than zero, the Issuer shall not be obliged to make any payment to the relevant Holder, and the relevant Structured Warrants shall lapse and cease to be valid and the Issuer's obligations in respect of the Structured Warrants shall terminate absolutely. The Holders shall not be required to pay or top up the Exercise Expenses in the event the Cash Settlement Amount is negative after deducting Exercise Expenses.

In such event, the Settlement Price for the calculation of the Cash Settlement Amount (calculated in accordance with Condition 2) shall, at the Issuer's reasonable discretion, be one of the following:

- (i) the last quoted price of the Underlying Equity immediately before such events;
- (ii) the price determined in accordance with Condition 2.1.2(1)(a);
- (iii) in the case of a Take-over Offer or a Compulsory Acquisition, the announced price for such Take-over Offer or Compulsory Acquisition,
- (iv) such other price as determined by the Issuer in a commercially reasonable manner, as the case may be, and the Issuer shall not be obliged to make any adjustment to the Exercise Price.

11.2 Subject to the aforesaid, the Issuer may but shall not be obliged to make any adjustment to the terms and conditions of the Structured Warrants and the rights attaching to the Structured Warrants as it shall reasonably consider appropriate to ensure that the interests of the Holders generally are not materially prejudiced as a consequence of such events (without considering the individual circumstances of any Holder or the tax or other consequences that may result in any particular jurisdiction).

**11A Takeover, Merger, Liquidation, Dissolution or Winding Up of Issuer**

11A.1 In the event of a take-over or a scheme of arrangement or any other form of reorganisation undertaken by the Issuer or any other events having similar effects on the rights of the Holders, the Issuer is entitled to deal with the Structured Warrants in such manner as it reasonably deems fit in the circumstances and with or without any adjustments to the rights attaching to the relevant Structured Warrants.

11A.2 In the event of a merger, amalgamation or reconstruction of the Issuer, the corporation, trust or other body into which the Issuer is merged, amalgamated or reconstructed shall assume all the liabilities and the obligations of the Issuer in respect of the Structured Warrants so that

**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (cont'd)**

the rights of the Holders shall continue to exist and be enforceable to the same extent as provided by the Issuer under the Deed Poll.

11A.3 In the event of a liquidation, dissolution or winding up of the Issuer or the appointment of a receiver or administrator or analogous person under any applicable law in respect of the whole or substantially the whole of the Issuer's undertaking, property or assets, the Structured Warrants remaining outstanding shall be deemed to be exercised on the Market Day immediately prior to the date of such liquidation, dissolution, winding up or appointment as follows:

- (a) All unexercised Structured Warrants shall automatically be exercised without the Holders having to deliver a valid Exercise Form and without notice of automatic exercise being given by the Issuer to the Holders:
  - (i) if the Cash Settlement Amount after deducting all the Exercise Expenses is greater than zero, the Issuer shall make payment of the Cash Settlement Amount to the relevant Holder; or
  - (ii) if the Cash Settlement Amount after deducting all the Exercise Expenses is equal to or less than zero, the Issuer shall not be obliged to make any payment to the relevant Holder, and the relevant Structured Warrants shall lapse and cease to be valid and the Issuer's obligations in respect of the Structured Warrants shall terminate absolutely. The Holders shall not be required to pay or top up the Exercise Expenses in the event the Cash Settlement Amount is negative after deducting Exercise Expenses.

The closing price of the Underlying Equity on the Market Day immediately before the above events shall form the Settlement Price for the calculation of the Cash Settlement Amount for the Structured Warrants.

- (b) Notwithstanding the aforesaid, if there is a Market Disruption Event on the date immediately before the above events ("**Set Date**"), the closing price shall be based on the preceding Market Day after the Market Disruption Event. If the preceding day is also affected by the Market Disruption Event, then the closing price shall be determined by the Issuer on the Set Date as it reasonably deems fit and on the basis of the Issuer's good faith estimate the reference price and/or the exchange rate (if applicable) for that Set Date by determining the price of the Underlying Equity and/or the exchange rate (if applicable) based on the prevailing market conditions and other factors as the Issuer may consider relevant.

## **12 Replacement of Structured Warrant Certificate**

12.1 If the Structured Warrant Certificate which has been deposited with Bursa Depository is mutilated, defaced, lost, worn out, stolen or destroyed it shall be replaced by the Issuer at the registered office of the Structured Warrants Registrar on such terms as to evidence and indemnity or otherwise as the Issuer may require. All payment of such costs as may be incurred in connection therewith shall be borne by the Issuer. Mutilated, defaced, lost, worn, stolen or destroyed Structured Warrant Certificates shall be deemed cancelled.

## **13 Register, Transfer and Transmission**

13.1 Each Holder registered in the Record of Depositors shall be entitled to all rights, benefits, powers and privileges and be subject to all liabilities, duties and obligations in respect of, or arising from the Structured Warrants, and shall be deemed and treated as the absolute owner of the relevant Structured Warrants, in accordance with the Central Depositories Act and the Rules of Bursa Depository, whether or not the Issuer shall be in default in respect of the Structured Warrants or any of the covenants contained herein and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft of any Structured Warrants. The provisions of the Central Depositories Act, the Rules of Bursa Depository and

**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (cont'd)**

the Issuer's Articles for the time being relating to the registration, transfer and transmission of shares and the fees payable thereon shall with necessary modifications apply to the registration, transfer and transmission of the legal ownership of the Structured Warrants, subject always to the provisions of this Condition and Condition 2.

- 13.2 The entries made under Record of Depositors shall be deemed to be the final record of all Depositors. No notice of any trust, express or implied, shall be entered upon the Record of Depositors otherwise than pursuant to an order of a court of competent jurisdiction or as required by law, and a Holder shall be deemed to be the beneficial owner of the Structured Warrants standing to the credit of his/its Securities Account, until such time as the Structured Warrants are duly transferred to another Holder and the name of the transferee is entered in the Record of Depositors.

**14 Meetings of Holders**

- 14.1 The procedure governing the convening and conduct of meetings of the Holders are set out in the Fourth Schedule to the Deed Poll.

**15 Notices**

- 15.1 Subject to Condition 15.2:
- (a) all notices to the Holders pertaining to the convening of meetings shall be made by way notice published in at least one (1) English language national daily newspaper and announced through Bursa Securities; and
  - (b) all other notices shall either be announced through the Bursa Securities or published in at least one (1) English language national daily newspaper.
- 15.2 A notice is deemed to have been given and served on the date of announcement or publication as the case may be or, if announced or published more than once or on different dates, on the first date on which it is announced or published.
- 15.3 All notices effected in accordance with this Condition 15 shall be deemed to be effective in respect of all persons who become Holders after the date of the relevant notice.
- 15.4 For the avoidance of doubt, a notice shall not be required to be published or announced in respect of an event contemplated under Conditions 6, 8, 9, 10, 11 or 11A, as the case may be, if no adjustment to the rights of the Holders or amendment to the terms and conditions of the relevant Structured Warrants is made or to be made pursuant thereto.

**16 Modification of rights**

- 16.1 All or any of the rights for the time being attached to the Structured Warrants (other than the Exercise Price which a Holder is entitled to or the formulae for the adjustment of the Exercise Price or any other condition, which may be modified in accordance with the provisions set out elsewhere in these Conditions) may be altered or abrogated by the Issuer from time to time (whether or not the Issuer is being wound up), and the sanction of a Special Resolution passed at a meeting of the Holders held as aforesaid shall be necessary to effect such alteration or abrogation.
- 16.2 Notwithstanding the provisions of Condition 16.1, the Issuer may without the consent of the Holders but in accordance with the terms of the Deed Poll, effect any modification to the Structured Warrants or the Deed Poll which, in the opinion of the Issuer, is:
- (a) not materially prejudicial to the interests of the Holders; or
  - (b) of a formal, minor or technical nature; or

**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (cont'd)**

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- (c) necessary or expedient to correct a manifest error, or to comply with mandatory provisions of law or rules or regulations; or
- (d) necessary or expedient to facilitate scripless trading in or exercise of the Structured Warrants or payment by way of electronic funds transfer as approved by the relevant government or statutory authorities in respect of the Structured Warrants or to amend the restrictions on transfer or exercise of the Structured Warrants to comply with the requirements of or the concessions granted by any relevant government or statutory authorities.

Any such modification shall be binding on all Holders and shall be notified by the Issuer to them as soon as practicable thereafter in accordance with Condition 15 but in any event not later than 20 Market Days from the date of such modification.

- 16.3 Notwithstanding Condition 16.1, the Issuer may, at any time and from time to time for the purpose of an issue of new Structured Warrants or a new Series of Structured Warrants through the Base Prospectus and without the consent or sanction of the Holders supplement the Deed Poll with the terms and conditions of the new Structured Warrants or Series of Structured Warrants (as set out in the relevant Term Sheet), as the case may be. In the event such supplement to the Deed Poll shall affect the rights and interests of the Holders, the Issuer is to effect such supplement to the Deed Poll by notice to the Holders in accordance with Condition 15 and such supplement shall be binding on all Holders without any further action being required to be taken by the Issuer. For the avoidance of doubt, a Holder is deemed to have notice of all announcements (and their respective contents) made by the Issuer to Bursa Securities in respect of or affecting the Series of Structured Warrants held.

**17 Buy-backs and cancellation**

- 17.1 The Issuer, and/or its Affiliates, may at any time purchase or buy back the Structured Warrants in the open market or by tender or private treaty and become the Holder of the Structured Warrants. Any Structured Warrants so purchased may be held or resold or surrendered for cancellation provided that cancellation of the Structured Warrants may only occur if all outstanding Structured Warrants have been purchased by the Issuer and/or its Affiliates. If pursuant to this Condition, the Issuer purchases or buys back the Structured Warrants and becomes the Holder of and is beneficially entitled to the Structured Warrants, the Issuer shall not exercise the voting rights with respect to such Structured Warrants held in any meeting of the Holders, unless otherwise permitted by the authorities or applicable laws and requirements.
- 17.2 Notwithstanding Condition 17.1, any purchase of the Structured Warrants by the Issuer and/or its Affiliates shall be undertaken in such manner and on such terms as may be imposed by the SC.

**18 Structured Warrants Registrar**

- 18.1 The Structured Warrants Registrar acts as an agent of the Issuer and shall not assume any obligation or duty to or any relationship of agency or trust for the Holders except only as described in Condition 18.2.
- 18.2 The Structured Warrants Registrar shall not be liable to any Holder in respect of any losses, liabilities, costs, claims, actions or demands which such Holder may suffer or incur or allege to have suffered or incurred as a result of or in connection with the exercise or non-exercise of any Structured Warrants Registrar's powers, discretions and/or duties. The Structured Warrants Registrar may:
- (a) in the exercise of its powers, discretions and/or duties, act on the advice or opinion of, or any certificate or information obtained in good faith from, any lawyer, valuer, accountant, banker, broker, securities company or other expert whether obtained by the Issuer, the relevant Structured Warrants Registrar or otherwise (which advice,

**ANNEXURE I PRINCIPAL TERMS OF DEED POLL (cont'd)**

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opinion, certificate or information may be sent or obtained by letter, telex, telegram, cable or facsimile device) and the Structured Warrants Registrar shall not be liable for any loss occasioned by acting on any such advice, opinion, certificate or information or by any such letter, telex, telegram cable or facsimile message being forged or otherwise not authentic or containing some errors with respect to content, delivery or transmission;

- (b) receive and retain without liability to account, such fee or other remuneration as may from time to time be agreed between the Issuer and the Structured Warrants Registrar; and
- (c) enter into or be interested in any contract or financial or other transaction or arrangement with the Issuer or any person or body corporate associated with the Issuer in connection therewith receive and retain, without liability to account any profit, fee, remuneration or other benefit received thereby or in connection therewith.

The Structured Warrants Registrar does not act as the agent of any Holder and therefore owes no fiduciary duty to any Holder in arriving at its calculations and determinations.

**19 Exclusion of equities**

Subject to the Central Depositories Act, the Rules of Bursa Depository, the Deed Poll, or these Conditions, no person shall be recognised by the Issuer as holding any Structured Warrants upon any trust, and the Issuer shall not be bound by or compelled in any way to recognise any equitable, contingent, future or partial interest in any Warrant, or any interest in any fractional part of a Structured Warrant, or (except only as by these presents or by law otherwise provided) any other right in respect of any Structured Warrants, except an absolute right to the entirety thereof in the registered holder.

**20 Governing law**

The Structured Warrants and the Deed Poll are governed by and shall be construed in accordance with the laws of Malaysia. The Issuer and the Holders irrevocably agree that with respect to any proceedings in Malaysia in connection with any matter or issue relating to the Deed Poll and these Conditions, they shall be bound by the decision, ruling or order of the Malaysian Court.

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**ANNEXURE II PRIVACY NOTICES**

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**ANNEXURE II PRIVACY NOTICES****MACQUARIE CAPITAL SECURITIES (MALAYSIA) SDN. BHD.****PERSONAL DATA NOTICE RELATING TO THE  
PERSONAL DATA PROTECTION ACT 2010 (THE "ACT")**

This personal data notice applies to any person whose personal data is processed by or on behalf of Macquarie Capital Securities (Malaysia) Sdn. Bhd. ("**we**" or "**us**"). Terms not defined in this notice shall have the meaning given to them in the Act (if any).

If you provide or you have provided to us any personal data of another individual including your directors, officers and/or employees, you (i) represent and warrant that you have obtained sufficient informed consent from each of such individuals to the processing of his/her personal data by us, (ii) will provide us with evidence of such consent when requested by us, and (iii) shall provide a copy of this notice to each of such individuals. References to "**you**" in this notice shall include all relevant data subjects.

Please note that this notice may be amended from time to time and the data subject shall visit <http://www.macquarie.my/mgl/my/en> on a regular basis for updates and changes.

**1. THE PERSONAL DATA WE PROCESS**

The personal data processed by us may include one or more of the following: your name, address, proof of identification (eg. National Registration Identity Card, driver's license and passport), contact details, email address, occupation, sample of signature, information of any past breaches of or convictions under any law, your financial position, results from third party searches, the relevant products or services provided to you and any other personal data required for the purposes set out in paragraph 3 below (collectively "**your personal data**").

Sensitive personal data may include such things as information on physical or mental health or medical condition, political opinions, religious or other similar beliefs, commission or alleged commission of any offence.

Although it is not obligatory to provide your personal data to us, failure to supply such personal data may result in us being unable to open or continue accounts or provide brokerage or financial services.

**2. PURPOSES**

We may process your personal data for the following purposes:

- (a) to fulfil our legal or regulatory obligations under applicable laws and rules, such as those relating to anti-money laundering and counter-terrorism financing (including identification verification);
- (b) to consider applications for products and/or services (including assessing and/or verifying your creditworthiness);
- (c) to communicate with you including responding to your enquiries;
- (d) to provide you with information on products, services and/or events offered/organised by us, our affiliates or our business partners;
- (e) to perform control and risk management functions;
- (f) to enforce our rights; and



**ANNEXURE II PRIVACY NOTICES (cont'd)**

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- (g) any other purpose that is incidental or ancillary to the above purposes.

**3. SOURCES**

Your personal data is collected from various sources, including information you have provided to us, information from third parties and information in the public domain.

**4. ACCESS AND REQUEST FOR CORRECTION**

You may contact us by writing to us if you wish to request for access to your personal data that we retain about you, request for your personal data retained by us to be corrected, or withdraw your consent to the processing or use of your personal data by us. We may charge a reasonable fee for processing your request. We may also refuse to comply with your request in accordance with the Act. Any request, inquiries or complaints can be sent to [privacy@macquarie.com](mailto:privacy@macquarie.com) by email or attention to the Complaint Officer at Level 10, Menara Dion, 27, Jalan Sultan Ismail, 50250 Kuala Lumpur, Malaysia (Telephone no: +603-2381 0203).

**5. DISCLOSURE OF PERSONAL DATA**

We may share your personal data with entities within the Macquarie Group of companies including all related companies, subsidiaries, holding companies and associated companies, and may disclose your personal data (whether in or outside Malaysia):

- (a) as required by applicable laws or rules, such as those relating to anti-money laundering and counter-terrorism financing, or as required by regulatory, supervisory, law enforcement or governmental bodies;
- (b) to any court of competent jurisdiction in defense of claims or enforcement of rights;
- (c) to service providers who provide services in connection with our products and services;
- (d) to our professional advisors on a need-to-know basis; or
- (e) any other persons which we reasonably think fit.

**6. TRANSFER OF INFORMATION**

Your personal data may be transferred to a place outside of Malaysia.

In the event of any inconsistency or conflict between the English language version and the Bahasa Malaysia version of this Personal Data Notice, the English language version shall prevail.

*By providing to us your personal data and/or should you continue to trade with us (where applicable), you hereby consent to the collection, processing, use, disclosure and retention of your personal data in accordance with all of the foregoing.*

**Macquarie Capital Securities (Malaysia) Sdn. Bhd.**

February 2014

**ANNEXURE II PRIVACY NOTICES (cont'd)**

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**MACQUARIE CAPITAL SECURITIES (MALAYSIA) SDN. BHD.****NOTIS DATA PERIBADI BERKAITAN DENGAN  
AKTA PERLINDUNGAN DATA PERIBADI 2010 ("AKTA")**

Notis data peribadi ini terpakai kepada mana-mana orang yang data peribadinya diproses oleh atau bagi pihak Macquarie Capital Securities (Malaysia) Sdn. Bhd. ("**kami**"). Terma-terma yang tidak ditakrifkan dalam notis ini akan mempunyai makna sepertimana diberi kepadanya dalam Akta (jika ada).

Jika anda membekalkan atau telah membekalkan kepada kami mana-mana data peribadi individu lain termasuk pengarah, pegawai dan/atau pekerja anda, anda (i) mewakili dan menjamin bahawa anda telah mendapatkan kebenaran berdasarkan maklumat yang mencukupi daripada setiap individu tersebut kepada pemprosesan data peribadinya oleh kami, (ii) akan memberikan kepada kami bukti persetujuan itu apabila diminta oleh kami, dan (iii) hendaklah memberikan sesalinan notis ini kepada setiap individu tersebut. Rujukan kepada "**anda**" dalam notis ini hendaklah termasuk semua subjek data yang relevan.

Sila ambil perhatian bahawa notis ini boleh dipinda dari semasa ke semasa dan subjek data hendaklah kerap melawat <http://www.macquarie.my/mgl/my/en> untuk kemaskini dan perubahan.

**1. DATA PERIBADI YANG KAMI PROSES**

Data peribadi yang diproses oleh kami mungkin termasuk satu atau lebih daripada yang berikut: Nama anda, alamat, bukti pengenalan (seperti Kad Pengenalan Identiti Nasional, lesen memandu dan passport), butiran perhubungan, alamat e-mel, pekerjaan, sampel tandatangan, maklumat apa-apa pelanggaran atau sabitan di bawah mana-mana undang-undang yang lalu, kedudukan kewangan anda, hasil carian pihak ketiga, produk atau perkhidmatan berkenaan yang diberikan kepada anda dan apa-apa data peribadi lain yang dikehendaki untuk tujuan-tujuan yang dinyatakan dalam perenggan 3 di bawah (secara kolektifnya "data peribadi anda").

Data peribadi sensitif termasuk maklumat tentang kesihatan atau keadaan fizikal atau mental seorang subjek data, pendapat politiknya, kepercayaan agamanya atau kepercayaan lain yang bersifat seumpamanya, pelakuan atau pengatahan apa-apa kesalahan olehnya.

Walaupun ia adalah bukan wajib untuk membekalkan data peribadi anda kepada kami, kegagalan untuk memberi data peribadi tersebut mungkin menyebabkan kami tidak dapat membuka atau meneruskan akaun-akaun ataupun memberi perkhidmatan pembrokeran atau perkhidmatan kewangan.

**2. TUJUAN-TUJUAN**

Kami mungkin memproses data peribadi anda untuk tujuan-tujuan berikut:

- (a) untuk memenuhi kewajipan undang-undang atau peraturan di bawah undang-undang dan peraturan-peraturan yang terpakai, seperti yang berkaitan dengan pencegahan pengubahan wang haram dan pencegahan pembiayaan keganasan (termasuk pengesahan pengenalan);
- (b) untuk mempertimbangkan permohonan untuk produk-produk dan/atau perkhidmatan-perkhidmatan (termasuk menilai dan/atau mengesahkan kepercayaan kredit anda);
- (c) untuk berkomunikasi dengan anda termasuk menjawab pertanyaan anda;
- (d) untuk memberikan kepada anda maklumat tentang produk-produk, perkhidmatan-perkhidmatan dan/atau acara yang ditawarkan/dianjurkan oleh kami, anggota gabungan kami atau rakan perniagaan kami;

**ANNEXURE II PRIVACY NOTICES (cont'd)**

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- (e) untuk melaksanakan kawalan dan fungsi pengurusan risiko;
- (f) untuk menguatkuasakan hak-hak kami; dan
- (g) apa-apa tujuan sampingan atau berkaitan dengan tujuan-tujuan di atas.

**3. SUMBER-SUMBER**

Data peribadi anda dikumpulkan daripada pelbagai sumber, termasuk maklumat yang anda bekalkan kepada kami, maklumat daripada pihak-pihak ketiga dan maklumat dalam domain awam.

**4. AKSES DAN PERMINTAAN UNTUK PEMBETULAN**

Anda boleh menghubungi kami dengan menulis kepada kami sekiranya anda ingin meminta akses kepada data peribadi anda yang mana kami menyimpan tentang anda, meminta supaya data peribadi anda yang disimpan oleh kami dibetulkan, atau menarik balik persetujuan anda kepada pemprosesan atau penggunaan data peribadi anda oleh kami. Kami mungkin akan mengenakan satu bayaran yang munasabah untuk pemprosesan permintaan anda. Kami mungkin juga enggan mematuhi dengan permintaan anda selaras dengan Akta.

Sekiranya anda mempunyai sebarang pertanyaan atau aduan berkenaan dengan data peribadi, sila tujukan pertanyaan anda kepada [privacy@macquarie.com](mailto:privacy@macquarie.com) atau anda boleh menghantar pertanyaan anda secara bertulis kepada Complaint Officer di alamat: Tingkat 10, Menara Dion, 27, Jalan Sultan Ismail, 50250 Kuala Lumpur, Malaysia (Telefon no: +603-2381 0203).

**5. PENDEDAHAN DATA PERIBADI**

Kami mungkin akan berkongsi data peribadi anda dengan entiti-entiti di dalam kumpulan syarikat Macquarie termasuk kesemua syarikat-syarikat berkaitan, anak syarikat, syarikat induk dan syarikat-syarikat bersekutu, dan mungkin mendedahkan data peribadi anda (sama ada di dalam atau di luar Malaysia):

- (a) sepertimana yang dikehendaki oleh undang-undang atau peraturan-peraturan yang terpakai seperti yang berkaitan dengan pencegahan pengubahan wang haram dan pencegahan pembiayaan keganasan, atau yang dikehendaki oleh pengawalseliaan, pemantauan, penguatkuasaan undang-undang atau badan-badan kerajaan;
- (b) kepada mana-mana mahkamah yang mempunyai bidang kuasa kompeten dalam pembelaan terhadap tuntutan-tuntutan atau penguatkuasaan hak-hak;
- (c) kepada pembekal perkhidmatan yang membekalkan perkhidmatan yang berkaitan dengan produk-produk dan perkhidmatan-perkhidmatan kami;
- (d) kepada penasihat-penasihat professional kami atas dasar keperluan sahaja; atau
- (e) mana-mana orang yang lain yang kami dengan munasabahnya fikirkan wajar.

**6. PEMINDAHAN MAKLUMAT**

Data peribadi anda mungkin akan dipindahkan ke satu tempat di luar Malaysia.

Sekiranya versi Bahasa Inggeris dan versi Bahasa Malaysia Notis Data Peribadi ini adalah tidak konsisten ataupun bercanggah, versi Bahasa Inggeris hendaklah berkuatkuasa.

**ANNEXURE II PRIVACY NOTICES (cont'd)**

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*Dengan membekalkan kepada kami data peribadi anda dan/atau sekiranya anda terus berdagang dengan kami (yang mana berkenaan), anda dengan ini bersetuju kepada pengumpulan, pemprosesan, penggunaan, pendedahan dan pengekalan data peribadi anda selaras dengan semua perkara di atas.*

**Macquarie Capital Securities (Malaysia) Sdn. Bhd.**

Februari 2014