

BANK NEGARA MALAYSIA

CORPORATE DEBT RESTRUCTURING COMMITTEE

PARTICIPANTS' CODE OF CONDUCT

Issued on **29 JULY 2009**

(updated on **29 APRIL 2013**)

Introduction

- 1.1 The Corporate Debt Restructuring Committee (“**CDRC**”) was formed by Bank Negara Malaysia (“**BNM**”) to provide a platform for both debtors and creditors to work out feasible debt restructuring schemes without having to resort to legal proceedings.
- 1.2 The Code of Conduct (“**Code**”) specifies the CDRC’s expectations of the conduct of both debtors and creditors that have applied and/or referred-to the CDRC, and admitted to the CDRC for a debt restructuring workout (the “**Participants**”).
- 1.3 This Code is not intended to be legally binding on the Participants. Nonetheless, any breach or non-compliance of the Code by any Participant shall be regarded with serious concern by the CDRC.

Scope and Commencement

- 2.1 The Code shall be observed by the Participants.
- 2.2 The Code is issued and effective on 29 July 2009 and shall be applicable until the CDRC is dissolved.

Definitions and Interpretation

- 3.1 In this Code, except where the context otherwise requires, the following words shall have the following meanings-

“**Act**” means the Companies Act, 1965 (Act 125) and includes any modification or re-enactment thereof in force;

“**eligible debtor**” means any person who satisfies the eligibility criteria in section 5 of this Code;

“**facility**” means, in respect of an eligible debtor, each loan, credit or financing facility, whether Islamic or conventional granted by a participating institution to an eligible debtor, or any issuances of securities by an eligible debtor and includes all rights to receive repayment of monies lent or made available thereunder;

“**participating institutions**” or “**creditors**” means any

- a) financial institutions licensed under the Banking and Financial Institutions Act 1989;
- b) Islamic banks licensed under the Islamic Banking Act 1983;

- c) development financial institutions licensed under the Development Financial Institutions Act 2002;
- d) any other institutions which come within the purview of regulation of BNM; and
- e) any other body corporate, co-operative societies, fund managers, unit trusts or other entity legally empowered under its valid and binding constitutive agreement to provide loans, financing or any other credit facilities save and except for any trade creditors of an eligible debtor, who are the creditors of an eligible debtor or holders of debt securities issued by an eligible debtor and have agreed to participate in the debt restructuring framework of the CDRC;

“**workout exercise**” refers to the individual workout exercise under this Code undertaken by the eligible debtor and the participating institutions in formulating the proposed debt restructuring scheme.

General Principles

- 4.1 The CDRC is intended to be a forum for the mediation of debt restructuring arrangements between Participants.
- 4.2 All creditors are encouraged to co-operate and work together towards achieving a common objective of a successful debt restructuring that restores the operations and business of a company to commercial viability while respecting the priority of rights of such creditors and other capital or liquidity providers.
- 4.3 The CDRC aims to facilitate effective communication between companies and their creditors and to mediate conflicting interests with the aim of a successful debt restructuring workout.
- 4.4 In determining the consensus of the participating institutions in respect of any matters under the Code, the CDRC shall regard a majority of seventy-five percent (75%) from each class of creditor as having achieved a consensus.

Eligibility Criteria

- 5.1 Companies eligible to be admitted to CDRC shall meet the following criteria:
 - a) having an aggregate indebtedness arising under or in connection with any financing/loan agreements or arrangements or issuance of securities of at least Ringgit Malaysia Ten Million (RM10,000,000-00), and involving at least two(2) participating institutions;
 - b) that the applicant or referred borrower is not at the time of consideration by the CDRC, dissolved, in liquidation or in receivership and no such actions or conditions exist at

that time which may result in a dissolution, liquidation or receivership of the applicant. In the event that any such actions or conditions exist at the time of consideration, necessary steps shall be taken to keep such actions in abeyance. Nevertheless, an exception is given to those companies where Receivers have been appointed only over certain specified assets and that the Directors remain in control of the companies' overall operations;

- c) that the applicant or referred borrower is experiencing difficulties in servicing their debt obligations but may not have already defaulted on its obligations provided it meets criterion (a); or
- d) the applicant or referred borrower is a company listed on the Main Market or ACE Market of Bursa Malaysia that has been classified as a PN17 or GN3 company respectively.

The applicant or referred borrower is expected to be viable as a going concern post-restructuring in all cases.

- 5.2 The CDRC in its absolute discretion may accept or reject cases that do not meet the eligibility criteria as stipulated herein.
- 5.3 The CDRC in its absolute discretion may review and/or amend the eligibility criteria stipulated herein as it deems necessary for the purposes of preserving its over-reaching objectives of employment preservation and sustaining economic growth.

Key Restructuring Principles

- 6.1 **First Loss Principle**: the losses incurred by an eligible debtor shall always be borne firstly by its ordinary shareholders, and followed by any preference shareholders and providers of subordinated loans or advances;
- 6.2 **Post-Restructuring Level of Borrowing**: the post-restructuring level of debt shall be set at a level that is commensurate with the debt servicing capability of the eligible debtor, taking into account, amongst others, its expected future cashflows and the value of its assets;
- 6.3 **Shortfall to Creditors**: any shortfall borne by participating institutions of an eligible debtor shall be sufficiently compensated by way of issuance of equity, equity hybrids or any other type of deferred instruments;
- 6.4 **Ranking**: the debt restructuring scheme shall recognize and acknowledge the existing priority and status of claims of the creditors of an eligible debtor at the time of application or referral of such eligible debtor to the CDRC and there shall be no changes in respect of the prevailing ranking and status of creditors;

- 6.5 **New Monies**: any claims by creditors of an eligible debtor in respect of new monies provided by its creditors, if any, to sustain the viability of the business shall be accorded a senior ranking status to the existing debts of the eligible debtor; and
- 6.6 **Operating Accounts**: where appropriate, there should be consolidation of the operating accounts of the eligible debtor, with the aim of providing transparency to its creditors of its actual cashflows.

Organisational Structure

7.1 **Organs of the framework**: The following committees shall be formed under the framework, which shall jointly undertake the workout exercise:

- a) the Committee;
- b) the Operations Team (as defined in subsection 7.3 hereof); and
- c) the Creditors Committee.

7.2 The Committee

- a) The Committee will comprise seven (7) members having the requisite experience and from legal, accounting or regulatory backgrounds including but not limited to the following person(s):
 - (i) the chairman of the CDRC (“Chairman”);
 - (ii) representatives of BNM;
 - (iii) representatives of the Securities Commission;
 - (iv) representatives from the Ministry of Finance; and
 - (v) independent representatives appointed by BNM.
- b) The Committee shall meet at least once a month. At any meeting of the Committee, at least five (5) members of the Committee shall form the quorum for the convening of a Committee meeting.
- c) In the absence of the Chairman, the quorum present may nominate any member of the Committee present at the meeting to chair the Committee meeting.
- d) The Committee may, in the execution and exercise of all or any of its functions, duties or powers, delegate such functions, duties or powers to the Operations Team.

- e) functions and duties of the Committee include the following:-
 - (i) to consider applications made or referred cases to the CDRC and review whether such applicant or referred case meets the eligibility criteria;
 - (ii) to provide broad guidelines on the steps to be taken in the workout exercise to enable orderly and expeditious progress, whilst allowing the parties flexibility in exercising their commercial decisions in arriving at equitable and fair treatment of all classes of creditors;
 - (iii) to mediate in disputes, if any, amongst participating institutions, or between participating institutions and eligible debtors

7.3 **The Operations Team:** The Operations Team shall consist of the persons appointed by the CDRC and shall carry out the following functions and duties in addition to any functions and duties as may be delegated or specified to it by the Committee (the “**Operations Team**”):-

- a) to keep a register of all applications made to the Committee by eligible debtors and submit the same to the Committee;
- b) to handle all inquiries in respect of the Committee;
- c) to review all applications submitted, including to conduct any initial screening procedures as it deems necessary;
- d) to make recommendations to the Committee in respect of accepting or rejecting applications in accordance with sub-section (c) hereof and to respond promptly to the applicants;
- e) to keep track of the progress and status of all applications;
- f) to facilitate the convening of meetings of the Creditors Committee with the participating institutions and/or the eligible debtor, as the case may be;
- g) to convene and chair Creditors Committee meetings;
- h) to invite the eligible debtor to attend a Creditors Committee meeting, and to convene and chair such Creditors Committee meetings;
- i) to monitor and ensure that the deadlines set are adhered to; and
- j) to provide administrative support to the Committee in all administrative and technical matters as may be required; and
- k) to provide reporting to the Committee.

The Operations Team is not a decision-making body, and merely has administrative and secretarial powers in respect of the functions and duties as prescribed in section 7.3 hereof.

7.4 Creditors Committee

- a) A distinct Creditors Committee consisting of participating institutions of an eligible debtor shall be formed in respect of each successful application or referral.
- b) The members of the Creditors Committee shall comprise representatives from all or substantially all classes of creditors, including but not limited to secured creditors, unsecured creditors and bondholders. The respective representatives are expected to be senior officers of the creditor with sufficient decision-making authority.
- c) All Creditors Committee meetings will be chaired by a representative of the CDRC.
- d) The Creditors Committee will be responsible for the following matters:-
 - (i) evaluation and negotiation of the proposed restructuring scheme;
 - (ii) to finalise and recommend for approval the proposed restructuring scheme; and
 - (iii) any other functions as may be deemed necessary for the workout exercise and are in accordance with the spirit of the Code.

Procedures and Methodology of the Workout Exercise

- 8.1 **Application:** An application may be made to the CDRC by an eligible debtor or a creditor may refer an eligible debtor's case for a workout exercise under the framework of the CDRC. Such application shall be in the form and substance as prescribed by the CDRC.
- 8.2 **Viability Assessment:** The CDRC shall, upon receipt of an application ~~or referral~~ of a borrower conduct a viability assessment on the eligible debtor to determine the viability of a restructuring of the eligible debtor's debt.
- 8.3 **Notification:** The CDRC shall, within one (1) month from the date of application in paragraph 7.1 hereof notify the eligible debtor and its creditors of its decision to accept or reject the application or referral of the eligible debtor to the CDRC for a workout exercise under the framework of the CDRC.
- 8.4 **Standstill:** All participating institutions shall execute a standstill agreement, in the form and substance set out in Annex 1 of this Code. The workout exercise will only be commenced upon the standstill agreement being duly executed in accordance with the requirements of the Code.

- 8.5 Creditors Committee: Upon the standstill agreement duly executed, the Committee shall form a Creditors Committee in accordance with the Code.
- 8.6 Proposed Workout: The eligible debtor, in consultation with the Creditors Committee shall proceed to prepare a proposed debt restructuring scheme within the period specified by the Operations Team in accordance with the Code.
- The proposed debt restructuring scheme shall-
- a) contain complete and comprehensive terms and conditions of the proposed debt restructuring scheme sufficient to be incorporated into a final restructuring agreement;
 - b) conform to the Key Restructuring Principles as set out in paragraph 6 of the Code; and
 - c) be accompanied with the complete legal documentation as may be required for the execution of the final restructuring agreement.
- 8.7 Formal Notification: Upon finalisation of the proposed debt restructuring scheme, the CDRC shall formally write to each of the Participating Institutions to seek their official and formal confirmation and agreement of the same within a period specified by the CDRC.
- 8.8 Final Agreement: Upon the CDRC's receipt of confirmation from at least seventy five percent (75%) of each class of creditors, the CDRC will notify the eligible debtor and its participating institutions that it deems the proposed debt restructuring scheme binding on all parties and they may proceed to prepare and execute the final restructuring agreement within a period specified by the CDRC.

Standstill

- 9.1 Each participating institution must enter into a standstill agreement in the form prescribed in Annex 1 hereof prior to the commencement of the workout exercise. The terms of the standstill agreement is non-negotiable and shall bind all participating institutions.
- 9.2 The eligible debtor shall within two (2) months from the date of its acceptance into the CDRC for a workout exercise procure all of its creditors to execute the standstill agreement. If the eligible debtor is unable to procure its creditors to execute the standstill agreement within the time period specified, CDRC may at its sole discretion deem the workout exercise to have failed and no further acts shall be taken in respect of a workout exercise under the Code.
- 9.3 Pending the execution of the standstill agreement in accordance with paragraph 9.2 hereof, all creditors of a participating institution are expected to observe a standstill period commencing from the date on which the participating institutions in respect of an eligible debtor is notified of the acceptance of the eligible debtor's application or referral by the CDRC, until the said execution of the standstill agreement.

- 9.4 Where participating institutions are holders of securities issued by the eligible debtor, such participating institutions shall instruct and authorise any trustee or other person appointed to represent the interests of the holders of such securities to enter into the standstill agreement for and on behalf of the holders of the said securities.
- 9.5 The standstill arrangement may be extended pending the full implementation of the proposed debt restructuring scheme with the mutual agreement of all participating institutions, whereupon the terms and conditions of the standstill agreement shall be applicable to such extension period.

Meetings

- 10.1 All formal meetings of the Creditors Committee shall be chaired by a representative of the CDRC (the “**Chairman**”).
- 10.2 Attendance of all members of the Creditors Committee is mandatory for each meeting. Where a representative of a participating institution is unable to attend any Creditors Committee meetings, an alternate representative of similar seniority shall attend on behalf of that participating institution. Failure to attend any Creditors Committee’s meeting twice will result in the removal of the said creditor from the Creditors Committee.

Observance of Milestones and Extension of Time

- 12 Delays in the workout exercise or the implementation of the debt restructuring scheme may have the effect of diminishing the possibility of the effective restructuring of the eligible debtor. To minimise the risk of this materialising, the Operations Team shall establish a tentative timeline which is expected to be met by all Participants and any other parties involved in the workout exercise.

Non-Compliance of the Code

- 13.1 The failure of the participating institutions or the eligible debtor to observe or perform its obligations under the Code or under any arrangement or undertaking entered into in connection therewith shall be deemed conclusively by the CDRC as a breach of the Code by the participating institutions (“**Non-Compliance Events**”) save and except otherwise communicated in writing to the said participating institution by the CDRC.
- 13.2 If any participating institution commits any of the Non-Compliance Events, any other participating institution or the eligible debtor may report such breach to the CDRC, and such report shall include all relevant details and evidence pertaining to such breach.
- 13.3 Upon the receipt of such report or information on such breach, the CDRC shall consider the matter and issue a letter notifying the participating institution of such breach and providing

a timeline for the remedy of such breach to be complied with by the said participating institutions.

Fees and Expenses

- 14.1 An administrative fee is payable upon the successful implementation of the debt restructuring scheme and there shall be no fees payable to the CDRC in the event that the scheme is aborted unless such abortion is deliberate.

Confidentiality and Secrecy

- 15.1 Each party under the Code, including but not limited to any consultants or experts appointed, their related employees and officers shall not use or exploit for any purpose whatsoever divulge or communicate to any person any information relating to the affairs of the eligible debtor and or any participating institution, or any confidential knowledge or information or any legal, financial, trading or other information relating to the eligible debtor or the participating institution which it may receive or obtain through the workout exercise save and except as may be required by law.
- 15.2 If required by the CDRC, the eligible debtors and/or the participating institutions, as the case may be, shall procure their respective advisers and consultants and their representatives (other than officers and employees), if any to give a similar confidentiality undertaking acceptable to the CDRC.

Release and Indemnity

- 16.1 Any party who subscribes to the Code shall indemnify and hold harmless the CDRC and the officers, members, servants, agents and advisers of CDRC against any legal proceedings, suit, action, arbitration or any other form of dispute resolution for any loss or damage caused or likely to be caused by anything which is done, omitted or intended to be done in good faith in furtherance of the workout exercise in accordance with the Code.

Miscellaneous

- 17.1 The Code may be amended at any time and from time to time in the absolute discretion of the CDRC.
- 17.2 The decisions of the CDRC and/or the Committee, as the case may be, in respect of any matters to be decided by them in accordance with the Code, shall be final and conclusive.

Annex 1
Form of Standstill Agreement

Dated the day of 20

Between

THE PARTICIPATING INSTITUTIONS LISTED IN SCHEDULE 1 HEREOF

And

[name of eligible debtor]

STANDSTILL AGREEMENT

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STANDSTILL AGREEMENT

THIS AGREEMENT is made on the _____ day of _____ 20

BETWEEN:-

(1) The entities listed in Schedule 1 hereof (the “**Participating Institutions**”);

AND

(2) [*name of eligible debtor*] (the “**Eligible Debtor**”).

(collectively referred to as the “**Parties**”)

WHEREAS:

- (I) The Eligible Debtor has been granted certain loan/credit/ financing facilities by the Participating Institutions and/or issued securities to investors, the details of which are specified in Schedule 1 hereof (the “**Facilities**”).
- (II) As at the Relevant Date, certain defaults have occurred under certain or all of the Facilities which would entitle the Participating Institutions to declare all outstanding amounts under the Facilities due and payable and/or to cancel the Facilities.
- (III) The Eligible Debtor has applied to the CDRC (as defined herein)/The Participating Institutions of the Eligible Debtor have referred the Eligible Debtor’s case to the CDRC (as defined herein) for a workout exercise under the Corporate Debt Restructuring Committee Participants’ Code of Conduct issued by the CDRC on [] and the CDRC had approved such approval/referral.
- (IV) The creditors of the Eligible Debtor have been duly notified of such approval referred to in (III) herein and have agreed to mutually co-operate and prepare a debt restructuring proposal in respect of the Eligible Debtor.
- (V) The Eligible Debtor is now consulting with the Participating Institutions on arrangements under which the Facilities may be restructured pursuant to the Code and the Participating Institutions are required to observe a standstill period whereby they will refrain from taking steps to recover debts owed by the Eligible Debtor under the Facilities in accordance with this Agreement so as to permit the Eligible Debtor to propose a debt restructuring proposal for the Eligible Debtor (the “**Proposal**”).
- (VI) This Agreement sets out the terms and conditions of the standstill period imposed on the Participating Institution pursuant to the Code.

NOW IT IS HEREBY AGREED as follows: -

1. INTERPRETATION

1.1 In this Agreement, unless the context requires otherwise:

“Banking Day”	means a day (excluding Saturday) on which banks are open for business in Kuala Lumpur and Labuan;
“Event of Default”	means any event specified in Clause 5;
“Relevant Date”	means the date of the acceptance of the application by the Eligible Debtor or the referral of the Eligible Debtor’s case by the CDRC for the workout of a debt restructuring proposal under the Code;
“Standstill Accession Deed”	means the standstill accession deed substantially in the form set out in Schedule 2 hereof;
“Standstill Period”	means the period commencing on the Relevant Date expiring on the close of business on the earliest of – (a) the date falling six (6) months from the Relevant Date; (b) the entry of the Parties into the final restructuring agreement for the restructuring of the terms of and security for the Facilities taking effect; or (c) the occurrence of an Event of Default.
“Security”	means all security provided under or pursuant to the Facilities in order to secure the due and timely payment or repayment of all amounts, whether principal or interest, owing under the Facilities.

1.2 The expressions “Eligible Debtor” and “Participating Institutions” shall where the context permits include their respective successors and permitted assigns and any persons deriving title under them;

1.3 Any reference in this Agreement to “indebtedness” includes any obligations of any person for the payment of money, whether present or future, actual or contingent;

1.4 Any reference in this Agreement to a “person” includes any individual, company, body corporate or unincorporated or other juridical person, partnership, firm, joint venture or trust or any federation, state or subdivision thereof or any government or agency thereof.

1.5 Any reference in this Agreement to a “Clause” or “Schedule” shall be construed as a reference to a clause of or a schedule to this Agreement.

- 1.6 Any reference to any agreements, deeds or instruments shall be a reference to such agreement, deed or instrument as may be amended, supplemented or varied from time to time.
- 1.7 Words importing the singular number shall include the plural and vice versa and words importing a gender shall include every gender.
- 1.8 Headings of Clauses are for reference only and shall be ignored in construing this Agreement.
- 1.9 Save as provided in Clause 1.1, words and expressions defined in the Companies Act 1965 (Act 125 of the Laws of Malaysia) shall have the same meanings in this Agreement.

2. ACCESSION TO STANDSTILL AGREEMENT

- 2.1 In the event that any creditor of an eligible debtor wishes to participate in the workout exercise of that eligible debtor after such workout exercise has commenced, such creditor shall prior to his participation, accede to this Agreement by way of executing and delivering the Standstill Accession Deed, the form of which shall be provided by the CDRC to the said creditor.
- 2.2 For the avoidance of doubt, any institution or entity who intends to be admitted to this Agreement shall not be deemed to be a party to this Agreement until it has executed and delivered the Standstill Accession Deed to the CDRC.
- 2.3 This Agreement shall continue to bind the Participating Institutions until the expiry of the Standstill Period.

3. UNDERTAKINGS BY THE PARTICIPATING INSTITUTIONS

- 3.1 Each of the Participating Institutions agrees with each other and the Eligible Debtor that during the Standstill Period:-
 - (a) continue to make available and maintain the outstanding balance on all Facilities granted to the eligible debtor as at the commencement of the Standstill Period;
 - (b) not take or commence or continue any recovery action or legal proceedings against the Eligible Debtor or any of its assets, whether held as security or not in respect of any of the Facilities or any other liability of the Eligible Debtor or permit any recovery action or proceedings to be taken on its behalf;
 - (c) not accelerate or require payment of any liability of the Eligible Debtor in respect of any of the Facilities;
 - (d) not take any action to enforce or make any demand under any security or guarantee or similar support given in connection with the Facilities by the Eligible Debtor;

- (e) not exercise any right of set-off or consolidation of accounts in respect of amounts outstanding under any Facilities;
- (f) not attempt to secure or obtain any guarantee, indemnity, charge, pledge, lien or any other security from the Eligible Debtor save and except with the prior written consent from the other Participating Institutions in respect of that Eligible Debtor;
- (g) not impose any penalty charges or late payment charges on any amounts due and payable under the Facilities as at the commencement of the Standstill Period;
- (h) unless it is permitted under the transaction documents pertaining to the Facilities, not sell, assign or transfer its Facilities to any person or entity who is not a Participating Institution under the Code and provided that such person or entity executes the Standstill Accession Deed and adheres to the terms and conditions of this Agreement; and
- (i) consent to the repayment to the secured Participating institutions in respect of the Eligible Debtor whereby the monies for such repayment is derived from any redemption sums and cash flows generated from projects undertaken by the Eligible Debtor , if any, to continue.

3.2 Notwithstanding anything in this clause 3, in the event that a Participating institution is of the opinion that its right of action against the Eligible Debtor may be prejudiced by the applicable limitation period imposed by the Limitation Act 1953, the said Participating Institution may commence legal proceedings but the said Participating Institution shall immediately discontinue and keep in abeyance any such proceedings during the Standstill Period and shall immediately inform the CDRC of any such legal proceedings taken.

4. UNDERTAKINGS BY THE ELIGIBLE DEBTOR

4.1 The Eligible Debtor agrees with each other and each of the Participating Institutions that it shall, during the Standstill Period:

- (a) to manage and conduct its core business in the ordinary and usual course and not to carry on any other business without the approval of the Participating Institutions;
- (b) to diligently pursue claims against third parties (with de minimis exception); and
- (c) to ensure that any loan stock or advances from its directors or related companies be fully subordinated and remain fully subordinated to all rights, claims and actions which each Participating Institution may now or hereafter have against the Eligible Debtor in connection with the Facilities.

4.2 Without prejudice to and in addition to any undertakings contained in the terms of the Facilities, the Eligible Debtor undertakes with each of the Participating Institutions that

during the Standstill Period, the Eligible Debtor shall not, without the prior approval of all the Participating Institutions-

- (a) create, incur, assume or suffer or permit to exist any security interest upon any of its property, assets or revenues, or rights to receive income, whether now owned or hereafter acquired except for any security interest existing as at the Relevant Date;
- (b) incur further borrowings or indebtedness;
- (c) declare any dividends whatsoever;
- (d) repay or redeem any loan stock or any advances from its directors or related companies;
- (e) acquire, dispose or transfer any material assets otherwise than in the ordinary course of business and on an arms' length basis;
- (f) make any loan or advances to any related company or any other person or make any investment;
- (g) permit any significant change in its shareholding structure and/or management;
- (h) make any payments in respect of interest on any loans or advances from its directors or related parties;
- (i) incur any expenses other than in the ordinary course of business;
- (j) enter into any transactions with related parties other than in the ordinary course of business and on an arms' length basis; or
- (k) create any preferences to any of its creditors.

5. EVENTS OF DEFAULT AND TERMINATION

5.1 Each of the following events shall be an Event of Default and the Eligible Debtor undertakes to notify the Participating Institutions in writing immediately upon becoming aware of the occurrence of any of the following:

- (a) the Eligible Debtor commits a breach of any of the terms of this Agreement which is not remedied (if capable of remedy) within five (5) Banking Days of written notice from any of the Participating Institutions; or
- (b) the Eligible Debtor ceases to carry on its business or any material part thereof or changes the nature or scope of its business or disposes of all or any material part of its business or assets, except pursuant to this Agreement.

- 5.2 Upon the occurrence of an Event of Default and whilst it is continuing, the Participating Institutions may notify the Eligible Debtor that the Standstill Period has expired and that this Agreement is terminated with immediate effect whereupon;
- (a) the Standstill Period shall immediately expire and the Participating Institutions shall be immediately discharged from all of their obligations to the Eligible Debtor under this Agreement;
 - (b) each Participating Institution shall become entitled forthwith to make demand on the Eligible Debtor in respect of all or part of the Facilities made available by it to the Eligible Debtor and exercise any other rights which it may have against the Eligible Debtor ; and
 - (c) each Participating Institution shall become entitled forthwith to take any action or proceedings to enforce or cause the enforcement of any Security or other right or recourse held by it for any indebtedness or liability of the Eligible Debtor, or any part thereof, which it may hold or to which it may become entitled over the whole or any part of the undertaking or assets of the Eligible Debtor.

6. PRESERVATION OF RIGHTS

- 6.1 Except as expressly provided in this Agreement, no waiver or delay arising in consequence of this Agreement shall alter, terminate, prejudice or otherwise adversely affect the existence of any of the Security or any other rights of recourse including third party security held or available to any Participating Institution for any part of the indebtedness or liability owing to it by the Eligible Debtor.
- 6.2 No Participating Institution shall be obliged, during the Standstill Period, to roll over any advance or otherwise make any utilisation available in a currency other than –
- (a) the currency in which the relevant utilisation was expressed as at the Relevant Date; or
 - (b) otherwise at the discretion of the relevant Participating Institution.
- 6.3 The Eligible Debtor hereby confirms that all of the Security including guarantees entered into by it in favour of any Participating Institution shall continue in full force and effect but shall be subject to the provisions of this Agreement. The Eligible Debtor undertakes and agrees with each of the Participating Institutions that it shall, if and when required by the Participating Institutions, execute or procure the execution of such further confirmations, authorities and other documents as the Participating Institution may require for perfecting or maintaining the benefit of any of the Participating Institutions ' rights under any of the Security including guarantees.

7. MISCELLANEOUS

- 7.1 The Parties agree to do and execute or procure to be done and executed all such further acts, deeds, documents and things as may be necessary to give full effect to the terms and intent of this Agreement.
- 7.2 Each notice, demand or other communication given or made under this Agreement shall be in writing and delivered or sent to the relevant party at its address or fax numbers set out in the execution page (or such other address or fax number as the addressee has by 5 days' prior written notice specified to the other Parties). Any notice, demand or other communication so addressed to the relevant Party shall be deemed to have been delivered (i) if given or made by letter, when actually delivered to the relevant address; and (ii) if given or made by fax, when despatched with confirmation of successful transmission.
- 7.3 This Agreement may be executed in any number of counterparts and by the different Parties on separate counterparts, each of which when so executed and delivered shall be an original, but all the counterparts shall together constitute one and the same instrument.
- 7.4 This Agreement (together with any documents referred to herein) constitutes the whole agreement between the Parties and it is expressly declared that no variations hereof shall be effective unless made in writing.
- 7.5 This Agreement shall be binding on the successors and permitted assigns of the Parties.
- 7.6 Each of the Participating Institutions shall be not be entitled to assign or transfer its rights and obligations under this Agreement to a third party save where the third party shall execute the Standstill Accession Deed and adheres to the terms of this Agreement as if it were an original party hereto.
- 7.7 The Eligible Debtor may not assign its rights and obligations under this Agreement without the prior written consent of the Participating Institutions.
- 7.8 If there is any inconsistency or conflict with the terms of the Facilities, the terms and conditions of this Agreement shall prevail.

8. GOVERNING LAW AND JURISDICTION

- 8.1 This Agreement shall be governed by and construed in accordance with the laws of Malaysia and the Parties hereby irrevocably submit to the non-exclusive jurisdiction of the Malaysia courts.

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SCHEDULE 1

PARTICIPATING INSTITUTIONS and CORRESPONDING FACILITIES

FACILITY:

Financiers:	Amount

FACILITY: *(In the case of issuance of securities)*

Trustee:	
-----------------	--

Holder:	Amount

SCHEDULE 2

FORM OF STANDSTILL ACCESSION DEED

THIS DEED is made on _____20 , by [_____] (the "**Participating Institution**").

RECITALS

- (A) This deed is supplemental to a standstill agreement dated [_____] between inter alia [_____] (the "**Standstill Agreement**").
- (B) This deed has been entered into to record the accession of the Participating Institution as a party under the Standstill Agreement.

IT IS AGREED AS FOLLOWS:

1. DEFINITIONS

Words and expressions defined in the Standstill Agreement have the same meanings when used in this deed.

2. ACCESSION OF PARTICIPATING INSTITUTION

2.1 The Participating Institution agrees to become, with immediate effect, a party to, and agrees to be bound by the terms of the Standstill Agreement as if it had originally been party to the Standstill Agreement as a Participating Institution.

2.2 The Standstill Agreement confirms that its address details for notices are as follows:

Address:

Facsimile:

Attention of:

3. LAW

This deed (and any dispute, controversy, proceedings or claim of whatever nature arising out of or in any way relating to this deed) shall be governed by and construed in accordance with the laws of Malaysia.

EXECUTION

IN WITNESS whereof this Standstill Accession Deed has been duly executed on the date first above written.

The Participating Institution

The execution of this Agreement)
was duly effected in a manner)
authorised by its Constitution)
under the seal of [])
which said seal was hereunto)
affixed in the presence of:)

.....
Director
Name:

.....
Director/Secretary
Name:

EXECUTION

IN WITNESS whereof this Standstill Accession Deed has been duly executed on the date first above written.

The Eligible Debtor

The execution of this Agreement)
was duly effected in a manner)
authorised by its Constitution)
under the seal of [])
which said seal was hereunto)
affixed in the presence of:)

.....
Director
Name:

.....
Director/Secretary
Name:

**(for execution by way of common seal)*

The Participating Institution

The execution of this Agreement)
was duly effected in a manner)
authorised by its Constitution)
under the seal of [])
which said seal was hereunto)
affixed in the presence of:)

.....
Director
Name:

.....
Director/Secretary
Name:

**(for execution by hand)*

The Participating Institution

SIGNED by)
as Attorney for and on behalf of)
[])
in the presence of:-)