

CapSphere

Standard Terms & Conditions

– Investors

Version History

| Version | Issued to | Date |
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STANDARD TERMS AND CONDITIONS

These standard terms and conditions (the “**Agreement**”), the Privacy and Data Protection Policy and the Code of Conduct, constitute the entire agreement between the user (the “**Payee**”) registered as a member of the Platform to make eligible offers and CapSphere Services Sdn. Bhd. (“**CapSphere**”), being the owner and operator of the Platform.

All access and use of the contents and services provided on the Platform shall be governed by this Agreement. Unless otherwise provided, any updates, enhancement, variation or addition to the Platform or any Service, shall be subject to this Agreement.

The Payee’s electronic acceptance, acknowledgement of this Agreement, or commencement of its use of this Platform constitutes the Payee’s acceptance of this Agreement, which shall take effect upon the Payee’s first access of the Platform.

1. INTERPRETATION

1.1 In this Agreement, unless the context otherwise requires, the following expressions shall have the meanings set out against them: -

“**Agreement**” means these standard terms and conditions and any document which is supplemental hereto or which is expressed to be collateral herewith or which is entered into pursuant to or in accordance with the terms hereof;

“**Business Day**” means a day on which banks in Malaysia are open for business and shall exclude Saturdays, Sundays and public holidays;

“**Calculation Period**” means each period during which interest is payable, as applicable.

“**CapSphere Account**” shall have the meaning ascribed to it in Section 4.1;

“**CMSA**” means Capital Markets And Services Act 2007 (Act 671) of Malaysia.

“**Code of Conduct**” means the Code of Conduct available on the Platform as from time to time amended, varied and supplemented;

“**Day Count Fraction**” means, the fraction used to calculate a rate or an amount of interest for any Calculation Period, and where “30/360” is specified in the terms, the number of days in the Calculation Period divided by 360, calculated in accordance with the following formula:

$$\text{Day Count Fraction} = \frac{[360 - (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“**Y1**” is the year expressed as a number, in which the first day of the Calculation Period falls;

“**Y2**” is the year, expressed as a number, in which the day immediately following the last day of the Calculation Period falls;

“**M1**” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“**M2**” is the calendar month, expressed as a number, in which the day immediately following the last day of the Calculation Period falls;

“**D1**” is the first calendar day, expressed as a number, of the Calculation Period, unless such number is 31 in which case D1, will be expressed as 30; and

“**D2**” is the calendar day expressed as a number immediately following the last day included in the Calculation Period, unless such number would be 31 and D1 is greater than 29, in which case D2 will expressed as be 30;

“**Debentures**” shall have the meaning ascribed to it in Section 2 of Part 1 of the CMSA, which shall include debenture stock, bonds, notes and any other evidence of indebtedness of a corporation for borrowed monies,

whether or not constituting a charge on the assets of the corporation, but shall not be construed as applying to any of the following:-

- a) any instrument acknowledging or creating indebtedness for, or for money borrowed to defray the consideration payable under, a contract for sale or supply of goods, property or services or any contract of hire in the ordinary course of business;
- b) a cheque, banker's draft or any other bill of exchange or a letter of credit;
- c) a banknote, guarantee or an insurance policy;
- d) a statement, passbook or other document showing any balance in a current, deposit or savings account;
- e) any agreement for a loan where the lender and borrower are signatories to the agreement and where the lending of money is in the ordinary course of business of the lender, and any investment note issued under the terms of such an agreement; or
- f) any instrument or product or class of instruments or products as the Minister may, on the recommendation of the Commission, prescribe by order published in the Gazette ;

"Early Redemption Option" means the Issuer may redeem the Notes, in whole but not in part, on every Interest Payment Date upon giving an irrevocable notice to the Payee through the Platform at least 20 calendar days prior to the nearest Interest Payment Date.

"Equal Instalment" means a Investment Note by which an instalment of the Principal Subscription Amount and/or interest accrued and due up to the date of payment shall be payable on such dates as set out in a repayment schedule specified in the Investment Note, and on the Maturity Date, the Principal Subscription Amount would have been paid in full;

"FSA" means the Financial Service Act 2013 of Malaysia;

"Issuer" means a corporate borrower which is registered as a member on the Platform;

"Issue Request" shall mean the request by an Issuer for Payees to subscribe for a Investment Note to be issued by the Issuer;

"MASB" means the Malaysian Accounting Standard Board;

"Maturity Date" means the date on which the Maturity Period ends;

"Maturity Period" means such period within which the full amount of the Note will be due and payable;

"Minister" means the Minister for the time being charged with the responsibility for finance;

"Parties" mean the Payee and CapSphere, and each of them individually shall be a **"Party"**;

"Payee" means a user which is registered as a member on the Platform who is intending to fund Issue Requests;

"Platform" means www.moolahsense.com;

"Principal Subscription Amount" means the principal amount payable or paid by Payees who have subscribed to the Notes;

"Privacy and Data Protection Policy" means the Personal Data Protection Act 2013 of Malaysia;

"Investment Note" or **"Note"** means the investment note issued by the Issuer in consideration of the Principal Subscription Amount paid by the Payee(s), which shall include the Standard Terms and Conditions to Investment Note set out on the Platform;

"Prospectus" shall have the meaning ascribed to it in Section 226 of Division 3 of Part 6 of the CMSA, which means a notice, circular, advertisement or document inviting applications or offers to subscribe for or purchase securities, or offering any securities for subscription or purchase and, unless expressly specified, includes a supplementary prospectus, replacement prospectus, shelf prospectus, short form prospectus, profile statement, supplementary shelf prospectus and abridged prospectus;

“Repayment Date” means such date on which repayment of the Principal Subscription Amount, interest and/or such other amounts payable under the Note, such dates as set out in a repayment schedule specified in the Investment Note;

“RM” mean Malaysian Ringgit, being the lawful currency of Malaysia;

“Securities” shall have the meaning ascribed to it in Section 2 of Part 1 of the CMSA, which means:

- a) debentures, stocks or bonds issued or proposed to be issued by any government;
- b) shares in or debentures of, a body corporate or an unincorporated body; or
- c) units in a unit trust scheme or prescribed investments,

and includes any right, option or interest in respect thereof **“Services”** shall have the meaning ascribed to it in Section 2.6;

“Subscription Offer” means an offer submitted by a Payee over the Platform in response to an Issue Request, stating the Principal Subscription Amount that the Payee wishes to subscribe for upon the Note.

The expressions the **“Issuer”** and the **“Payee”** shall include their respective successors and assigns.

- 1.2 Any reference in this Agreement to **“Sections”** is to the sections of this Agreement.
- 1.3 The headings to the Sections are inserted for convenience only and shall not affect the interpretation of this Agreement.
- 1.4 Unless the context otherwise requires or permits, references to the singular number shall include references to the plural number and vice versa, references to persons shall be construed as including bodies corporate and vice versa and words denoting any gender shall include all genders.
- 1.5 Any reference to a statutory provision shall include such provision as from time to time modified, amended or re-enacted so far as such modification, amendment or re-enactment applies or is capable of applying to any transactions entered into hereunder.

2. REGISTRATION WITH THE PLATFORM

- 2.1 To become a registered member of the Platform, the Payee shall fulfill the following criteria (or such other or additional criteria as may be notified by CapSphere generally through the Platform or specifically to the Payee) and provide CapSphere with the information and documents set out hereinunder:
 - a) where the Payee is an individual:-
 - i. the Payee shall be above 21 years old;
 - ii. the Payee shall furnish to CapSphere copies of valid identification; and
 - iii. the Payee shall provide to CapSphere a permanent address in Malaysia, a valid local contact number, a valid email address, and the details of an account, opened in the name of the Payee, with a Malaysia licensed financial institution.
 - b) where the Payee is a non-individual:-
 - i. the Payee shall be a limited liability partnership or company registered with the Malaysia Accounting Standards Board; and
 - ii. the Payee shall provide to CapSphere a permanent address in Malaysia, a valid local contact number, a valid email address, and the details of an account, opened in the name of the Payee, with a Malaysia licensed financial institution;

- c) the Payee, if a limited liability partnership, shall furnish to CapSphere its Partnership Agreement, if available; or if a company, shall furnish to CapSphere its board resolution approving the registration of the Payee with CapSphere and a certified true copy of its Memorandum & Articles of Association (M&A); and
 - d) the Payee shall complete an online pre-admission questionnaire required by CapSphere.
- 2.2 Registration with the Platform includes the provision by the Payee of a valid email address, a password, and answers to up to three (3) security questions (or such other security measures as the Platform may from time to time implement), which are necessary for the Payee to gain access to restricted areas of the Platform. Each time the Payee accesses the Platform, the Payee shall enter its email address, password and answer to one security question (or such other security measures as the Platform may from time to time implement).
- 2.3 The email address and password belong exclusively to the Payee and are not transferable. The Payee shall keep its email address and password confidential and secure at all times. The Payee shall be responsible for all information and activity on the Platform by anyone using its account. In particular, the Payee shall be responsible for the use of its account by its employee, sub-contractor, agent or other authorized persons. CapSphere reserves the right to terminate, suspend or restrict the access of the Payee to the Platform and to cease acting on the Payee's instructions if there is the reasonable suspicion that the person logged into the Payee's account is not the Payee or an authorized person of the Payee or where CapSphere suspects that the account will be used for illegal, fraudulent or unauthorized uses. Any breach of security, loss, theft or unauthorized use of the Payee's email address, password or security information must be notified to CapSphere immediately.
- 2.4 Upon successful registration with the Platform, the Payee agrees not to adapt or circumvent the systems in place in connection with the Platform, nor access the Platform other than through the normal use of it.
- 2.5 Upon successful registration with the Platform, the Payee agrees that CapSphere, as the owners and operators of the Platform, may collect, use and disclose the information it collects in accordance with the purposes and uses identified in the Privacy and Data Protection Policy and as set out in this Agreement. If the Payee has provided CapSphere with an email address, the Payee consents to receive, from time to time, email messages from and through CapSphere, including information about its products and services.
- 2.6 Upon successful registration by the Payee on the Platform, the Payee shall be entitled to enjoy, for the duration of this Agreement, the services which CapSphere may provide through the Platform ("**Services**"), subject to any addition, modification, suspension or termination of such Services whether specifically or only in relation to the Payee, from time to time, at the discretion of CapSphere without prior notice to the Payee.
- 2.7 By successfully registering on the Platform, the Payees expressly indicate their interests to be shown future Issue Requests submitted by all Issuers on the Platform.

3. THE PLATFORM

- 3.1 As a member of the Platform, the Payee shall be able to participate in the funding of Issue Requests submitted by Issuers, by submitting Subscription Offers. Such Subscription Offers should include such details as shall be specified in the form for the Subscription Offer including but not limited to the Principal Subscription Amount the Payee desires to offer to subscribe upon the Investment Note.
- 3.2 The Payees acknowledge and agree that the Issue Requests are not made in or accompanied by a Prospectus that is registered by the Securities Commission Malaysia.
- 3.3 In the event that CapSphere provides any service which indicates directly or indirectly the financial standing or credit worthiness of the Issuers, or likelihood of payment upon the Notes by the Issuers, including but not limited to the following:
 - a) Indicators based on, inter alia, information submitted by the Issuer, including without limitation, the Issuer's profitability, cash flow, debt/equity ratio, current ratio, annual turnover, credit rating and number of years in business, and credit information obtained from third party credit bureaus; and

- b) Indicators consisting of information in relation to the business awards, accreditation, membership for trade association, community initiatives and social media footprint of the Issuer, to highlight the commercial circumstances and success of the Issuer,

These indicators shall not form an assurance to the Payee that the Issuers will pay upon the Notes in part or in full, and CapSphere shall not be liable for any incidents of non-payment or part payments of Notes by the Issuers.

- 3.4 Upon the posting of an Issue Request, the Payee shall have up to 28 days (the "Subscription Period") (or such other period as may from time to time be notified on the Platform) to make its Subscription Offer (the "Subscription Process"). A Subscription Offer successfully submitted by a Payee in respect of an Issue Request will be accepted by the Issuer during the Subscription Period.
- 3.5 In the event that the aggregate amount of the Subscription Offer exceeds the amount requested for in the Issue Request, the Payee acknowledges the authority of CapSphere to allocate to the selected Payee(s) such amount of Principal Subscription Amount to be provided by each of them in such manner as may be decided by CapSphere in its discretion.
- 3.6 An Issue Request shall be considered as provisionally accepted and successfully matched where it is satisfied that the Subscription Offers amounts to at least 80% (or such other percentage as may from time to time be prescribed by CapSphere) of amount requested for in the Issue Request;
- 3.7 When an Issue Request is successfully matched, a single Investment Note (in accordance to Appendix 1) shall be issued to all Payee. The Payee authorizes CapSphere to retain the Investment Note. CapSphere shall have the discretion, but shall not be required, to provide to the Payee an electronic copy of the Investment Note. The Payee agrees that it shall accept the terms of the Investment Note issued in this manner.
- 3.8 The Payee agrees that the Investment Note issued by an Issuer shall incorporate the terms of the Standard Terms and Conditions to the Investment Note.
- 3.9 The Payee agrees that the Investment Note issued by an Issuer shall not be subsequently sold to any person.
- 3.10 The Payee agrees that all Subscription Offers made during the Subscription Process on the Platform are final and cannot be withdrawn, except in the following situations (or such other situations as may from time to time be prescribed by CapSphere):-
 - a) where the Subscription Period for the Issue Request expires and the conditions in Section 3.6 and the terms of this Agreement are not satisfied;
 - b) where CapSphere withdraws or terminates the Subscription Process for the Issue Request; or
 - c) with the consent of CapSphere.
- 3.11 This Section 3 is subject to the internal policy guidelines of CapSphere, which may be varied and/or amended from time to time. Any changes, variations or amendments to any part of this Section 3 will be notified to the Payee through the Platform.

4. ARRANGEMENT FOR THE ISSUE OF THE INVESTMENT NOTE

- 4.1 CapSphere maintains an account ("CapSphere Account") with a financial institution licensed in Malaysia and the account is held in trust by a third party trustee. The Payee shall transfer into the CapSphere Account the amount of Principal Subscription Amount it is intending to fund before submitting the respective Subscription Offer, which will be disbursed to the respective Issuer without notice to the Payee upon the execution of the Investment Note. The Payee authorises CapSphere on its behalf to:
 - a) Deduct from any monies held by CapSphere on behalf of the Payee, whether under trust or escrow, without notice to the Payee, any payments due to any Issuer or CapSphere; and
 - b) Instruct the Issuer or any other third person proposing to make any payment to the Payee to make such payment directly to CapSphere.

- 4.2 The Payee acknowledges and agrees that CapSphere may at any time, by notice to the Payee through the Platform, require the Payee to pay to CapSphere such amount of fees as CapSphere may prescribe, in consideration for its role in administering and facilitating the issue of the Investment Note. CapSphere shall be authorized to deduct, from all payments upon the Note and other sums received by CapSphere on behalf of the Payee, any fees (including the administrative fee) and other amounts due to CapSphere. CapSphere may at its discretion require that any fees and any other amounts due to CapSphere be paid by a fund transfer to the bank account stipulated by CapSphere.
- 4.3 The Payee acknowledges that CapSphere can at any time, in its sole discretion, cancel any Subscription Offer made by the Payee and refund to the Payee the Principal Subscription Amount so deposited by the Payee in the CapSphere Account less any fees payable to CapSphere by the Payee.
- 4.4 The Payee shall execute such instructions and forms for the purposes of payment, in accordance with the terms of this Agreement, via standing instructions including but not limited to the Interbank GIRO ("IBG"), to CapSphere, of payments (including but not limited to payments upon the Note and payments to CapSphere of fees and charges) under the Investment Note and this Agreement respectively.
- 4.5 In the event that the Payee intends to arrange for transfer to itself of any amount of funds of which it is entitled to, the Payee shall initiate an action via the "Fund Transfer Out" page on the Platform. The Payee acknowledges and agrees that any transfer of an amount less than RM100 shall be subject to a service fee of RM5.00 for each transfer.
- 4.6 In the event that an Issuer misses, fails to pay, or only partially pays any instalment or amount due under the Investment Note, or fails to fully pay up the Note upon the Maturity Period, the Payee agrees, and CapSphere shall be entitled as follows: -
- a) CapSphere shall have the right but not the obligation to report such default in payment to any credit bureaus it deems appropriate;
 - b) The Payee shall unless with the prior consent of CapSphere refrain from contacting, and CapSphere shall have the right to contact and deal with the Issuer and to notify the Issuer to remedy the default and make such payment within thirty (30) days or such other period as may be determined by CapSphere in its discretion of the date on which such instalment or payment is due;
 - c) If any amount under the Investment Note remain due and outstanding after the aforesaid period of 30 days or such other period as may be determined by CapSphere in its discretion, CapSphere shall at the cost and expense of the Payee be entitled, but shall not be obliged to, and the Payee hereby authorises CapSphere to, appoint third party professional debt collectors to collect from the Issuer such unpaid amounts. The Payee shall bear the costs and expenses incurred in relation to the services provided by such third party professional debt collectors, based on the schedule of rates as from time to time notified on the Platform generally or to the Payee;
 - d) if (i) such sums are still not recovered after ninety (90) days of the date on which such instalment or payment is due or such other period as may be determined by CapSphere in its discretion or (ii) it becomes evident (in the sole discretion of CapSphere) that the Issuer is unable to satisfy the payment of all instalments and payment due and payable, the Payee hereby authorizes CapSphere to, in its sole and absolute discretion and without any further consent or agreement required from the Payee:
 - i. appoint a Malaysia law firm to commence legal proceedings on behalf of the Payee against the Issuer to recover any amount due under the Investment Note; and the Payee hereby authorizes and appoints CapSphere as its representative to act in any manner it deems fit (including agreeing to any settlement with the Issuer it deems reasonable) in connection with such proceedings. The costs and expenses incurred in connection with the legal proceedings shall be borne by the Payee. The Payee agrees, in the event that CapSphere commences proceedings against the Issuer under this section, to pay such fees and costs as notified by CapSphere which shall include fees earned by CapSphere. The Payee agrees that while costs may be incurred in connection with efforts to recover the Principal Subscription Amount, there is no assurance that such efforts may be successful in recovering any amounts due under the Investment Note; or
 - ii. require the Payees to assign the Note to CapSphere or a company appointed by CapSphere, which may sell the Note to a Note purchaser or commence legal proceedings against the Issuer to recover such sums. The assignment can be on the basis that (aa) the company buys over the outstanding debt by paying to the

Payee (where there is only one Payee) a price agreed to by the Payee, or paying to the Payees (where there is more than one Payee) a price agreed to by Payees, who whether collectively or individually, as the case may be, hold 75% or more of the Note's Principal Subscription Amount, and the proceeds from the recovery shall be retained by the company, or (bb) on the basis that the Note is assigned without the debt, and what is recovered by the company, after deducting all costs and expenses incurred by the company in the course of recovery, shall be paid to the Payees; and

e) to take such other action as may from time to time be authorised by the Payee.

- 4.7 The Payee shall on demand pay to CapSphere any amounts due to CapSphere under this Agreement including costs of recovery, at the rates from time to time notified on the Platform or specifically to the Payee.
- 4.8 CapSphere shall be entitled to deduct from any amounts recovered from any Issuer on behalf of a Payee any amount due by any Payee under the Investment Note or the Issuer to CapSphere, and thereafter to distribute the remaining proceeds rateably amongst the Payees (who have paid for costs and expenses incurred in connection with the recover action) in accordance with such instalments and payments due and owing to such Payee pursuant to the Notes.
- 4.9 Any recovery received on or after commencement of legal proceedings (deemed to be issue of a letter of demand by a law firm or issue of a writ or any other originating process) shall be deemed due to legal proceedings and not due to appointment of a professional debt collector or other reasons.
- 4.10 CapSphere shall be entitled to set off and deduct from any sums held by itself for the account of the Payee or Issuer any sums due to the Issuer or Payee respectively, or to CapSphere without prior notice to the Payee or Issuer, as the case may be. The obligation of CapSphere under this Agreement and any other agreement to pay any sums due to the Payee or Issuer shall be subject to such prior right of set off and deduction.
- 4.11 The Payee acknowledges that notwithstanding any other section in this Agreement, CapSphere may, at such time in its sole and absolute discretion, and the Payee hereby authorizes and appoints CapSphere as its representative to, agree with the Issuer to restructure the remaining amounts payable under the Investment Note and amend the Investment Note, in any manner that it deems fit, and as many times as it deems necessary, with the written notice from CapSphere. CapSphere agrees that any restructuring of the Note shall be done in what CapSphere reasonably regards as being in the best interests of the Payee. Such restructuring shall include but not be limited to devising a repayment plan for recovery of the outstanding sum(s).

5. PAYEE'S OBLIGATIONS AND UNDERTAKINGS

- 5.1 The Payee warrants, undertakes and agrees as follows:-
- a) the Payee shall offer a minimum sum RM1,000 in any Subscription Offer, with increases in denominations of RM1,000 or such other amount as from time to time notified by CapSphere on the Platform or specifically to the Payee;
- b) the aggregate amount the Payee can offer in all its Subscription Offers during a 12 month period shall be a maximum sum of RM1,000,000 or such other amount as from time to time notified by CapSphere on the Platform or specifically to the Payee. The aggregate amount shall be calculated on a 12 months rolling basis;
- c) the Payee shall, before submitting an offer, make basic declarations on the Platform. Such declarations will, inter alia, highlight to the Payee the potential loss of some or all of amounts provided by the Payee, acknowledge the other risk factors and emphasize the creditor-debtor relationship with the Issuer;
- d) the Payee shall, before submitting a Subscription Offer, ensure that monies used to fund a Subscription Offer are transferred into the CapSphere Account. The Payee understands and acknowledges that no leverage or loans shall be extended by CapSphere to the Payee to fund any Subscription Offer;
- e) any Subscription Offer made shall be irrevocable but the acceptance of such Subscription Offer through the Platform or Services shall not constitute any legal obligation on the part of CapSphere to process or fulfill the

Subscription Offer and such Subscription Offer may be withdrawn or terminated by CapSphere in its absolute discretion at any time;

- f) any enforcement by the Payee of its rights under the Investment Note shall be done through the agency of CapSphere and/or the Platform;
- g) the Payee shall bear all costs and expenses of all enforcement of the legal rights of the Payee by CapSphere on behalf of the Payee, and shall pay to CapSphere any fees as described in Section 4 above; and
- h) the Payee shall not act in any manner that constitutes a breach of any terms of the Investment Note (incorporating the Standard Terms and Conditions to Investment Note), the Privacy and Data Protection Policy, and the Code of Conduct.

5.2 The Payee further undertakes and warrants to CapSphere as follows:-

- a) the Payee warrants and represents that all information provided during its registration with the Platform, through the Platform or the Services, or under this Agreement are true, correct and not misleading in any respect and shall forthwith notify CapSphere in writing when any information earlier provided becomes untrue, false or misleading in any respect; and;
- b) the Payee shall only make Subscription Offers and fund Notes through the Platform, and shall not attempt to contact any Issuer or any owner, shareholder, director, officer or employee of any Issuer whether or not to provide additional loans or in connection with the Investment Note. For the avoidance of doubt, the Payee shall not harass the Issuer and inundate the Issuer with request for the contact information of the Issuer's shareholders, directors or officers.

6. REPRESENTATIONS AND WARRANTIES

6.1 The Payee hereby represents and warrants as follows:-

- a) the pre-admission questionnaire completed by the Payee prior to it becoming a registered user of the Platform, and any other information provided by the Payee to CapSphere, represent the true state and knowledge of the Payee, and is true, accurate, complete and valid to the best of the Payee's knowledge;
- b) the Payee is familiar with the functions of and understands the risk factors in the mechanism of the Platform and in subscribing for Notes;
- c) the Payee has the power and authority to enter into and perform its obligations under this Agreement and that this Agreement, when executed, constitutes valid and legally binding obligations enforceable against the Payee in accordance with the terms herein;
- d) all actions, conditions and things required to be taken, fulfilled and done (including the obtaining of any necessary consents), in order (i) to enable the Payee lawfully to enter into, exercise its rights and perform and comply with its obligations under this Agreement and (ii) to ensure that those obligations are valid, legally binding and enforceable, have been taken, fulfilled and done;
- e) the execution and delivery of, and the performance by it of its obligations under, this Agreement do not:
 - i. infringe, or constitute a default under, any instrument, contract, document or agreement to which it is a party or by which it or its assets are bound; or
 - ii. result in a breach of any law, rule, regulation, ordinance, order, judgement or decree of or undertaking to any court, government body, statutory authority or regulatory, administrative or supervisory body (including, without limitation, any relevant stock exchange or securities council) to which it is a party or by which it or its assets are bound, whether in Malaysia or elsewhere; and
- f) no litigation, arbitration or administrative proceedings are taking place, pending or, to the Payee's knowledge, threatened against it, any of its directors or any of its assets, which, if adversely determined, might reasonably be expected to have a material

g) adverse effect on its business, assets or conditions, or its ability to perform its obligations under this Agreement.

7. SUSPENSION AND TERMINATION OF SERVICE

- 7.1 CapSphere reserves the right to restrict, temporarily or permanently suspend or terminate the Services, at any time, without incurring liability of any kind to the Payee, if any of the following events occur:-
- a) the Payee fails to make any payment to CapSphere when due, whether under this Agreement or for the Platform or Services;
 - b) any representation or warranty made by the Payee under this Agreement or through the Platform or Services is incomplete, untrue, incorrect or misleading in any material respect;
 - c) the Payee has breached the terms of this Agreement, the Privacy and Data Protection Policy or the Code of Conduct or the Investment Note;
 - d) the Payee or its directors or shareholders is charged in any court of law with any criminal offence or is reasonably suspected by CapSphere of having committed any criminal offence;
 - e) the Payee uses the Platform in a manner that may cause CapSphere to have legal liability or disrupt others' use of the Platform;
 - f) there is scheduled downtime or recurring downtime; or
 - g) there is an occurrence of a Force Majeure Event (as defined below).
- 7.2 Provided that there is no Investment Note currently in force between the Payee and an Issuer and provided that there are no outstanding fees, costs or expenses to be paid to CapSphere or any Issuers, the Payee may terminate this Agreement by terminating his membership at the Platform.
- 7.3 Upon termination of the Agreement, CapSphere shall credit into the bank account provided by the Payee any funds left in the CapSphere Account which belongs to the Payee or send a cheque to the address last provided by the Payee.
- 7.4 CapSphere shall not in any way be liable to the Payee for breach by CapSphere of the Code of Conduct and the Privacy and Data Protection Policy.
- 7.5 The Payee agrees that CapSphere shall be, in its sole discretion, at any time, entitled to, by notice in writing to the Issuer, bring forward the date for payment of the Principal Subscription Amount in its entirety to such date as CapSphere may specify in the notice, including requirement immediate payment of the entirety of the Principal Subscription Amount.

8. THIRD PARTY BACK-UP SERVICE PROVIDER

- 8.1 The Payee agrees that CapSphere shall be entitled at time, to appoint other third parties ("Back Up Service Provider") to exercise such of the rights of CapSphere, or perform such of the obligations and/or functions of CapSphere under this Agreement, and on such terms, from time to time and at any time, as may be agreed between CapSphere and the Back Up Service Provider. Evidence of and scope of such appointment will at the request of the Payee be provided by the Back Up Service Provider a copy of the agreement between CapSphere and the Back Up Service Provider, a copy of the letter of authorization issued by CapSphere to the Back Up Service Provider.
- 8.2 The Payee agrees that the Back Up Service Provider shall be entitled, in variation of the terms of this Agreement:
- a) to maintain an account with a financial institution licensed in Malaysia for the purposes of receiving and holding the monies of the Issuers and Payees in relation to existing Notes;
 - b) to receive the scheduled payments from the Issuers of existing Notes until such Notes are fully paid up;

- c) to pay into the bank account provided by the Payee at the end of every three (3) months, the amounts due and payable to the Payee for the preceding three (3) months under the existing Investment Notes of the Payee, provided that the corresponding payment has been received by the Back Up Service Provider from the Issuer;
 - d) exercise the rights under Section 4.6 above in the event that an Issuer misses, fails to pay, or only partially pays any instalment or amount due under any Investment Note; and
- 8.3 The Payee acknowledges that CapSphere shall be entitled at any time upon the commencement of provision of services by the Back Up Service Provider, to cease providing any services or functions to the Payee under this Agreement, and to cease the operation and maintenance of the Platform, and the Platform shall no longer be accessible by the Payees, the Issuers or anyone of the public. The Payee further agrees that the Back Up Service Provider shall be entitled to discontinue the provision of the following services:-
- a) to perform any introductory functions on behalf of Issuers and Payees in order to bring together prospective Issuers and Payees;
 - b) to accept any Issue Requests or Subscription Offers; and
 - c) to provide a stream-lined process for entering into Notes.
- 8.4 The Payee acknowledges and agrees that the Back Up Service Provider shall be entitled to charge each Payee a service fee for acting in the capacity set out in Section 8.1, on such periodic basis as notified by the Back Up Service Provider to the Payee, such fee to be in addition to any fees payable by the Payee to CapSphere under this Agreement.
- 8.5 CapSphere shall under no circumstances be liable to the Payee for any failure, neglect, default or breach by the Back Up Service Provider in acting in the capacity set out in Section 8.1.

9. FORCE MAJEURE

- 9.1 CapSphere shall not be in breach of this Agreement, nor liable for any failure or delay in the performance of any other obligations under this Agreement arising from or attributable to acts, events, omissions, accidents beyond its reasonable control ("**Force Majeure Event**"), including but not limited to any of the following:-
- a) Acts of God, including but not limited to fire, flood, earthquake, windstorm or other natural disaster;
 - b) war, threat of or preparation for war, armed conflict, imposition of sanctions, embargo, breaking off of diplomatic relations or similar actions;
 - c) terrorist act, blockade, revolution, riot, insurrection, civil commotion, public demonstration, sabotage, act of vandalism;
 - d) nuclear, chemical or biological contamination or sonic boom;
 - e) fire, explosion or accidental damage;
 - f) collapse of building structures, failure of plant machinery, machinery, computers or vehicles;
 - g) interruption or failure of utility service, including but not limited to electric power, gas or water;
 - h) epidemics and quarantine restrictions;
 - i) any labour disputes, including but not limited to Strikes, lockouts, labour or other industrial disturbances (including sabotage) and civil disturbances;
 - j) any interruption to the Platform or Services outside the reasonable control of CapSphere; and/or
 - k) acts of any government or authority.

- 9.2 In the event that any such delay or non-performance continues for a period in excess of 120 days, CapSphere shall have the right to terminate this Agreement by giving the Payee fourteen (14) days' notice in writing prior to such termination without affecting any rights accruing prior to such termination.

10. INTELLECTUAL PROPERTY RIGHTS

- 10.1 The names, images and logos ("**Marks**") identifying CapSphere or third parties and their products and services are subject to copyright, design rights and trade marks of CapSphere and/or third parties, and all rights to the Marks are expressly reserved by CapSphere or the relevant third parties. Nothing contained in this Agreement shall be construed as conferring by implication, estoppel or otherwise any license or right to use any trademark, patent, design right or copyright of CapSphere or any other third party, without the prior written consent of CapSphere or such third party. The name of CapSphere or any other Marks may not be used in any way, including in any advertising or publicity, or as a hyperlink without prior written permission of CapSphere.
- 10.2 CapSphere and its affiliates and licensors own and retain all right, title and interest in and to (a) the Platform; (b) all hardware, software, and other items used to provide the Services; and (c) all materials, including without limitation, the information, databases, data, documents, online graphics, audio and video, in the Platform, which contains proprietary and confidential information that is protected by applicable intellectual property and other laws. Except as expressly authorized by CapSphere, the Payee shall not copy, modify, publish, transmit, distribute, perform, display or sell any of CapSphere's proprietary information. The Payee shall also not decompile, reverse engineer or otherwise attempt to discover the source code of any content available on the Platform except under the specific circumstances expressly permitted by law or CapSphere in writing.
- 10.3 By submitting, posting or displaying content on or through the Platform, the Payee grants to CapSphere a worldwide, non-exclusive, royalty-free license to reproduce, adapt and publish such content on the Platform for the purpose of displaying, distributing and promoting the Platform or any other of our Services. The Payee further grants to CapSphere an irrevocable non-exclusive license to use such content submitted, posted or displayed, including any ideas, inventions, concepts, techniques or know-how disclosed herein, for any purpose, including the developing and/or marketing of Services. CapSphere reserves the right to retain an archival record of all such content including those deleted or removed by the Payee.
- 10.4 In the event that the Payee downloads any software, applications or script from the Platform, the software applications or script, including any files, images incorporated in or generated by the software, and data accompanying the software (collectively, the "**Software**") are licensed to the Payee by CapSphere on a non-exclusive, non-transferable, and non-sublicensable basis for the sole purpose only of utilizing the Services in accordance with this Agreement, the Privacy and Data Protection Policy and the Code of Conduct Policy. For the avoidance of doubt, CapSphere does not transfer title ownership or any other rights to the Software to the Payee. The Payee shall not redistribute, sell, decompile, reverse-engineer, disassemble or otherwise deal with the Software. Any Software downloaded from the Platform shall be at the Payee's own risk.

11. DISCLAIMERS

- 11.1 The Payee acknowledges that CapSphere's principal role is to perform introductory functions on behalf of Issuers and Payees in order to bring together prospective Issuers and Payees, to provide a stream-lined process for the issue of Notes and to facilitate the payments and collection of sums due under or in connection with those Notes (including taking certain actions on behalf of Payees upon an Issuer's default or if an Issuer becomes, or is likely to become, insolvent). Save as set out in this Agreement and the Issuer's Agreement, CapSphere will not perform any management functions on the Payee's behalf. CapSphere shall not be a party to any Investment Note, save for third party rights granted under such Investment Note. CapSphere does not in any manner warrant that a Subscription Offer can or will be accepted by an Issuer, or that any Issuer will perform the terms of the Investment Note in accordance with the terms thereof.

- 11.2 The Payee understands and acknowledges that CapSphere and the Platform is licensed and regulated by the Securities Commission Malaysia, and the funds placed by the Payee and the Issuer in the CapSphere Account are monies of the Payee and the Issuers respectively, to be applied for purposes directed by the Payee and the Issuer. The Payee understands that such monies placed in the CapSphere Account are not, and shall not be, deposits as defined under the Section 136 of Division 5 of the Financial Services Act 2013 of Malaysia.
- 11.3 The content and material available on the platform is for informational purposes only and should not be regarded as an offer, solicitation, invitation, advice or recommendation to buy or sell investments, securities or any other financial services or banking product. The Payee shall not rely on any information contained in the Platform in making an investment or other decision but shall obtain appropriate specific professional advice in connection therewith. Nothing contained in the Platform constitutes or should be construed to constitute investment, legal, tax or other advice. In particular, calculations that the Platform may provide in relation to the likely rate of return on Notes successfully issued through the Platform are for guidance purposes only and shall not be regarded as guaranteed.
- 11.4 **The Payee acknowledges that the use of the Platform and Services, the issue of Subscription Offers and the entry into of Investment Notes involves risks, including without limitation, the risk that Issuers will not repay in full the Principal Subscription Amount and the risk of the Platform discontinuing the servicing of the Principal Subscription Amount and Note.** CapSphere's obligation to make any payment on a Note is wholly dependent upon an Issuer paying CapSphere on the corresponding Note in which the Payee has invested. **The risk of investing means that the Payee may lose all or most of their investment. The Notes may not be guaranteed or insured by any governmental agency or instrumentality or any third party.**
- 11.5 CapSphere will use reasonable efforts in the enforcement of legal rights on behalf of the Payee in the event that the Issuers do not repay their Notes. The Payee acknowledges the risk in subscribing for Notes over the Platform, and that CapSphere does not guarantee that all Notes will be fully repaid and all unpaid amounts can be fully recovered by CapSphere. The Payee acknowledges and agrees that CapSphere shall not be liable in the event that any Issuer fails to fully repay its Notes and CapSphere is unable to fully recover the unpaid amounts.
- 11.6 The information as described in Section 3.3a) and 3.3b) attributed to each Issuer are based on information provided by the Issuer and credit information obtained from third party credit bureaus. CapSphere does not edit the information provided by the Issuer or the third party credit bureaus. CapSphere makes no representation or warranty as to the accuracy, reliability or validity of the data and information displayed on the Platform in relation to the Issuers and the Issue Requests, and as to the whether such information is updated or error free.
- 11.7 The information as described in Section 3.3a) and 3.3b) are intended to be informative only and the Payee shall form its own opinion regarding the creditworthiness of an Issuer and undertake its own research, analysis, assessment of each Issuer for each Note and, where appropriate, seek its own independent financial advice.
- 11.8 CapSphere accepts no responsibility and disclaims all liability for any information about an Issuer made available to the Payee through the Platform or in respect of the information as described in Section 3.3a) and 3.3b). CapSphere may, from time to time, but accepts no obligation to, require the Issuers to update or amend their information and/or update the information as described in Section 3.3a) and 3.3b).
- 11.9 Where CapSphere's appointed Back Up Service Provider provides any credit ratings of the Issuers through the Platform, the Payee acknowledges and agrees that they are furnished by the Back Up Service Provider in strict confidence for the Payee's exclusive use as a basis for credit and lending decisions on the Platform only.
- 11.10 In making a decision to fund a Note, the Payee must rely on its own examination of the Issuer, including the merits and risks involved in the Note. The information contained in this site shall in no way be construed to constitute a recommendation or an endorsement with respect to the Issue Requests or the Issuers. CapSphere is in no way making a warranty or representation as to the Issuers, the ability of Issuers to pay, and their credit risk, and CapSphere is in no way liable for the debts of Issuers. The Payee is offering and lending entirely at its own risk. The Payee retains complete control and discretion over whether or not to fund any Note by any Issuer and on what terms and over all other aspects of its participation in the Platform and Notes issued through it. Nothing CapSphere does and nothing on the Platform is intended to operate or be construed as advice or recommendation by CapSphere to enter into a particular Note.

- 11.11 CapSphere does not guarantee that there will be sufficient offers to fully fund Issue Requests and allow the funds of the Payee to be lent out, or that there will be sufficient Issuers for the Payee to lend to.
- 11.12 The Platform is provided “AS IS” on an “IS AVAILABLE” basis without any representations or any kind of warranties whatsoever (whether expressed or implied by law). CapSphere and its licensors expressly disclaim to the fullest extent permitted by law all express, implied and statutory warranties, including without limitation, the warranties as to functionality, operability, accessibility, accuracy, correctness, reliability, updatedness, timeliness, satisfactory quality, merchantability, fitness for a particular purpose, and non-infringement of proprietary rights.
- 11.13 Without limiting the foregoing, CapSphere does not warrant that the Services, functions contained in or access to the Platform or other content will be timely, uninterrupted or error-free without omission, that defects will be corrected, or that the Platform or its contents are free of infection by computer viruses, and/or other harmful or corrupting code, programme, macro and such other unauthorized software, or that the download, installation or use of any Software or content of Platform in or with any computer will not affect the functionality or performance of the computer. The Payee (and not CapSphere) shall assume the entire cost of all necessary servicing, repair, or correction, including any defect, problem or damage in the computer. The Payee agrees not to hold CapSphere liable for the loss of any of the content in its computer that is due to any circumstances beyond the control of CapSphere.
- 11.14 The Payee agrees that CapSphere has no responsibility or liability for the deletion or failure to store any content maintained or posted by or through the Platform.
- 11.15 The Platform contains links to other websites which are not maintained by CapSphere. Similarly, other websites may contain links to the Platform. CapSphere has no control over such sites and resources, and the Payee acknowledges and agrees that CapSphere is not responsible for the availability or contents of those websites and shall not be liable for any damages or injury arising from the availability or contents of those websites. Any links to other websites are provided as a convenience to the Payee as a user of the Platform, and does not imply CapSphere’s endorsement of the linked website or association with their operators. CapSphere disclaims all responsibility and liability, direct or indirect, for any damage or loss (including any virus, spyware, malware, worms, errors or damaging materials contained in the linked sites) caused or alleged to be caused by or in connection with the use or reliance on any such content available on or through any such site or resource, which are accessed and used at the Payee’s own risk.
- 11.16 Where CapSphere has, on behalf of the Payee, implemented or requested for any form of guarantee from an Issuer in respect of a Note, the Payee acknowledges and accepts that the enforceability of such guarantee shall be subject to the normal legal risks and limitations associated with guarantees, and that CapSphere does not represent that it has ensured that any individual or legal entity providing such a guarantee has been independently advised on the impact of such guarantee. The Payee further acknowledges that personal guarantees can be open to challenges in circumstances where the individual granting the personal guarantee has been subject to undue pressure or influence from a third party.

12. LIMITATION OF LIABILITY

- 12.1 CapSphere, or any of its directors, officers, employees, agents, affiliates, subsidiaries, contractors, suppliers, successors or assigns, shall not be liable for any direct, indirect, punitive, incidental, special, consequential damages, losses, expenses, liabilities under any causes of action or any damages whatsoever, including, without limitation, damages for loss of use or data, loss of opportunity, loss of goodwill, loss of profits (whether revenue or anticipated profits) or losses to third parties, arising out of or in any way connected with:-
- a) the use or performance of the Platform or Services;
 - b) the Issuers failing to repay any parts of the Note in respect of the Payee through the Platform;
 - c) the information about an Issuer made available to the Payee through the Platform or in respect of the information as described in Section 3.3a) and 3.3b), including the credit worthiness of the Issuer or the lack thereof;

- d) the inability of CapSphere to recover the instalments or other payments due from any Issuer to the Payee, whether arising from the negligence of CapSphere or otherwise;
- e) any negligence, willful default or fraud by any third party debt collector in the provision of its services, resulting in a failure to recover the unpaid amounts from the Issuers;
- f) the failure of the Payees to successfully enter into a Investment Note with an Issuer upon submitting Subscription Offer;
- g) the provision of, or failure to provide, services by the Back Up Service Provider;
- h) the delay or inability to use the Platform or Services;
- i) the provision of or failure to provide the Platform or Services;
- j) any information, data, software, products, services and related graphics obtained through the Platform or Services;
- k) any reliance on any statement, opinion, representation or information on the Platform or Services; or
- l) otherwise arising out of the use of this Platform or Services,

whether based on contract, tort, strict liability or otherwise, except where such loss or damage arises from the breach of this Agreement by CapSphere or was caused by the willful default or fraud by CapSphere.

- 12.2 In the event that CapSphere is liable for damages, the Payee agrees that CapSphere's aggregate liability to the Payee for any and all damages, losses and causes of action (whether in contract, tort including, without limitation, negligence, or otherwise) in relation to the Platform and the Services shall not exceed the total amount of fees and charges paid by the Payee to CapSphere in the 12 months period immediately preceding the time such liability arose.
- 12.3 Without prejudice to the other provisions herein, the Payee hereby agrees to indemnify and hold CapSphere, its subsidiaries, affiliated companies, directors, officers, agents, partners, and employees (collectively the "**Indemnified Parties**"), harmless at all times against all actions, proceedings, costs, claims, expenses (including all legal costs on a full indemnity basis), demands, liabilities, losses (whether direct, indirect or consequential) and damages (whether in tort, contract or otherwise) whatsoever and howsoever arising, including without limitation claims made by third parties and claims for defamation, infringement of intellectual property rights, death, bodily injury, wrongful use of computers, unauthorised or illegal access to computers (including but not limited to hacking), property damage or pecuniary losses which the Indemnified Parties may sustain, incur, suffer or pay arising out of, in connection with or pursuant to the access to and/or the use of the Platform or Services by the Payee, whether or not such access or use was authorised or whether it was due to any act or omission on its part, the breach of this Agreement by the Payee, the violation by the Payee of any rights of another person or entity or the breach by the Payee of any statutory requirement, duty or law.

13. NOTICES

- 13.1 All notices, demands or other communications required or permitted to be given or made under this Agreement by CapSphere to the Payee shall be in writing and sent through the internal messaging system of the Platform, delivered personally, sent by prepaid registered post with recorded delivery, by facsimile transmission, by electronic mail, by telephone calls or through the short messaging system ("SMS"), addressed to the Payee at its address, its facsimile number, its telephone number or its email address. Any notices or other communication by the Payee to CapSphere shall be regarded as effective and received by CapSphere only if in writing, sent by prepaid registered mail, to the address of CapSphere. Any such notice, demand or communication by the Payee to CapSphere shall be subject to actual receipt by CapSphere.
- 13.2 The address, facsimile number, telephone number and email address of CapSphere for the purposes of this Agreement are specified on the Platform, and the address, facsimile number, telephone number and email address of the Payee are specified in its registration data or as time to time notified by the Payee to CapSphere or CapSphere to the Payee.

- 13.3 Any such notice, demand or communication by CapSphere to the Payee shall be deemed to have been duly served (if sent through the internal messaging system, delivered personally, given or made by facsimile, sent through electronic mail, or by a telephone call or SMS) immediately or (if given or made by letter) two (2) Business Days after posting and in proving the same it shall be sufficient to show that personal delivery was made or that the envelope containing such notice was properly addressed, and duly stamped and posted or that the internal message, facsimile transmission, electronic mail or SMS was properly addressed and dispatched.

14. GENERAL

- 14.1 **No Partnership.** Nothing in this Agreement shall constitute a Party as a partner of the other. Nothing in this Agreement is intended to constitute a Party as an agent of the other and except as otherwise expressly provided under this Agreement, no Party shall have any power or authority to act in the name or on behalf of or to incur or accept any liability or obligation binding upon the other Party except with the prior written consent of the other Party.
- 14.2 **Further Assurance.** Each Party shall execute such other documents, do such acts and things and take such further actions as may be reasonably required or desirable to give full effect to the provisions of this Agreement and the transactions hereunder and each Party shall use its best endeavours to procure that any necessary third party shall execute such documents, do such acts and things and take such further actions as may be reasonably required for giving full effect to the provisions of this Agreement and the transactions hereunder.
- 14.3 **Time of Essence.** Any time or period mentioned in any provision of this Agreement may be extended by mutual written agreement between the Parties but as regards any time, date or period originally fixed or any time, date or period so extended as aforesaid, time shall be of the essence.
- 14.4 **Remedies.** No remedy conferred by any of the provisions of this Agreement is intended to be exclusive of any other remedy which is otherwise available at law, in equity, by statute or otherwise and each and every other remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law, in equity, by statute or otherwise. The election of any one or more of such remedies by a Party hereto shall not constitute a waiver by such Party of the right to pursue other available remedies. No failure on the part of a Party hereto to exercise, and no delay in exercising any right under this Agreement will operate as a waiver thereof, nor will any single or partial exercise of any right under this Agreement preclude any other or further exercise of any right thereof or of the exercise of any other right.
- 14.5 **Release and Indulgence.** Any liability to any Party hereto may in whole or in part be released, compounded or compromised or time or indulgence given by that Party in that Party's absolute discretion as regards the other Party hereto under such liability without in any way prejudicing or affecting the first Party's rights against the second Party.
- 14.6 **Assignment.** Save as provided for in this Agreement, Payees shall not have the right to assign or transfer any of such rights, undertakings, agreements, duties, liabilities and/or obligations hereunder.
- 14.7 **Entire and Continuing Effect of Agreement.** This Agreement and the documents referred to in this Agreement collectively embody the entire terms and conditions agreed upon by the Parties as to the subject matter of the same and supersedes and revokes in all respects all other documents, agreements, letters of intent, and undertakings entered into between the Parties, whether such be written or oral, with respect to the subject matter hereof. All provisions of this Agreement shall so far as they are capable of being performed or observed continue in full force and effect notwithstanding completion of the matters set out therein except in respect of those matters then already performed and except where expressly stated to the contrary. This Agreement shall be binding on and shall endure for the benefit of each of the Parties' successors in title or legal personal representatives.
- 14.8 **Amendment.** CapSphere reserves the right to supplement, vary or amend the terms of this Agreement from time to time immediately upon notification to the Payee. Changes to this Agreement will be posted on the homepage of the Platform or specifically notified by CapSphere, and the "Last Updated" date at the top of this Agreement will be revised. It is the responsibility of the Payee to review this Agreement upon each access or use to ensure that it are

aware of any changes made by CapSphere. The continued access or use of the Platform and/or the Services by the Payee after changes are posted constitutes its agreement to be legally bound by this Agreement as updated and/or amended and for such revised Agreement to apply to all current and past usage by the Payee of this Platform. In the event that the Payee does not agree to any of the changes, CapSphere not obliged to continue providing the Payee with any Service, and the Payee must stop using the Platform and Services.

- 14.9 **Survival on Termination.** All disclaimers, indemnities and exclusions in this Agreement shall survive the termination of this Agreement by any reason.
- 14.10 **Severance.** If any provision of this Agreement or part thereof is rendered void, illegal or unenforceable by any legislation to which it is subject, it shall be rendered void, illegal or unenforceable to that extent and no further and, for the avoidance of doubt, the rest of this Agreement shall continue in full force and effect and the legality, validity and enforceability of the whole of this Agreement in any other jurisdiction shall not be affected.
- 14.11 **No Third Party Rights.** A person who is not a party to this Agreement shall have no right under the Contracts Acts of Malaysia or under any law, to enforce any provision in this Agreement.
- 14.12 **Governing Law and Jurisdiction.** This Agreement shall be governed by, and construed in accordance with, the laws of Malaysia. Any dispute arising out of or in connection with this Agreement and/or the documents referred to herein, including any question regarding their existence, validity or termination, shall be referred to and finally resolved by the Courts of Malaysia and the Parties hereby unconditionally and irrevocably submit to the exclusive jurisdiction of the Courts of Malaysia.

Appendix 1 – INVESTMENT NOTE

For value received, the Issuer promises to pay to each Payee, in Malaysia Ringgit, the relevant Principal Subscription Amount and Interest as specified in this Investment Note, on such Repayment Date and in accordance with the schedule specified in this Investment Note.

Note Profile

| | |
|-------------------------------|--|
| Investment Note Request ID | |
| Name of Issuer | |
| Registration Number of Issuer | |
| Issue Date | |
| Principal Subscription Amount | |
| Maturity Date | |
| Maturity Period | |
| Number of Accepted Offers | |
| Number of Unique Investors | |
| Simple Interest Rate (p.a.) | |
| Late Interest Rate (p.a.) | |
| Total Interests Payable | |

Repayment Schedule

| Repayment Date | Principal Payable | Interests Payable | Total Amount Payable | Fee to CapSphere | Total Investor Receivable |
|----------------|-------------------|-------------------|----------------------|------------------|---------------------------|
| | | | | | |

Payee(s)

| Payee ID | Name of Payee | Identification Number | Principal Subscription Amount | Total Interests Payable | Fee to CapSphere |
|----------|---------------|-----------------------|-------------------------------|-------------------------|------------------|
| | | | | | |

This Note is issued subject to the “Standard Terms and Conditions to Investment Note”

Issued and Endorsed by:

Name of Director / Partner :

Signature :

For and on behalf of Issuer

STANDARD TERMS AND CONDITIONS TO INVESTMENT NOTE

These standard terms and conditions, together with the Investment Note entered into between the Payee(s) and the Issuer, setting out the particulars of the Payee, the Issuer and the Principal Subscription Amount, and the repayment schedule setting out the interests and amounts payable and the date on which such repayment is payable (collectively the "Note"), constitutes the terms on which this Investment Note is issued.

1. INTERPRETATION

- 1.1 In this Agreement, unless the context otherwise requires, the following expressions shall have the meanings set out against them: -

"Agreement" means these standard terms and conditions and any document which is supplemental hereto or which is expressed to be collateral herewith or which is entered into pursuant to or in accordance with the terms hereof;

"Business Day" means a day on which banks in Malaysia are open for business and shall exclude Saturdays, Sundays and public holidays;

"Calculation Period" means each period during which interest is payable, as applicable.

"CapSphere Account" shall have the meaning ascribed to it in Section 4.1;

"Day Count Fraction" means, the fraction used to calculate a rate or an amount of interest for any Calculation Period, and where "30/360" is specified in the terms, the number of days in the Calculation Period divided by 360, calculated in accordance with the following formula:

$$\text{Day Count Fraction} = \frac{[360 - (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"Y1" is the year expressed as a number, in which the first day of the Calculation Period falls;

"Y2" is the year, expressed as a number, in which the day immediately following the last day of the Calculation Period falls;

"M1" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"M2" is the calendar month, expressed as a number, in which the day immediately following the last day of the Calculation Period falls;

"D1" is the first calendar day, expressed as a number, of the Calculation Period, unless such number is 31 in which case D1, will be expressed as 30; and

"D2" is the calendar day expressed as a number immediately following the last day included in the Calculation Period, unless such number would be 31 and D1 is greater than 29, in which case D2 will expressed as be 30;

"Debentures" shall have the meaning ascribed to it in Section 2 of Part 1 of the CMSA, which shall include debenture stock, bonds, notes and any other evidence of indebtedness of a corporation for borrowed monies, whether or not constituting a charge on the assets of the corporation, but shall not be construed as applying to any of the following:-

- a) any instrument acknowledging or creating indebtedness for, or for money borrowed to defray the consideration payable under, a contract for sale or supply of goods, property or services or any contract of hire in the ordinary course of business;
- b) a cheque, banker's draft or any other bill of exchange or a letter of credit;
- c) a banknote, guarantee or an insurance policy;
- d) a statement, passbook or other document showing any balance in a current, deposit or savings account;

e) any agreement for a loan where the lender and borrower are signatories to the agreement and where the lending of money is in the ordinary course of business of the lender, and any investment note issued under the terms of such an agreement; or

f) any instrument or product or class of instruments or products as the Minister may, on the recommendation of the Commission, prescribe by order published in the Gazette;

“Early Redemption Option” means the Issuer may redeem the Notes, in whole but not in part, on every Interest Payment Date upon giving an irrevocable notice to the Payee through the Platform at least 20 calendar days prior to the nearest Interest Payment Date.

“Equal Instalment” means an Investment Note by which an instalment of the Principal Subscription Amount and/or interest accrued and due up to the date of payment shall be payable on such dates as set out in a repayment schedule specified in the Investment Note, and on the Maturity Date, the Principal Subscription Amount would have been paid in full;

“FSA” means the Financial Service Act 2013 of Malaysia;

“Issuer” means a corporate borrower which is registered as a member on the Platform;

“Issue Request” shall mean the request by an Issuer for Payees to subscribe for an Investment Note to be issued by the Issuer;

“MASB” means the Malaysian Accounting Standard Board;

“Maturity Date” means the date on which the Maturity Period ends;

“Maturity Period” means such period within which the full amount of the Note will be due and payable;

“Note” means the Investment Note, this Standard Terms and Conditions to Investment Note and any document which is supplemental hereto or which is expressed to be collateral herewith or which is entered into pursuant to or in accordance with the terms hereof;

“Parties” mean the Payee and CapSphere, and each of them individually shall be a **“Party”**;

“Payee” means a user which is registered as a member on the Platform who is intending to fund Issue Requests;

“Platform” means www.moolahsense.com;

“Principal Subscription Amount” means the principal amount payable or paid by Payees who have subscribed to the Notes;

“Privacy and Data Protection Policy” means the Personal Data Protection Act 2013 of Malaysia;

“Prospectus” shall have the meaning ascribed to it in Section 226 of Division 3 of Part 6 of the CMSA, which means a notice, circular, advertisement or document inviting applications or offers to subscribe for or purchase securities, or offering any securities for subscription or purchase and, unless expressly specified, includes a supplementary prospectus, replacement prospectus, shelf prospectus, short form prospectus, profile statement, supplementary shelf prospectus and abridged prospectus;

“Repayment Date” means such date on which repayment of the Principal Subscription Amount, interest and/or such other amounts payable under the Note, such dates as set out in a repayment schedule specified in the Investment Note;

“Securities” shall have the meaning ascribed to it in Section 2 of Part 1 of the CMSA, which means:

- a) debentures, stocks or bonds issued or proposed to be issued by any government;
- b) shares in or debentures of, a body corporate or an unincorporated body; or
- c) units in a unit trust scheme or prescribed investments,

and includes any right, option or interest in respect thereof **“Services”** shall have the meaning ascribed to it in Section 2.6;

“**RM**” mean Malaysian Ringgit, being the lawful currency of Malaysia;

“**Subscription Offer**” means an offer submitted by a Payee over the Platform in response to an Issue Request, stating the Principal Subscription Amount that the Payee wishes to subscribe for upon the Note.

The expressions the “**Issuer**” and the “**Payee**” shall include their respective successors and assigns.

- 1.2 Any reference in this Agreement to “**Sections**” is to the sections of this Agreement.
- 1.3 The headings to the Sections are inserted for convenience only and shall not affect the interpretation of this Agreement.
- 1.4 Unless the context otherwise requires or permits, references to the singular number shall include references to the plural number and vice versa, references to persons shall be construed as including bodies corporate and vice versa and words denoting any gender shall include all genders.
- 1.5 In the absence of any expression to the contrary, all payments and repayments made under the provisions of this Note, including damages, shall be made in Malaysia Dollars unless otherwise agreed by Parties.

2. INVESTMENT NOTE

- 2.1 The Issue Requests are not made in or accompanied by a Prospectus that is registered by the Securities Commission Malaysia.

This Note shall not be subsequently sold to any person

3. INTEREST

- 3.1 The Issuer shall pay an interest (“**Interest**”) on the Principal Subscription Amount specified in the Investment Note.
- 3.2 Interest shall accrue daily and shall be payable on such date in accordance to the Note.
- 3.3 If the Issuer fails to make any payment due under this Note on any Repayment Date, interest payable upon late payment of the unpaid, overdue and/or outstanding amounts shall in addition accrue and compound daily, at a rate as set out under “**Late Interest Rate**” in the Investment Note, from the date of non-payment to the date of the actual payment.

4. REPAYMENT UPON THE INVESTMENT NOTE

- 4.1 The Issuer shall repay the Principal Subscription Amount in instalments (“**Instalment**”), together with all interest accrued and due up to each Repayment Date. Such amount payable and the Repayment Dates shall be set out in a payment schedule specified in the Investment Note.
- 4.2 The Principal Subscription Amounts shall be payable in full by the Maturity Date.
- 4.3 Repayment shall be made by the Issuer via Interbank GIRO (“**IBG**”), into the account maintained by CapSphere with a local bank for the purposes of this Note. The Issuer shall be entitled to require presentation of the Note prior to the payment of the final Instalment.

5. REPRESENTATIONS AND WARRANTIES

- 5.1 The Issuer hereby represents and warrants as follows:-
 - a) the Issuer is a company duly incorporated and validly existing or a limited liability partnership duly set up and validly existing under the laws of its country of incorporation with full power and authority to own its properties and to conduct its business as currently conducted;

- b) the Principal Subscription Amounts are for the Issuer's own use;
- c) the Issuer has the power and authority to issue this Note and that this Note, when executed, constitutes valid and legally binding obligations enforceable against the Issuer in accordance with the terms herein;
- d) all actions, conditions and things required to be taken, fulfilled and done (including the obtaining of any necessary consents), in order
 - i. to enable the Issuer lawfully to enter into, exercise its rights and perform and comply with its obligations under this Note and
 - ii. to ensure that those obligations are valid, legally binding and enforceable, have been taken, fulfilled and done;
- e) the execution and delivery of, and the performance by it of its obligations under, this Note do not:
 - i. infringe, or constitute a default under, any instrument, contract, document or agreement to which it is a party or by which it or its assets are bound; and
 - ii. result in a breach of any law, rule, regulation, ordinance, order, judgement or decree of or undertaking to any court, government body, statutory authority or regulatory, administrative or supervisory body (including, without limitation, any relevant stock exchange or securities council) to which it is a party or by which it or its assets are bound, whether in Malaysia or elsewhere;
- f) No litigation, arbitration or administrative proceedings are taking place, pending or, to the Issuer's knowledge, threatened against it, any of its directors or any of its assets, which, if adversely determined, might reasonably be expected to have a material adverse effect on its business, assets or conditions, or its ability to perform its obligations under this Note;
- g) the maximum amount of Investment Notes the Issuer can issue during a 12 months period shall, together with funds raised through the issuance of other Securities and Debentures during that same 12 months period, be RM5,000,000 or such other amount as from time to time notified by CapSphere on the Platform. The maximum amount shall be calculated on a 12 months rolling basis;
- h) the Issuer has not made, and shall not make, in connection with any fundraising, during any 12 months period, any offers of Securities and Debentures, including Issue Requests, to more than 50 persons, including the Payees or potential Payees approached through the Platform;

5.2 The Payee's acceptance of this Note is subject to it representing that:

- a) all actions, conditions and things required to be taken, fulfilled and done (including the obtaining of any necessary consents), in order
 - i. to enable the Payee lawfully to enter into, exercise its rights and perform and comply with its obligations under this Note and
 - ii. to ensure that those obligations are valid, legally binding and enforceable, have been taken, fulfilled and done; and
- b) the execution and delivery of, and the performance by it of its obligations under, this Note do not:
 - i. infringe, or constitute a default under, any instrument, contract, document or agreement to which it is a party or by which it or its assets are bound; and
 - ii. result in a breach of any law, rule, regulation, ordinance, order, judgement or decree of or undertaking to any court, government body, statutory authority or regulatory, administrative or supervisory body (including, without limitation, any relevant stock exchange or securities council) to which it is a party or by which it or its assets are bound, whether in Malaysia or elsewhere;

6. COVENANTS

- 6.1 The Issuer covenants with the Payee(s) that, as from the date of this Note until the date the Principal Subscription Amounts are fully paid up and discharged:-
- a) the Issuer shall comply, in all respect, with all laws, if failure to do so has or is likely to have a material adverse effect on its business, assets or condition, or its ability to perform its obligations under this Note;
 - b) the Issuer shall promptly, after becoming aware of them, notify the Payee of any Event of Default described in Section 7.1 below;
 - c) the Issuer shall not pass any resolution approving the change in directors of the Issuer or the divestment of any or all of the shareholding or any shareholder of the Issuer, without first obtaining the prior written consent of CapSphere;
 - d) the Issuer shall not pass any resolution for the winding-up of the Issuer, nor cause a petition for winding-up to be presented against the Issuer, or the appointment of a receiver or receiver and manager of the respective undertakings or assets of the Issuer.

7. EVENTS OF DEFAULT

- 7.1 In the event that Issuer misses, fails to pay, or only partially pays an Instalment or other payment that is due, or any part of the Principal Subscription Amount is not fully repaid by the Maturity Date, the Parties agree that CapSphere has the authority to act as follows: -
- a) to attempt to contact the Issuer to remedy the default and make such payment within thirty (30) days (or such other period as CapSphere shall in its discretion determine) of the date on which such Instalment or payment is due;
 - b) if the Instalment or other payment is not fully paid within the thirty (30) days (or such other period as CapSphere shall in its discretion determine), to hire a third party professional debt collector to collect from the Issuer such unpaid amounts. For the avoidance of doubt, the respective Payee(s) shall bear the costs and expenses incurred in relation to the services provided by the third party professional debt collectors but the Issuer shall ultimately be responsible for such costs upon recovery; and
 - c) if (A) such sums are still not recovered after ninety (90) days (or such other period as CapSphere shall in its discretion determine) or (B) it becomes evident (in the sole discretion of CapSphere) that the Issuer is unable to satisfy the payment of all instalments and payment due and payable:
 - i. to, in its sole and absolute discretion and without any further consent or agreement required from the Payee, commence legal proceedings against the Issuer to recover such sums; or
 - ii. to, in its sole and absolute discretion, require the Payee(s) to assign the Note to CapSphere or a company appointed by CapSphere, which may sell the Note to a Note purchaser or commence legal proceedings against the Issuer to recover such sums. The assignment can be on the basis that
 - (aa) the company buys over the outstanding debt by paying to the Payee (where there is only one Payee) a price agreed to by the Payee, or paying to the Payees (where there is more than one Payee) a price agreed to by the Payees, whether collectively or individually, as the case may be, hold 75% or more of the Note's Principal Subscription Amount, and the proceeds from the recovery shall be retained by the company, or
 - (bb) on the basis that the Note is assigned without the debt, and what is recovered by the company, after deducting all costs and expenses incurred by the company in the course of recovery, shall be paid to the Payee(s); and
 - d) to take such other action as may from time to time be authorised by the Payee(s).
- 7.2 Each of the events or circumstances set out in this Section is an Event of Default:

- a) The Issuer has breached a term of this Note or Security Documents, and such default is not remedied within seven (7) Business Days of the earlier of:-
 - i. CapSphere notifying the Issuer of the default and the remedy required; or
 - ii. the Issuer becoming aware of the default.
- b) Any representation or warranty made by the Issuer in Section 5 above is incomplete, untrue, incorrect or misleading in any material respect.
- c) The membership of the Issuer in the Platform, the online platform on which this Note was executed, is terminated for any reason under the agreement entered into between the Issuer and CapSphere, the owner and operator of the Platform.
- d) The Issuer ceases to pay its debts or is unable to pay its debts as they fall due or is deemed unable to or admits its inability to do so or makes a general assignment for the benefit of or a composition with its creditors.
- e) Any action, proceedings, procedure or step is taken for:
 - i. the suspension of payments or a moratorium of any obligation of the Issuer to pay or repay money, present or future, actual or contingent, sole or joint ("Indebtedness");
 - ii. winding up, dissolution, administration or reorganization (using a voluntary arrangement, scheme of arrangement or otherwise) of the Issuer; or
 - iii. the appointment of a liquidator, receiver, administrator in respect of the Issuer or any part of the undertaking or assets of the Issuer.
- f) The Issuer commences negotiations, or enters into any composition, compromise, assignment or arrangement, with one or more of its creditors with a view to rescheduling any of its Indebtedness.
- g) The Issuer ceases, or threatens to cease, to carry on all or a substantial part of its business.
- h) There is a change of directors of the Issuer, where any existing shareholder of the Issuer divests all or any part of his shareholding, direct or indirect, in the Issuer, without the prior written consent of CapSphere.
- i) Litigation, arbitration or administrative proceedings are initiated, pending or, to the Issuer's knowledge, threatened against the Issuer, any of its directors or any of its assets, which, if adversely determined, might reasonably be expected to have a material adverse effect on its business, assets or conditions, or its ability to perform its obligations under this Note.

7.3 At any time after an Event of Default has occurred, CapSphere may, upon notice to the Issuer, on behalf of the Payee(s), terminate this Note and demand immediate repayment of the entire amount of the Principal Subscription Amount, including accrued Interest up to the date of repayment, in accordance with Section 7.1.

8. INDEMNITIES

- 8.1 Each of the Issuer and the Payee(s) shall keep the other parties fully and effectively indemnified against all losses, costs, damages, claims, demands, actions, proceedings, liabilities and expenses whatsoever, that may incur in connection with or arising from any material breach of its representations, warranties, obligations, covenants and undertakings under this Note.

9. COSTS, EXPENSES AND TAXES

- 9.1 Each of the Issuer and the Payee(s) shall bear all their own costs and expenses in relation to the entering of this Note, including the administration fees to be paid to CapSphere.

10. NOTICES

- 10.1 All notices, demands or other communications required or permitted to be given or made under this Note between the Payee(s) and the Issuer shall firstly be through the online messaging system on the Platform, or alternatively, in writing and delivered personally or sent by prepaid registered post with recorded delivery, addressed to the intended recipient thereof at its registered address or to such other address as a party hereto may from time to time duly notify the other in writing.
- 10.2 The addresses of the Issuer and the Payee(s) hereto for the purposes of this Note are specified in Form above.
- 10.3 Any such notice, demand or communication shall be deemed to have been duly served (if sent through the online messaging system on the Platform or delivered personally) immediately or (if given or made by letter) two (2) Business Days after posting and in proving the same it shall be sufficient to show that personal delivery was made or that the envelope containing such notice was properly addressed, duly stamped and posted.

11. GENERAL

- 11.1 **Further Assurance.** Each Party shall execute such other documents, do such acts and things and take such further actions as may be reasonably required or desirable to give full effect to the provisions of this Agreement and the transactions hereunder and each Party shall use its best endeavours to procure that any necessary third party shall execute such documents, do such acts and things and take such further actions as may be reasonably required for giving full effect to the provisions of this Agreement and the transactions hereunder.
- 11.2 **Time of Essence.** Any time or period mentioned in any provision of this Agreement may be extended by mutual written agreement between the Parties but as regards any time, date or period originally fixed or any time, date or period so extended as aforesaid, time shall be of the essence.
- 11.3 **Remedies.** No remedy conferred by any of the provisions of this Agreement is intended to be exclusive of any other remedy which is otherwise available at law, in equity, by statute or otherwise and each and every other remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law, in equity, by statute or otherwise. The election of any one or more of such remedies by a Party hereto shall not constitute a waiver by such Party of the right to pursue other available remedies. No failure on the part of a Party hereto to exercise, and no delay in exercising any right under this Agreement will operate as a waiver thereof, nor will any single or partial exercise of any right under this Agreement preclude any other or further exercise of any right thereof or of the exercise of any other right.
- 11.4 **Release and Indulgence.** Any liability to any Party hereto may in whole or in part be released, compounded or compromised or time or indulgence given by that Party in that Party's absolute discretion as regards the other Party hereto under such liability without in any way prejudicing or affecting the first Party's rights against the second Party.
- 11.5 **Assignment.** Save as provided for in this Agreement, Issuers shall not have the right to assign or transfer any of such rights, undertakings, agreements, duties, liabilities and/or obligations hereunder.
- 11.6 **Entire and Continuing Effect of Agreement.** This Agreement and the documents referred to in this Agreement collectively embody the entire terms and conditions agreed upon by the Parties as to the subject matter of the same and supersedes and revokes in all respects all other documents, agreements, letters of intent, and undertakings entered into between the Parties, whether such be written or oral, with respect to the subject matter hereof. All provisions of this Agreement shall so far as they are capable of being performed or observed continue in full force and effect notwithstanding completion of the matters set out therein except in respect of those matters then already performed and except where expressly stated to the contrary. This Agreement shall be binding on and shall endure for the benefit of each of the Parties' successors in title or legal personal representatives.
- 11.7 **Severance.** If any provision of this Agreement or part thereof is rendered void, illegal or unenforceable by any legislation to which it is subject, it shall be rendered void, illegal or unenforceable to that extent and no further and,

for the avoidance of doubt, the rest of this Agreement shall continue in full force and effect and the legality, validity and enforceability of the whole of this Agreement in any other jurisdiction shall not be affected.

- 11.8 **Governing Law and Jurisdiction.** This Agreement shall be governed by, and construed in accordance with, the laws of Malaysia. Any dispute arising out of or in connection with this Agreement and/or the documents referred to herein, including any question regarding their existence, validity or termination, shall be referred to and finally resolved by the Courts of Malaysia and the Parties hereby unconditionally and irrevocably submit to the exclusive jurisdiction of the Courts of Malaysia.
- 11.9 **Privacy and Data Protection.** This Note shall be subject to, and the Parties agree to be bound by, the Privacy and Data Protection Policy.