

DATED THIS

DAY OF

20

CAGAMAS BERHAD
(Company No. 157931-A)

AND

(Company No.)

MASTER SALE AND PURCHASE AGREEMENT
(HIRE PURCHASE & LEASING DEBTS - APPROVED SELLER)

(PURCHASE WITH RECOURSE SCHEME)

CAGAMAS BERHAD (Company No. 157931-A), a company incorporated in Malaysia, with its registered office at Level 32, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur ("**Cagamas**")

(Name and Company No.), a company incorporated in Malaysia and having its registered office at [] (the "**Approved Seller**").

Definitions

In this agreement, unless the context otherwise requires, the following words or expressions shall have the following meanings respectively:

"Accounting Records" means records kept by the Approved Seller as they apply to the HP/Leasing Debts, Security Instruments, and/or Groups of HP/Leasing Debts, including notes and statements intended to be read with the aforesaid records pursuant to this agreement.

"Book Balance" means, in relation to a HP/Leasing Debt sold under a Purchase Contract, the latest available outstanding balance of the HP/Leasing Debt in the books of the Approved Seller; for this purpose the phrase **"latest available outstanding balance"** means the outstanding balance available on the date which is closest to the Purchase Date or as the case may be, the applicable Review Date but is, in any event, not earlier than the end of the Month preceding the Purchase Date or as the case may be, the applicable Review Date.

"Bullet Payment" means the payment of the Principal Outstanding in one lump sum on such date as may be agreed upon between the parties and as shall be specified in the Summary of HP/Leasing Debts Offered / Summary of HP/Leasing Debts Offered (Replacement).

"Business Day" means a day (other than Saturday, Sunday or a public holiday) on which banks are open for business in Kuala Lumpur.

"Business Hours" means the period between 9.00 a.m. to 4.00 p.m. from Monday to Friday.

"Cagamas Hire Purchase and Leasing Debts Guide" means the guide issued by Cagamas in relation to sale and purchase of HP/Leasing Debts under the purchase with recourse scheme as amended from time to time by directives in writing pursuant to the provisions of Article IX of this agreement.

"Cagamas Instalment" means each instalment due monthly (or at such longer intervals as the parties hereto may agree upon from time to time) from the Approved Seller to Cagamas in respect of a HP/Leasing Debt calculated on the basis of the Cagamas Rate and shall be specified initially in the Summary of HP/Leasing Debts Offered/Summary of HP/Leasing Debts Offered (Replacement)/Revised Summary of HP/Leasing Debts Offered and reviewed and or revised on each Review Date or Reset Date or Conversion Option Date, as the case may be, and shall include any variations thereof from time to time.

"Cagamas Rate" means the rate of interest specified in the Summary of HP/Leasing Debts Offered/Summary of HP/Leasing Debts Offered (Replacement)/Revised Summary of HP/Leasing Debts Offered which may be a fixed or a floating rate or a fixed or floating rate with the Conversion Option to be calculated in the manner set out in the Cagamas Hire Purchase and Leasing Debts Guide and which shall form the basis of the calculation of the Cagamas Instalment and shall include any other rate or rates as may be substituted therefor from time to time pursuant to the terms of this agreement.

"Collection Account" means the account(s) to be opened and operated by the Approved Seller pursuant to Section 10.01 and Section 11.01 for the receipt of all payments by Customers in respect of HP/Leasing Debts sold to Cagamas.

"Contract" means a hire purchase, credit sale, deferred payment or lease agreement or other agreement entered into by a Customer with the Approved Seller or a Vendor pursuant to which the Approved Seller or the Vendor shall have agreed to hire or sell on hire purchase credit sale or deferred payment terms or otherwise howsoever or, as the case may be, lease an Equipment to the Customer and which evidences the HP/Leasing Debt or any part thereof.

"Conversion Option" means in relation to a Group of HP/Leasing Debts, the right of the Approved Seller to convert the Cagamas Rate from a fixed to a floating rate and vice versa in accordance with Section 7.01(6) hereof and the Cagamas Hire Purchase and Leasing Debts Guide .

"Conversion Option Date" means the day:-

- (i) prior to which the Approved Seller has the right to opt to convert the Cagamas Rate applicable to a Group of HP/Leasing Debts with a Conversion Option, from a fixed rate to a floating rate or a floating rate to a fixed rate, as the case may be; and
- (ii) on which the rate as converted (if converted) will take effect;

the initial such Conversion Option Date(s) being determined prior to the Purchase Contract Date relating to the Group of HP/Leasing Debts and specified in the Summary of HP/Leasing Debts Offered or Summary of HP/Leasing Debts Offered (Replacement) or Revised Summary of HP/Leasing Debts Offered, as the case may be, relating to such Group of HP/Leasing Debts and subsequent Conversion Option Date(s) being determined by Cagamas and the Approved Seller at or prior to the Review Date relating thereto following the last such Conversion Option Date immediately preceding the Review Date provided that if the parties are unable to agree upon any Conversion Option Date the date shall be determined by Cagamas.

"Customer" means the Person with whom the Approved Seller or Vendor shall have contracted to hire or sell Equipment upon hire purchase, credit sale or deferred payment terms or otherwise howsoever or to lease Equipment and from whom a HP Leasing Debt which is part of a Group of HP/Leasing Debts is receivable.

"Debentures" mean debenture stock, bonds, notes or such other debt securities as may be issued by Cagamas from time to time.

"Defective HP/Leasing Debts" means any Defective HP/Leasing Debts as defined in the Cagamas Hire Purchase and Leasing Debts Guide.

"Deposit" means the deposit or other initial payment payable or paid by a Customer under the term of a Contract.

"Designated Account" means the account of Cagamas with Bank Negara Malaysia or such other account or accounts of Cagamas as Cagamas may from time to time designate for payment of the Cagamas Instalment and or Repurchase Value and any other sums due and or otherwise payable by the Approved Seller to Cagamas hereunder and or in respect of the HP/Leasing Debts purchased.

"Eligible HP/Leasing Debt" means any Eligible HP/Leasing Debt as defined in the Cagamas Hire Purchase and Leasing Debts Guide.

"Eligible Replacement HP/Leasing Debt" means any Eligible Replacement HP/Leasing Debt as defined in the Cagamas Hire Purchase and Leasing Debts Guide.

"Equipment" means cars, motorcycles, buses, lorries, vans, aircrafts, ships, passenger vehicles, commercial vehicles and other vehicles things used for or capable of being used for transportation whether of goods, equipment, machinery or passengers or otherwise and whether on land, sea or air, equipment and machinery electrical and other appliances and all components and things necessary for or capable of being used in connection with such vehicles equipment or machinery.

"Financed Equipment" means the Equipment hired or sold on hire purchase, credit sale or deferred payment terms or otherwise howsoever or, as the case may be, leased out to a Customer pursuant to a Contract and which is the subject matter of a Contract.

"Group of HP/Leasing Debts" means any Group of HP/Leasing Debts agreed to be sold by the Approved Seller to Cagamas and agreed to be purchased by Cagamas from time to time pursuant to the provisions of this agreement.

"Hire Purchase Act" means the Hire Purchase Act (Act 212 of 1967) and includes any statutory amendments or re-enactments thereof.

"HP/Leasing Debts" means in respect of any Contract, the hire purchase instalments, lease rentals and or other sums payable and or to be paid by the Customer and all rights of the Approved Seller under, to and or pursuant to that Contract and the other Security Instruments relating thereto, (but not the right to re-possess such Financed Equipment the subject of such Contract) and to the proceeds of sale (if any) of the Financed Equipment.

"HP/Lease Instalments" means the instalments payable by the Customer monthly or at such other interval as may be or have been agreed upon between the Customer and the Approved Seller or, as the case may be, a Vendor in accordance with the terms and conditions of the HP/Leasing Debts and the Contracts relating thereto.

"HP/Lease Rate" means, in respect of each Contract, the rate of interest/term charges/hire charges which is payable by the Customer pursuant to the terms and conditions of the Contract prevailing as at the Purchase Date thereof and on the basis of which the HP/Lease Instalments are calculated and shall include any other rate or rates as may be substituted therefor from time to time in accordance with the terms of the Contract or the Security Instruments.

"Instalment Schedule" means the instalment schedule setting out the Cagamas Instalment payable by the Approved Seller in respect of a Group of HP/Leasing Debts, in substantially the form of **Appendix 4** hereto or such other form as may be agreed upon by the parties hereto, the first of which shall be attached to the Purchase Contract.

"Interest Only Option" means the option to make payments of the interest portion only of a HP/Leasing Debt by way of the Cagamas Instalment and to pay the principal outstanding thereof by way of a Bullet Payment which option shall be exercised in accordance with the Cagamas Hire Purchase & Leasing Debts Guide.

"Month" means a calendar Month except where otherwise specified.

"Notice to Repurchase" means a notice by Cagamas to the Approved Seller requiring the Approved Seller to repurchase the HP/Leasing Debts specified thereunder, substantially in the form of **Appendix 3** or in such other form as the parties hereto may agree upon.

"Payment Option" means the option on or before each Purchase Date or Review Date, made available at the sole discretion of Cagamas to the Approved Seller, to elect to pay

the Cagamas Instalment, by way of the Interest Only Option or the Principal And Interest Only Option.

"**Person**" includes more than one (1) individual, a company, a corporation and any other legal entity.

"**Principal And Interest Option**" means the option to make payments of the principal and interest portion of a HP/Leasing Debt by way of the Cagamas Instalment which option shall be exercised in accordance with the Cagamas Hire Purchase & Leasing Debts Guide;

"**Principal Outstanding**" means the value of the HP/Leasing Debts in the books of Cagamas after taking into account the principal portions of the Cagamas Instalment that have been paid and/or partial prepayments remitted, if any;

"**Proceeds**" means the proceeds of sale arising out of a sale of the Financed Equipment by or on behalf of or for the benefit of the Approved Seller.

"**Purchase Contract**" means each of the agreements and the annexures thereto substantially in the form of **Appendix 1** or in such other form as the parties hereto may agree upon made between Cagamas and the Approved Seller to purchase and sell a Group of HP/Leasing Debts pursuant to this agreement, such agreements and annexures containing terms and conditions which may be amended from time to time by the Cagamas Hire Purchase and Leasing Debts Guide.

"**Purchase Contract Date**" means the date of the relevant Purchase Contract.

"**Purchase Contract Number**" means the identification number of a Purchase Contract as determined by Cagamas.

"**Purchase Date**" means the date on which Cagamas pays the Purchase Value pursuant to a Purchase Contract.

"**Purchase Value**" means unless otherwise indicated in the Summary of HP/Leasing Debts Offered/Summary of HP/Leasing Debts Offered (Replacement)/ Revised Summary of HP/Leasing Debts Offered, the Book Balance of a HP/Leasing Debt sold under a Purchase Contract after deduction of unearned interest/term charges/hire charges, if any, included in such balance and the total of the Purchase Values shall be set out in the Summary of HP/Leasing Debts Offered/Summary of HP/Leasing Debts Offered Replacement/Revised Summary of HP/Leasing Debts Offered.

"**Reconstituted Summary of HP/Leasing Debts Offered**" means the statement showing the total Cagamas Instalments still payable under a Purchase Contract, and/or the Review Date Values and/or the Purchase Values in respect of the HP/Leasing Debts still outstanding thereunder and arising from the repurchase of any HP/Leasing Debts

and/or replacement of any HP/Leasing Debts repurchased and/or the review of the Cagamas Rate and/or the reset of the Cagamas Rate and/or the exercising of the Payment Option (if available) and/or the remittance of partial prepayments (if any) in respect of the HP/Leasing Debts substantially in the form of **Appendix 2** or in such other form as the parties hereto may agree upon.

"Repurchase Contract" means each of the agreements arising from the exercise by the Approved Seller of its Right of First Refusal to repurchase all or any of the HP/Leasing Debts and/or Groups of HP/Leasing Debts as envisaged hereunder and in the Cagamas Hire Purchase and Leasing Debts Guide or from the Approved Seller's agreement to repurchase or its repurchase otherwise howsoever from Cagamas substantially in the form of **Appendix 3(a)** or in such other form as the parties hereto may agree upon.

"Repurchase Contract Date" means the date on which the Approved Seller exercises its Right of First Refusal to repurchase or otherwise agrees to repurchase or repurchases from Cagamas any HP/Leasing Debts or Group of HP/Leasing Debts.

"Repurchase Contract Number" means the identification number of a Repurchase Contract as determined by Cagamas.

"Repurchase Date" means the date on which the Approved Seller pays the Repurchase Value pursuant to the Notice to Repurchase or the Repurchase Contract or pursuant to Section 12.03 or Section 13.01.

"Repurchase Notice Number" means the identification number of a Notice to Repurchase, as determined by Cagamas.

"Repurchase Value" means the value of the HP/Leasing Debts at the Repurchase Date, the computation of which is set forth and provided for in the Cagamas Hire Purchase and Leasing Debts Guide.

"Reset Date" means in relation to a floating Cagamas Rate, the day on which Cagamas resets the Cagamas Rate and consequentially the Cagamas Instalment relating thereto; the first of such reset dates shall be specified in the Summary of HP/Leasing Debts Offered/Summary of HP/Leasing Debts Offered (Replacement)/Revised Summary of HP/Leasing Debts Offered, as the case may be.

"Retained Functions" refers to the functions set out in the Cagamas Hire Purchase and Leasing Debts Guide which shall continue to be carried out by the Approved Seller in relation to the HP/Leasing Debts, notwithstanding the sale of such HP/Leasing Debts to Cagamas.

"Review Date" means the day:-

- (i) prior to which Cagamas shall have reviewed the Cagamas Rate;

- (ii) on which date the revised rate (if any) will take effect; and
- (iii) prior to which Cagamas may make the Payment Option available to the Approved Seller.

the first of such review dates being specified in the Summary of HP/Leasing Debts Offered/Summary of HP/Leasing Debts Offered (Replacement)/Revised Summary of HP/Leasing Debts Offered as the case may be, relating to such Group of HP/Leasing Debts and each subsequent Review Date being determined by Cagamas and the Approved Seller at or prior to the preceding Review Date.

"Review Date Value" means the value of a HP/Leasing Debts at the relevant Review Date relating thereto, the computation of which is set forth and provided for in the Cagamas Hire Purchase and Leasing Debts Guide.

"Revised Rate" means the Cagamas Rate as reviewed and or varied and or reset and or converted pursuant to Article VII hereof.

"Revised Summary of HP/Leasing Debts Offered" means the list of HP/Leasing Debts showing the revised Cagamas Instalment and/or the Review Date Value and/or the Purchase Values/Principal Outstanding arising from the review of the Cagamas Rate and/or the reset of the Cagamas Rate and/or the exercising of the Payment Option (if available) and/or the remittance of partial prepayments (if any) in respect of HP/Leasing Debts purchased hereunder substantially in the form of **Appendix 2(a)** or in such other form as the parties hereto may agree upon.

"Right of First Refusal" means the right of the Approved Seller, as envisaged hereunder and in the Cagamas Hire Purchase and Leasing Debts Guide, to be first offered for sale all or any of the HP/Leasing Debts or Groups of HP/Leasing Debts, prior to their/its being offered for sale, sold or disposed of to any third party.

"Ringgit Malaysia" and the sign **"RM"** means the lawful currency of Malaysia.

"Said Documents" means the Purchase Contracts, Repurchase Contracts and any or all other agreements and documents issued or executed by the Approved Seller pursuant to or to give full effect to the terms and conditions hereof.

"Security Instruments" means the Contract and any instrument, agreement (including any novation agreement) or document evidencing and or securing and or entered into or executed in connection with the HP/Leasing Debts and includes any agreement, guarantee and/or indemnity and/or any other Security Instrument (if any) relating to or connected with such Security Instruments.

"Summary of HP/Leasing Debts Offered" means the list of HP/Leasing Debts Offered for sale to Cagamas which list shall after acceptance thereof, be attached to the Purchase

Contract and related thereto by the Purchase Contract Number, and substantially in the form of **Appendix 1(a)** or in such other form as the parties hereto may agree upon.

"Summary of HP/Leasing Debts Offered (Replacement)" means the list of HP/Leasing Debts Offered for sale to Cagamas to replace HP/Leasing Debts Repurchased, which list shall after acceptance thereof, be attached to the Purchase Contract and related thereto by the Purchase Contract Number, and substantially in the form of **Appendix 1(b)** or in such other form as the parties hereto may agree upon.

"Summary of HP/Leasing Debts Repurchased" means the list of HP/Leasing Debts Repurchased by the Approved Seller pursuant to a Notice to Repurchase or Repurchase Contract or pursuant to Article XII or Article XIII, such list being attached to the Notice to Repurchase or Repurchase Contract, as the case may be, substantially in the form of **Appendix 3(b)** or in such other form as the parties may agree upon.

"Vendor" means the Person who shall originally have contracted to sell on hire purchase or deferred payment terms or to lease Equipment to the Customer and from whom the Approved Seller shall have purchased or acquired the HP/Leasing Debts.

"Year" means a calendar year except where otherwise specified.

Section 1.02

The words "**hereof**", "**herein**", "**hereon**" and "**hereunder**" and words of similar import, when used in this agreement, shall refer to this agreement as a whole and not to any particular provision of this agreement.

Section 1.03

Unless the context otherwise requires, words importing the singular number include the plural number and vice versa.

Section 1.04

References herein to Sections are references to Sections of this agreement.

Section 1.05

References herein to Articles are references to Articles of this agreement.

Section 1.06

The headings to the Articles hereof shall not be deemed to be a part thereof or be taken into consideration in the interpretation or construction thereof or of this agreement.

Section 1.07

Unless the context otherwise requires, terms and expressions defined in the Cagamas Hire Purchase and Leasing Debts Guide shall have the same meanings when used herein.

Section 1.08

Unless the context otherwise requires, references herein to:-

- (i) any document or agreement includes any variations thereof or amendments thereto or documents or agreements in substitution thereof; and
- (ii) the provisions of any legislation includes a reference to any statutory modifications and re-enactment thereof.

ARTICLE II

Recitals

Section 2.01

The Approved Seller has originated or otherwise acquired and is the holder of certain HP/Leasing Debts which meet the requirements laid down in the Cagamas Hire Purchase and Leasing Debts Guide.

Section 2.02

Each of the parties to this agreement is duly authorised to enter into and has duly authorised the execution of this agreement, and all other acts have been performed to make the sale and purchase of the Eligible HP/Leasing Debts comprise effective, valid, binding and legal obligations and undertakings of the Approved Seller and Cagamas, in their respective capacities as provided in this agreement.

ARTICLE III

Agreement to Terms and Conditions Herein

Section 3.01

The parties hereto hereby mutually agree to the terms and conditions contained in this agreement and further agree that with effect from [insert date] this agreement shall supersede any and all previous master sale and purchase agreements executed between the parties hereto for the sale and purchase of HP/Leasing Debts under the purchase with recourse scheme.

ARTICLE IV

Agreement To Sell and Purchase **HP/Leasing Debts From Time to Time**

Section 4.01

Cagamas hereby agrees that it will at the request of the Approved Seller from time to time consider and, if Cagamas at its discretion thinks fit, purchase Eligible HP/Leasing Debts from the Approved Seller.

Section 4.02

The sale and purchase of the Eligible HP/Leasing Debts shall be made pursuant to a Purchase Contract/Purchase Contracts executed/to be executed by the parties.

Section 4.03

The sale and purchase of the Eligible HP/Leasing Debts shall be identified in the records of the Approved Seller and Cagamas by the Purchase Contract Number allocated by Cagamas to the Purchase Contracts executed by the parties which incorporate the terms and conditions of this agreement by reference.

Section 4.04

Unless otherwise agreed, the parties hereto hereby mutually agree that the purchase consideration for each HP/Leasing Debt so purchased shall be its Purchase Value.

Section 4.05

- (1) The purchase consideration for each HP/Leasing Debt shall be payable/settled either:
 - (a) in cash; or
 - (b) partly in cash and partly by way of an issuance of Debentures to the Approved Seller or to such other party as may be nominated by the Approved Seller and approved by Cagamas.
- (2) Part of the purchase consideration for each HP/Leasing Debt shall be paid on a deferred basis by way of deduction and retention by the Approved Seller of the amount equivalent to the difference (if any) between the HP/Lease Instalments and the Cagamas Instalments.

- (3) The parties hereto hereby agree that any outstanding deferred purchase consideration for each HP/Leasing Debt shall forthwith cease to be payable to and deducted by the Approved Seller in the event Cagamas requires the Approved Seller to:
- (a) cease to carry out the Retained Functions in relation to such HP/Leasing Debt; or
 - (b) repurchase such HP/Leasing Debt; or
 - (c) transfer the legal right, title or interest in such HP/Leasing Debt to Cagamas or to any third party or parties nominated by Cagamas.

Section 4.06

Nothing herein imposes or shall impose any obligation on Cagamas to accept any offer or invitation to purchase any HP/Leasing Debt and /or to purchase any HP/Leasing Debt.

Section 4.07

It is the intention of the parties hereto to effect true absolute sales hereunder and under the Purchase Contracts. Any accounting treatment or change in accounting treatment which purports to treat such sales as anything other than absolute sales is only to accommodate a change in the accounting convention and/or to comply with the directives of the regulatory authorities and does not reflect the legal intention of the parties.

ARTICLE V

Repurchase Consideration

Section 5.01

In the event that the Approved Seller is required to repurchase any of the HP/Leasing Debts comprised in any of the Group of HP/Leasing Debts pursuant to Article VIII, Article XII and/or Article XIII hereof or in the event that the Approved Seller from time to time agrees to repurchase or repurchases any of such Group of HP/Leasing Debts and/or HP/Leasing Debts, then the repurchase consideration shall be the Repurchase Value.

Section 5.02

The event of repurchase referred to in Section 5.01 above, shall have the effect of extinguishing the legal or equitable rights and obligations under this agreement and under the Purchase Contract relating to the HP/Leasing Debts which are the subject matter of the repurchase.

ARTICLE VI

Undertakings of the Approved Seller

Section 6.01

- (1) Notwithstanding the sale of the relevant HP/Leasing Debts by the Approved Seller to Cagamas, the Approved Seller shall as a term of this agreement continue to carry out the Retained Functions in relation to the HP/Leasing Debts in accordance with the terms of this agreement and the Cagamas Hire Purchase and Leasing Debts Guide unless and until otherwise notified by Cagamas in writing.
- (2) Save as is otherwise expressly provided herein or in the Cagamas Hire Purchase and Leasing Debts Guide, the cost of carrying out the Retained Functions shall be borne by the Approved Seller.
- (3) Cagamas shall be entitled, by notice in writing to the Approved Seller, to require the Approved Seller to cease to carry out the Retained Functions in relation to any or all of the HP/Leasing Debts, at any time after Cagamas shall in its sole and absolute discretion determine that the Approved Seller has not carried out such Retained Functions in relation to any of the HP/Leasing Debts for a period of not less than sixty (60) days Provided That no failure to exercise or delay in exercising such right by Cagamas shall operate as a waiver thereof.

Section 6.02

- (1) The Approved Seller shall, until and unless otherwise notified in writing by Cagamas, remit to Cagamas out of the HP/Lease Instalments collected by the Approved Seller in respect of HP/Leasing Debts purchased at monthly intervals (or at such longer intervals as the parties hereto may agree upon from time to time) to Cagamas or for the credit of Cagamas to the Designated Account (or any other accounts as Cagamas may designate from time to time), the respective Cagamas Instalment corresponding thereto.
- (2) In the event:-
 - (a) that any payment made by the Customer shall include any arrears of HP/Lease Instalments in respect of which the Approved Seller shall have fully indemnified Cagamas pursuant to Section 8.04 hereof (the "**Indemnified Sums**") the Approved Seller shall deduct or be entitled to be paid therefrom as the case may be, the Indemnified Sums by way of reimbursement and part payment of the deferred purchase consideration;
 - (b) that the Customer shall pay in advance any HP/Lease Instalment in respect of the HP/Leasing Debts, the Approved Seller shall hold or be deemed to hold all such amounts paid in advance on trust for Cagamas and shall pay or procure the payment to Cagamas of the Cagamas Instalment corresponding to the

HP/Lease Instalments so paid in advance as and when they fall due in accordance with Section 6.02(3) hereof;

- (c) that the Customer shall:
 - (i) make any partial prepayment in respect of a HP/Leasing Debt payable by way of the Principal And Interest Option, the Approved Seller shall, without prejudice to Cagamas' rights under Article XIII hereof, pay the amount so prepaid to Cagamas in accordance with the Cagamas Hire Purchase & Leasing Debts Guide. Any partial prepayment as aforesaid shall not affect the amount of the Cagamas Instalment payable to Cagamas and any amounts so prepaid shall be applied towards the Approved Seller's payment obligations in respect of the Cagamas Instalment in the inverse order of maturity; and
 - (ii) make any partial prepayments in respect of a HP/Leasing Debt payable by way of the Interest Only Option, the Approved Seller shall not remit any such partial prepayments received from the Customer to Cagamas and shall be required only to furnish reports in accordance with the Cagamas Hire Purchase & Leasing Debts Guide of such partial prepayments to Cagamas. The Approved Seller will be required to repurchase and replace the HP/Leasing Debt if the cumulative partial prepayments in respect of such HP/Leasing Debt (i) exceeds the amount prescribed under the Cagamas Hire Purchase & Leasing Debts Guide or such other amount as decided by Cagamas, and/or (ii) causes the remaining life of the HP/Leasing Debt to expire prior to the Review Date pursuant to the applicable Purchase Contract.
- (d) that the amount of any HP/Lease Instalment is less than the amount of the corresponding Cagamas Instalment, the Approved Seller shall, in consideration of Cagamas having entered into this agreement, indemnify Cagamas against such shortfall and shall make up such difference at the time of making payment of the Cagamas Instalment to Cagamas;
- (e) that the amount of a HP/Lease Instalment for a HP/Leasing Debt payable by way of the Principal And Interest Option exceeds the amount of the corresponding Cagamas Instalment, the Approved Seller shall be entitled to retain such excess as advance part payment of the deferred purchase consideration;
- (f) that the interest portion of a HP/Lease Instalment for a HP/Leasing Debt payable by way of the Interest Only Option exceeds the amount of the corresponding Cagamas Instalment, the Approved Seller shall be entitled to retain such excess as advance part payment of the deferred purchase consideration;.

- (3) The first Cagamas Instalment in respect of each HP/Leasing Debts purchased shall be paid in accordance with this Section 6.02 on that day in the calendar Month following the Purchase Date corresponding with the Purchase Date (or on such other date as the parties hereto may agree upon from time to time) and each subsequent payment shall be made on the corresponding day of each succeeding calendar Month or if there shall be no such day in such subsequent Month the last day of that Month (or at such other intervals as the parties hereto may agree upon from time to time).
- (4) The obligation of the Approved Seller to pay or procure the payment of the Cagamas Instalment under this Section 6.02 shall not be affected by any change in the terms and conditions of the HP/Leasing Debts purchased hereunder.

Section 6.03

The Approved Seller hereby covenants and warrants that it will notify Cagamas promptly and in writing of any change or proposed change in its rating status or ownership including any:-

- (a) sale or a transfer of a majority interest;
- (b) merger or consolidation;
- (c) change in legal structure; or
- (d) restriction imposed on the nature or otherwise howsoever in connection with its business.

Section 6.04

The HP/Leasing Debts sold hereunder and all Security Instruments relating thereto shall remain the sole and absolute property of Cagamas.

ARTICLE VII

Revision of Cagamas Instalment/Review of Cagamas Rate /Reset of Cagamas Rate/Conversion of Cagamas Rate

Section 7.01

- (1) In the event of a repurchase and or replacement of the HP/Leasing Debts by the Approved Seller and or the review of the Cagamas Rate by Cagamas pursuant to Section 7.01(2) hereof and or the reset of the Cagamas Rate pursuant to Section 7.01(3) hereof, the Cagamas Instalment for the Group of HP/Leasing Debts affected by such a repurchase and or replacement and or review and or reset as the case may be

shall be revised accordingly. Provided that such revision shall not in whatsoever manner affect the legal and equitable rights and obligations contained in this agreement or the Purchase Contracts.

- (2) Notwithstanding any other provisions hereof, Cagamas shall be entitled to review the Cagamas Rate and consequentially the Cagamas Instalment, prior to each Review Date and to vary the same for the period following such Review Date and thereafter all references herein to the Cagamas Rate and the Cagamas Instalment shall mean the Cagamas Rate and the Cagamas Instalment as so varied. PROVIDED THAT at least fourteen (14) business days prior to each Review Date, Cagamas shall notify the Approved Seller in writing of such Revised Rate and or the terms for calculating the Revised Rate and shall on or prior to such Review Date, forward to the Approved Seller a Reconstituted Summary of HP/Leasing Debts Offered, a Revised Summary of HP/Leasing Debts Offered and an Instalment Schedule setting out such Revised Rate. PROVIDED FURTHER that if such Revised Rate and or terms for calculating such Revised Rate is not acceptable to the Approved Seller then the Approved Seller shall, have the option of repurchasing the relevant HP/Leasing Debts on the Review Date on which the Revised Rate and or terms take effect in accordance with the Cagamas Hire Purchase and Leasing Debts Guide. The option shall be exercised by notice in writing issued by the Approved Seller to Cagamas within five (5) business days after receipt of notification from Cagamas of the Revised Rate and or terms for calculating such Revised Rate. If no such notice is received, Cagamas shall be entitled to fix such Revised Rate and or terms as it shall in its sole and absolute discretion deem fit and the Approved Seller shall be deemed to have accepted and shall be bound by such Revised Rates and or terms.
- (3) Without prejudice to Section 7.01(2) hereof, Cagamas shall, in respect of the Cagamas Rate which is a floating rate, be entitled to reset the Cagamas Rate on each Reset Date in accordance with the Cagamas Hire Purchase and Leasing Debts Guide and shall on such Reset Date or immediately thereafter, notify the Approved Seller in writing of the new Cagamas Rate and consequentially the revised Cagamas Instalment payable from the Reset Date and thereafter all references herein to the Cagamas Rate shall mean the Cagamas Rate as reset. Cagamas shall on or after the Reset Date, forward to the Approved Seller a Reconstituted Summary of HP/Leasing Debts Offered, a Revised Summary of HP/Leasing Debts Offered and an Instalment Schedule setting out the revised Cagamas Rate and the revised Cagamas Instalment.
- (4) Nothing herein or in the Cagamas Hire Purchase and Leasing Debts Guide shall be deemed to:-
 - (a) affect or prejudice Cagamas' rights to vary the HP/Lease Rate for any or all of the HP/Leasing Debts purchased in accordance with the terms of the HP/Leasing Debts or the Security Instruments and consequentially the Cagamas Instalment from time to time and at any time if the HP/Lease Rate is less than the Cagamas Rate then prevailing; or

- (b) impose any obligation upon Cagamas to vary the HP/Lease Rate for any or all of the HP/Leasing Debts.
- (5) In addition to its other rights hereunder the Approved Seller shall be entitled to elect, prior to each Review Date relating to a Group of HP/Leasing Debts:
 - (a) to convert the Cagamas Rate applicable thereto from a fixed to a floating rate and vice versa in the manner prescribed in the Cagamas Hire Purchase & Leasing Debts Guide; and
 - (b) to exercise the Payment Option (if made available by Cagamas) in respect of such Group of HP/Leasing Debts.
- (6) Without prejudice to its other rights hereunder, the Approved Seller shall have the right to elect at or prior to the Purchase Contract Date and any Review Date relating to a Group of HP/Leasing Debts for a Conversion Option, that is, to have the option to convert, on any Conversion Option Date, the Cagamas Rate applicable to such Group of HP/Leasing Debts from a fixed to a floating rate and vice versa with effect from such Conversion Option Date in the manner prescribed in the Cagamas Hire Purchase and Leasing Debts Guide.
- (7) Notwithstanding any other provisions hereof prior to each Conversion Option Date relating to a group HP/Leasing Debts with a Conversion Option:-
 - (a) the Approved Seller shall be entitled to elect to convert the Cagamas Rate applicable thereto from a fixed to a floating rate and vice versa, with effect from such Conversion Option Date, in the manner prescribed in the Cagamas Hire Purchase and Leasing Debts Guide; and
 - (b) Cagamas shall be entitled to review the Cagamas Rate and consequentially the Cagamas Instalment, for the period following such Conversion Option Date, and thereafter all references herein to the Cagamas Rate shall mean the Cagamas Rate as so varied.

PROVIDED THAT at least ten (10) business days prior to each Conversion Option Date, Cagamas shall notify the Approved Seller in writing of the alternative Revised Rate and or terms for calculating the Revised Rate applicable to the Group of HP/Leasing Debts with effect from the Conversion Option Date both if the applicable Cagamas Rate is converted and if it is not converted and shall on or subsequent to such Conversion Option Date forward to the Approved Seller a Reconstituted Summary of HP/Leasing Debts Offered, a Revised Summary of HP/Leasing Debts Offered and an Instalment Schedule setting out such Revised Rate. The Approved Seller is required to notify Cagamas in writing within five (5) business days of receipt of the first notification of the Revised Rate or terms for calculating such rates from Cagamas, as to whether the Approved Seller wishes to exercise its right to convert the Cagamas Rate. PROVIDED FURTHER THAT if no such notice is received by Cagamas within

the prescribed period, the Approved Seller shall be deemed to have decided not to exercise its right to convert the Cagamas Rate, in which event the Revised Rate and or terms for calculating such Revised Rate applicable to the unconverted Cagamas Rate shall be applicable to the Group of HP/Leasing Debts for the period from and following such Conversion Option Date.

ARTICLE VIII

Warranties and Covenants

Section 8.01

- (1) The Approved Seller hereby covenants and warrants that all the HP/Leasing Debts sold under this agreement are and will at all times continue to be Eligible HP/Leasing Debts, or Eligible Replacement Debts, as the case may be, under the Cagamas Hire Purchase and Leasing Debts Guide and are validly documented and the Approved Seller will use its best efforts to ensure that all insurances under the Security Instruments will continue validly in full force and effect.
- (2) The Approved Seller further represents and warrants to and undertakes with Cagamas that:-
 - (a) the Approved Seller has the full legal right, authority and power under its Memorandum and Articles of Association or documents under which it is constituted to enter into this agreement and each of the Said Documents and to assume and perform its obligations under this agreement and or the Said Documents;
 - (b) all necessary corporate and other action have been taken to authorise the execution, delivery and performance of this agreement and each of the Said Documents and such execution and delivery are within the power and authority of the Person executing the same and the Approved Seller has complied with and will comply with the requirements of the Hire Purchase Act 1967 and all other applicable laws, rules, instructions, guidelines and regulations governing the HP/Leasing Debts, the Contracts and the Said Documents;
 - (c) this agreement constitutes, and each of the Said Documents when entered into will constitute, legal, valid and binding obligations of the Approved Seller enforceable in accordance with their respective terms;
 - (d) the execution, delivery and performance of this agreement and the Said Documents hereunder (i) will not exceed the power granted to the Approved Seller or violate the provisions of (aa) any law or regulation or any order or decree of any governmental authority, agency or court to which it is subject or

- (bb) its Memorandum and Articles of Association or any document or instrument under which it is constituted or (cc) any mortgage, contract or other undertaking or instrument to which it is a party or which is binding upon it or any of its assets or any limitation imposed on disposal of assets by the Approved Seller and (bb) will not result in the creation or imposition of, or any obligation to create or impose, any mortgage, lien, pledge or charge on any of its assets pursuant to the provisions of any such mortgage, contract or other undertaking or instrument;
- (e) the Approved Seller will not do or permit to be done or to exist any matter or thing inconsistent with Cagamas' ownership of the HP/Leasing Debts purchased;
 - (f) the HP/Leasing Debts purchased and the Security Instruments relating thereto are in the sole and absolute beneficial ownership of the Approved Seller and, will, when a transfer/assignment thereof is effected confer a good title on Cagamas or its nominee and/or any purchaser thereof, and there is no impediment to the registration/completion of such transfer/assignment;
 - (g) there is no amount owing to the Vendor (as defined in Section 8.01(3)(a) below) or Customer of a HP/Leasing Debt by the Approved Seller and in respect of which the Vendor or Customer is entitled to exercise any right of set-off in respect of any of the HP/Lease Instalments;
 - (h) neither the Approved Seller nor any of its agents has received any information in writing or written notice of any litigation, dispute or complaint (subsisting, threatened or pending) in relation to any Customer, guarantor or Financed Equipment which may have an adverse effect on (i) the ability of any Customer or guarantor to perform their obligations in respect of a HP/Leasing Debt; or (ii) the Security Instruments for any HP/Leasing Debt; or (iii) the benefit to Cagamas of the transactions contemplated by this agreement; and
 - (i) all information given in this agreement, the Schedules and in the Purchase Contracts (including any schedule, annexure or attachment thereto) is true and accurate in all material respects and is not misleading because of any omission or ambiguity or for any other reason.
- (3) (a) The Approved Seller further certifies, confirms, represents, warrants and undertakes that where any or all of the HP/Leasing Debts sold under this agreement have been purchased by the Approved Seller from another party (a "**Vendor**"), they have been validly purchased and they are properly documented and are evidenced by a valid and duly executed Contract.
 - (b) The Approved Seller further confirms, represents and warrants and undertakes in respect of the HP/Leasing Debts so purchased:-

- (i) that each Vendor has duly and validly transferred and assigned to and in favour of the Approved Seller all its rights and interest in and to the HP/Leasing Debts and Financed Equipment, and the Contracts and Security Instruments relating thereto;
 - (ii) where possible, searches made by the Approved Seller at the relevant registries at the time of purchase of the HP/Leasing Debts disclosed that the Financed Equipment in question is free from all prior encumbrances.
- (4) In the event that the amount of any HP/Lease Instalment is less than the amount of the corresponding Cagamas Instalment, the Approved Seller shall and hereby agrees and irrevocably undertakes to pay to and indemnify Cagamas in respect of such amount as would be necessary to make up the difference between the actual HP/Lease Instalment and the equivalent Cagamas Instalment until the HP/Leasing Debt is fully repaid and or is repurchased by the Approved Seller pursuant to the terms hereof; each such payment shall be made by the Approved Seller at the time the applicable Cagamas Instalment is paid to Cagamas.

Section 8.02

The Approved Seller hereby covenants and warrants as of each Purchase Contract Date:-

- (a) that the Book Balance of any HP/Leasing Debts sold under the relevant Purchase Contract after the deduction of unearned interest/term charges/hire charges, if any, included in such balance is the balance due from the Customer in accordance with the Security Instruments as at that date;
- (b) that the Customer has complied with all its obligations under the Security Instruments consistent with the terms of the respective HP/Leasing Debts at the Purchase Contract Date;
- (c) save and except for the rights of Customer under the Contract, the Approved Seller is the sole and absolute legal and binding owner of the Financed Equipment and the HP/Leasing Debts free from any and all encumbrances whatsoever;
- (d) the HP/Lease Rate and the HP/Lease Instalments specified in the Summary of HP/Leasing Debts Offered/Summary of HP/Leasing Debts Offered (Replacement) are those payable by the Customer at the relevant time; and
- (e) that to the best knowledge of the Approved Seller, all road tax and/or other taxes and fees payable in respect of the Financed Equipment shall have been duly paid.

Section 8.03

The Approved Seller hereby covenants and warrants that it has in its possession to the extent required by law:-

- (a) valid, standard comprehensive policies of insurance on the Financed Equipment and all additions thereon financed by the Approved Seller or comparable insurance coverage with loss-payable/ownership claim endorsements designating the Approved Seller as payee/owner; and that the Approved Seller will use its best effort to maintain such insurances in full force and effect. The Approved Seller shall, if so required by Cagamas and at the Approved Seller's own cost and expense assign to Cagamas the whole of its rights and interest under such policies of insurance;
- (b) the Security Instruments, documents of title and all other documents relating or necessary to its title, ownership and or security over the Financed Equipment (where and to the extent permitted by law); and
- (c) all Deposits paid.

Section 8.04

- (1) In the event, Cagamas makes the Payment Option available to the Approved Seller, the Approved Seller shall, prior to the execution of a Purchase Contract, elect to pay Cagamas Instalment in respect of a HP/Leasing Debt to Cagamas by way of the Interest Only Option or Principal And Interest Option as the case may be. Upon such election, the Approved Seller shall, subject to Section 7.01(5), be bound to make payment in accordance with such election. PROVIDED that if the Payment Option is not made available to the Approved Seller, the Approved Seller shall pay Cagamas Instalment by payment of both the principal and interest portions of a HP/Leasing Instalment.
- (2) The Approved Seller hereby covenants and warrants that subject to Section 8.05 hereof:-
 - (a) it shall make monthly payments (or payments after such longer intervals as the parties hereto may agree upon from time to time) of the Cagamas Instalment to Cagamas on the day specified in the Purchase Contract in accordance with Section 6.02 hereof; and
 - (b) in the event the Approved Seller elects to make payments to Cagamas by way of the Interest Only Option, the Approved Seller shall, subject to Section 7.01(5), make the Bullet Payment;

and shall continue to indemnify Cagamas in the manner stipulated in Section 6.02 (2) (d) hereof;

Provided that the following circumstances shall not, with respect to all the foregoing

and in whatsoever manner, affect the above undertaking:-

- (i) whether or not payments on the HP/Lease Instalments have been made by the Customer to the Approved Seller and in the event of any failure by any Customer to pay any of the HP/Lease Instalments to the Approved Seller or the substitute, the Approved Seller shall pay to Cagamas by way of indemnity for each HP/Lease Instalment that is unpaid the amount of the Cagamas Instalment corresponding thereto; and
- (ii) whether or not the terms and conditions in the HP/Leasing Debt have been amended or otherwise varied in whatsoever manner.

Section 8.05

The Approved Seller hereby covenants and warrants that upon receiving any notice in writing by Cagamas so directing, it shall:-

- (a) upon the expiry of the period stipulated in the notice cease to carry out the Retained Functions in relation to any of the HP/Leasing Debts specified in such notice to the extent required by such notice Provided Always that Cagamas shall not issue such notice unless the Approved Seller has not satisfactorily carried out the Retained Functions in relation to the HP/Leasing Debts for a period of not less than sixty (60) days; and/or
- (b) make any payments required to be made hereunder or under any Purchase Contract or any part of such payments to Cagamas or otherwise and in such manner as Cagamas may direct; and/or
- (c) effect and transfer or cause to be effected and transferred any legal or other right, title or interest of the Approved Seller in the HP/Leasing Debts sold pursuant to this agreement and the Proceeds and the Deposits relating thereto, to Cagamas or any such Person as Cagamas appoints and to execute and do and procure all other necessary Persons, if any, to execute and do all such further deeds, assurances, acts and things as may be reasonably required so that full effect may be given to the terms and conditions of this agreement and the Said Documents.

Provided that:-

- (i) with respect to all the foregoing, Cagamas shall have the absolute discretion to issue notice of such direction save insofar as such direction shall not apply to those HP/Leasing Debts Repurchased by the Approved Seller;
- (ii) the cessation of the Retained Functions or transfer as aforesaid shall not determine or in any way affect or prejudice the Approved Seller's existing or other obligations and liabilities including, without limitation its obligation under Section 6.02(2)(d) and its recourse obligations pursuant to Article XIII hereof; and

- (iii) upon the cessation of the Retained Functions as aforesaid, Cagamas may at any time thereafter in its sole and absolute discretion appoint another or other Person or Persons (the "**substitute**") to carry out the Retained Functions in respect of such HP/Leasing Debts in place of the Approved Seller.

Section 8.06

- (1) Cagamas hereby covenants that if Cagamas were to sell or dispose of any of the HP/Leasing Debts, it would first offer the same for sale to the Approved Seller.
- (2) The price payable for a HP/Leasing Debt Repurchased by the Approved Seller pursuant to such offer shall be the Repurchase Value of the HP/Leasing Debts.

ARTICLE IX

Cagamas Hire Purchase and Leasing Debts Guide

Section 9.01

The parties hereto hereby mutually agree to comply with the directives contained in the Cagamas Hire Purchase and Leasing Debts Guide . Provided that such directives shall not be inconsistent with or repugnant to any of the provisions of this agreement or any of the Said Documents.

Section 9.02

The parties hereto hereby agree that Cagamas shall be entitled to from time to time amend, add to, delete or vary the Cagamas Hire Purchase and Leasing Debts Guide and such amendment, addition, deletion or variation shall be binding on the Approved Seller upon a notice in writing served on the Approved Seller by Cagamas in accordance with the terms and conditions herein contained. PROVIDED THAT any such amendment, addition, deletion or variation shall not be inconsistent with or repugnant to any of the provisions of this agreement or any of the Said Documents and the provisions of this agreement or any of the Said Documents shall prevail in the event that there is any inconsistency with the provisions of the Cagamas Hire Purchase and Leasing Debts Guide.

ARTICLE X

Trustee of HP/Leasing Debts

Section 10.01

- (1) The Approved Seller hereby declares that:-

- (a) it holds the HP/Leasing Debts purchased by Cagamas hereunder, the Deposits, and all Security Instruments and other instruments relating thereto and the Proceeds in trust for Cagamas and hereby agrees that it shall at the request of Cagamas transfer and or assign or procure the transfer and or assignment of the said HP/Leasing Debts and instruments and the Proceeds (if any) to such Person or Persons at such time or times in such manner or otherwise deal with the same as Cagamas shall direct or appoint and shall make or procure the making of such applications to the Registry of motor vehicles or any other relevant registry, as the case may be, and execute and do or procure the execution and doing of all such documents acts and things as may be necessary to procure the appropriate registration or entry in the register of the aforesaid Registry of motor vehicles or any other relevant registry, as the case may be, to give effect to any such transfer and or assignment or dealing or if so required to enable the interest of Cagamas to be protected; and
 - (b) until full payment thereof to Cagamas, it holds the Deposits, and all other moneys previously, now or hereafter collected for and on behalf of belonging and or payable to Cagamas in respect of the HP/Leasing Debts purchased hereunder and the Proceeds (if any) or otherwise howsoever in a separate account in trust for Cagamas and hereby agrees that it shall at the request of Cagamas pay or deal with the same to such Person or in such manner as Cagamas shall direct.
- (2) The Approved Seller shall be deemed the custodian of the HP/Leasing Debts on the terms and conditions of the declaration of trust specified in Section 10.01(1).

ARTICLE XI

Accounting Records and Reports

Section 11.01

The Approved Seller shall, unless otherwise directed by Cagamas, open and operate a Collection Account and shall establish and maintain separate Accounting Records, which shall be in accordance with any applicable instructions and directions issued by Cagamas in the Cagamas Hire Purchase and Leasing Debts Guide , with respect to all HP/Leasing Debts sold to Cagamas.

Section 11.02

Without limitation and to the extent permitted by law, the Approved Seller shall prepare furnish to Cagamas reports, audited accounts or other information in the manner prescribed in the Cagamas Hire Purchase and Leasing Debts Guide from time to time.

Section 11.03

Cagamas and its employees and designated representatives or agents shall, to the extent permitted by law, have the right to examine and audit, during Business Hours or at such other times as might be reasonable under applicable circumstances, any and all of the books, accounts, records, or other information of the Approved Seller or held or maintained by another for the Approved Seller or on its behalf or otherwise, with respect to or concerning this agreement or any or all of the HP/Leasing Debts sold to Cagamas or to require such examination and audit to be carried out on its behalf and the Approved Seller hereby agrees and consents to such examination and or audit and shall procure all such authorisations necessary to enable Cagamas to carry out such examination and audit.

Section 11.04

The parties hereby agree that they shall from time to time reconcile their Book Balances and accounts relating to the HP/Leasing Debts sold to Cagamas PROVIDED THAT in the event the parties are unable to reconcile the same and or until such reconciliation of accounts, the balances as disclosed by the books and accounts kept and maintained by Cagamas shall prevail and be binding upon the parties.

Section 11.05

Without prejudice to Sections 10.01 or 11.01 hereof, the Approved Seller shall, from and including the Purchase Date for a Group Of HP/Leasing Debts hold all right title and benefit in and to the Collection Account and all monies from time to time standing to the credit thereof and the debt represented thereby in relation to such Group Of HP/Leasing Debts on trust for Cagamas absolutely.

Section 11.06

All Accounting Records and other records, held, acquired and/or maintained by the Approved Seller and which are in any way connected or relating to the HP/Leasing Debts purchased by Cagamas are and shall remain the property of Cagamas, and the Approved Seller:-

- (i) shall have possession of the same as the custodian of Cagamas; and
- (ii) shall, forthwith upon a request being made in writing, deliver or procure the delivery thereof to Cagamas or as Cagamas shall direct.

Section 11.07

The fees payable for auditing the accounts and Accounting Records relating to the HP/Leasing Debts pursuant to Section 11.03 shall be determined and payable in the manner prescribed in the Cagamas Hire Purchase and Leasing Debts Guide.

ARTICLE XII

Default

Section 12.01

Any failure by the Approved Seller to remit or procure the remittance to Cagamas of any payment to be made under the terms and conditions of this agreement shall constitute an event of default under this agreement, as of the due date of such payment.

Section 12.02

In addition to the events of default set forth and provided for above in this Article, Cagamas, in its discretion and on its election, with notice thereof in writing directed to the Approved Seller may declare each of the following as an event of default under this agreement:-

- (a) where any representation or warranty made or implied in Article VIII or otherwise, shall prove to have been incorrect or misleading in a material respect as of the date at which made, or if repeated at any time by reference to the facts and circumstances subsisting at such time would not be accurate in all material respects;
- (b) where the Approved Seller becomes insolvent or is unable or deemed unable to pay its debts or admits in writing its inability to pay its debts, as they mature, or enters into or proposes to enter into composition or arrangement with its creditors or makes a general assignment for the benefit of its creditors, or there shall be declared by any competent court or authority, a moratorium on payment of indebtedness or other suspension of payments generally;
- (c) if a Receiver and or Manager of the property, assets or undertaking of the Approved Seller shall be appointed;
- (d) if all or a material part of the assets or property of the Approved Seller shall be condemned, seized or otherwise appropriated or nationalised and such situation shall remain unremedied for more than sixty (60) days or custody or control of such property or assets shall be assumed and retained for more than sixty (60) days by any Person acting or purporting to act under the authority of the Government or the Approved Seller shall have been prevented for a period of more than sixty (60) days from exercising normal managerial control over all or a substantial part of its property or assets by such Person;
- (e) where any step is taken for the winding up, liquidation, nationalisation or dissolution of the Approved Seller or anything analogous to any of these events occurs under the laws of any applicable jurisdiction or where there is declared by any competent court or authority, any moratorium on the payment of indebtedness of the Approved Seller or other suspensions of payment generally or any restraint or prohibition of enforcement of rights against the Approved Seller;

- (f) where the Approved Seller fails to observe or comply with any of the other terms and provisions of this agreement, provided that any such failure if remediable, shall constitute an event of default if such failure has not been remedied or corrected to the satisfaction of Cagamas;
- (g) where any HP/Leasing Debts purchased or any Security Instrument or other document relating thereto is not or cannot be transferred to or registered in the name of Cagamas or its nominees when required to be so transferred and or registered for any reason whatsoever;
- (h) where any step is taken for the merger or proposed merger or amalgamation of the Approved Seller with any other body or person whether pursuant to a Court Order or otherwise or the Approved Seller ceases or threatens or proposes to cease to carry on all or a substantial part of its business; or
- (i) where the long-term rating of the Approved Seller is downgraded by two notches by any local credit agency that is registered with the Securities Commission Malaysia in relation to a Group of HP/Leasing Debts payable by way of the Interest Only Option.

Provided that any or all of the events set out above shall constitute an event of default or events of default as of the date of notice as aforesaid.

Section 12.03

- (1) Unless otherwise mutually agreed upon by and between Cagamas and the Approved Seller in writing, upon the occurrence of any event of default under Section 12.01 or Section 12.02, Cagamas may by notice in writing and in Cagamas' sole and absolute discretion require the Approved Seller to either:-
 - (a) repurchase all or in Cagamas' sole and absolute discretion any of the HP/Leasing Debts for the time being outstanding; or
 - (b) cause the legal right, title or interest in any or all such HP/Leasing Debts to be transferred to Cagamas or to any third party or parties nominated by Cagamas; or
 - (c) repurchase some of the HP/Leasing Debts outstanding and cause the right, title or interest in some or the remaining balance of such HP/Leasing Debts to be transferred to Cagamas or to any third party or parties nominated by Cagamas.
- (2) Completion of the repurchase of the HP/Leasing Debts specified in such notice shall take place not later than fourteen (14) business days from the date thereof whereupon:-

- (a) the Approved Seller shall credit the Repurchase Value of the said HP/Leasing Debts to the Designated Account; and
- (b) if the repurchase does not relate to all of the HP/Leasing Debts purchased by Cagamas under a particular Purchase Contract, Cagamas shall deliver to the Approved Seller a Reconstituted Summary of HP/Leasing Debts Offered in relation to the balance of those HP/Leasing Debts previously purchased by Cagamas under such Purchase Contract which are not subject to the compulsory repurchase.

ARTICLE XIII

Recourse Provisions

Section 13.01

If and without prejudice to Article XII hereof:-

- (a) a HP/Leasing Debt is a Defective HP/Leasing Debt; or
- (b) a HP/Leasing Debt is to be paid or prepaid in full by a Customer;

then Cagamas may by a Notice to Repurchase require the Approved Seller to repurchase the relevant HP/Leasing Debt. Completion of the repurchase of such HP/Leasing Debt shall take place within such time as may be stipulated or determined in the Cagamas Hire Purchase and Leasing Debts Guide whereupon:-

- (i) the Approved Seller shall credit the Repurchase Value of the relevant HP/Leasing Debts to the Designated Account; and
- (ii) if the repurchase does not relate to all of the HP/Leasing Debts purchased by Cagamas under a particular Purchase Contract, Cagamas shall deliver to the Approved Seller a Reconstituted Summary of HP/Leasing Debts Offered in relation to the balance of those HP/Leasing Debts previously purchased by Cagamas under such Purchase Contract which are not subject to the compulsory repurchase.

Section 13.02

Without prejudice to the generality of Section 13.01 where the Approved Seller is required to repurchase a HP/Leasing Debt by reason of the circumstances specified in Section 13.01(b), the Approved Seller shall, unless otherwise directed by Cagamas, repurchase such HP/Leasing Debts in accordance with Section 13.01 prior to the release by the Approved Seller of the Customer of all or any of its legal or equitable obligations under and in respect of such HP/Leasing Debts.

ARTICLE XIV

Replacement of HP/Leasing Debts Repurchased

Section 14.01

In addition and without prejudice to any other rights or security of Cagamas but subject always to Section 14.05 hereof, in the event that the Approved Seller is required to repurchase any of the HP/Leasing Debts pursuant to Article XII and/or Section 13.01 hereof, the Approved Seller shall, if and as and when requested to by Cagamas, offer to Cagamas, before such repurchase, Eligible Replacement HP/Leasing Debts of a Purchase Value equivalent to the repurchase value of those to be so repurchased and Cagamas will, if Cagamas at its discretion thinks fit, purchase any or all such Eligible Replacement HP/Leasing Debts from the Approved Seller and after such repurchase or repurchase and purchase, as the case may be, Cagamas shall deliver to the Approved Seller a Reconstituted Summary of HP/Leasing Debts Offered in respect of the balance of those HP/Leasing Debts previously purchased and not repurchased and the Eligible Replacement HP/Leasing Debts so purchased.

Section 14.02

The sale and purchase of the Eligible Replacement HP/Leasing Debts shall be made pursuant to a Purchase Contract executed by the parties.

Section 14.03

The sale and purchase of the Eligible Replacement HP/Leasing Debts shall be identified in the records of the Approved Seller and Cagamas by the Purchase Contract Number allocated by Cagamas to the Purchase Contract executed by the parties which incorporates the terms and conditions of this agreement by reference.

Section 14.04

Unless otherwise agreed, the parties mutually agree that the purchase consideration for each HP/Leasing Debt so purchased shall be its Purchase Value.

Section 14.05

In the event that the Approved Seller shall have no or insufficient Eligible Replacement HP/Leasing Debts to offer to Cagamas, it shall forthwith notify Cagamas in writing, of such fact. Cagamas shall in its sole and absolute discretion determine the course of action to be taken in such a circumstance.

ARTICLE XV

Miscellaneous

Section 15.01

Except as otherwise expressly provided herein, any notice, request, demand or other communication to be given or served hereunder by either of the parties hereto to or on the other party may be delivered at, or sent by prepaid registered post or by facsimile transmission or telegram to, the facsimile number or address herein specified of the other party or to such other facsimile number or address as such party may specify and shall be deemed to be duly served:-

- (a) if it is delivered at the aforesaid address at the time of delivery;
 - (b) if it is sent by prepaid registered post, five (5) business days after posting thereof;
- or
- (c) if it is sent during Business Hours on a Business Day by facsimile, immediately after transmission thereof and, if the date of transmission is not a Business Day, then the notice by facsimile shall be deemed to be served on the next Business Day PROVIDED that such facsimile shall be subsequently confirmed by letter posted or delivered as soon as practicable thereafter.

The addresses and facsimile numbers referred to above are:

to Cagamas:

Cagamas Berhad
(Company No. 157931-A)
Level 32, The Gardens North Tower
Mid Valley City, Lingkaran Syed Putra
59200 Kuala Lumpur

[Attention:]
Fax: 603-2282 8125

to Approved Seller:

[Attention:]
Fax:

Section 15.02

For the purpose of this Article each of the parties hereto shall from time to time notify the other party in writing of any change of the address where such notice, request, demand or other communication as aforesaid can be given or served and such notification shall be effective only when it is actually received at the address of such other party.

Section 15.03

This agreement may not be voluntarily assigned or otherwise transferred, in whole or in part, by either of the parties hereto without the written consent of the other except by or on behalf of Cagamas pursuant to a sale or disposal of any of the HP/Leasing Debts and or to any other Person assuming all the responsibilities, duties and liabilities of Cagamas hereunder and when assigned or otherwise transferred in accordance with this Section 15.03, this agreement and all its terms and provisions shall enure to the benefit of and shall be binding upon the successors and assigns of the Approved Seller and Cagamas.

Section 15.04

This agreement may be amended from time to time by the Approved Seller and Cagamas, by mutual written agreement and consent.

Section 15.05

If the Approved Seller fails to pay or procure the payment of any amount in accordance with this agreement or any of the Purchase Contracts and/or any of the Repurchase Contracts when due, it shall pay interest on the amount from time to time outstanding in respect of the overdue sum for the period beginning on the due date and ending on the date of payment both before and after judgment, at the default rate specified in the Cagamas Hire Purchase and Leasing Debts Guide. Interest at the rate abovementioned shall be calculated on the basis of the actual number of days elapsed divided by 365 and shall accrue from day to day.

Section 15.06

- (1) Where any payment is due to be made under this agreement or any of the Said Documents on a day which is not a Business Day, the due date for payment shall be extended to the next following Business Day unless such Business Day falls within the next Month or falls more than three (3) days after the due date in which case payment shall be made on the Business Day immediately preceding the due date.
- (2) Notwithstanding the above provision, where any payment is due to be made on a review date, which is not a Business Day, such payment shall be made on the Business Day immediately preceding the due date.

Section 15.07

Cagamas may at any time and from time to time grant any indulgence, concession or time to the Approved Seller and or any Customer or other Person. No failure or delay by Cagamas in enforcing or exercising any right or remedy shall operate as a waiver thereof nor shall any single or partial exercise or waiver of any right or remedy preclude its future exercise or the exercise of any other right or remedy. The rights and remedies herein provided are cumulative and not exclusive of any rights or remedies provided by law. The liability of the Approved Seller hereunder shall not be discharged, diminished or affected by any indulgence granted to the Approved Seller or any other Person by Cagamas or by any variation of the terms of any of the HP/Leasing Debts after purchase of the same by Cagamas.

Section 15.08

Cagamas shall be entitled to deduct from and or set off against any sum which is payable to the Approved Seller hereunder or under any Purchase Contract any amount which is owed or said to be owed by the Approved Seller to Cagamas and or payable thereunder.

Section 15.09

In addition and without prejudice to any other rights or remedies of Cagamas hereunder or otherwise howsoever, in the event:-

- (a) that the Approved Seller shall refuse or fail for any reason whatsoever to proceed further with the sale of any Group of HP/Leasing Debts or any HP/Leasing Debt to Cagamas after confirmation of the sale thereof to Cagamas by the Approved Seller pursuant to the Cagamas Hire Purchase and Leasing Debts Guide , the Approved Seller shall and hereby irrevocably agrees and undertakes to pay Cagamas a commitment fee calculated in the manner set out in the Cagamas Hire Purchase and Leasing Debts Guide and for the period therein stated;
- (b) of any failure or inability to perform or breach by the Approved Seller of any of its obligations or covenants hereunder, for any reason whatsoever and or of any premature termination of any Contract relating to a HP/Leasing Debt or the occurrence of an event of default or of an event capable of being declared an event of default under this agreement, the Approved Seller shall indemnify and keep Cagamas fully and effectively indemnified against any and all losses, expenses, damages and/or claims suffered incurred and or made as a result thereof including without limitation in respect of the Repurchase Value of HP/Leasing Debts to be repurchased and not so repurchased.

Section 15.10

Without prejudice to any of its other rights hereunder, Cagamas may at any time by notice in writing to the Approved Seller, terminate this agreement with regard to future transactions but such termination shall not affect any rights or obligations of the parties hereto with respect to

HP/Leasing Debts already purchased hereunder. Termination will become effective on the date specified in the notice.

Section 15.11

Each party shall bear its own solicitors' costs for and in connection with this agreement but in the event of any breach by the Approved Seller of its obligations hereunder the Approved Seller shall be liable to bear all costs of Cagamas arising therefrom (including Cagamas' Solicitors' fees on a full indemnity basis). The stamping costs in connection with this agreement and the Said Documents shall be borne by Cagamas.

Section 15.12

Any term condition stipulation provision covenant or undertaking of this agreement which is illegal prohibited or unenforceable shall be ineffective to the extent of such illegality voidness prohibition or unenforceability without invalidating the remaining provisions hereof.

ARTICLE XVI

Further Assurance

Section 16.01

For better securing the performance by the Approved Seller of its obligations under Section 8.05 and Section 10.01 and for the purpose of enabling Cagamas to perfect its rights and interests in respect of the HP/Leasing Debts purchased hereunder and the Security Instruments relating thereto, the Approved Seller shall deliver or cause to be delivered to Cagamas or as Cagamas may direct on such date as Cagamas shall direct a transfer/an assignment (the "**Assignments**") of its rights, titles and interests in and or to any monies relating to the HP/Leasing Debts purchased and or under any documents or security evidencing and or securing any of such HP/Leasing Debts in such form as the parties may agree in each case duly signed by or on behalf of the Approved Seller, as the case may be, together with all documents necessary for the registration and or perfection of the rights and or security over the HP/Leasing Debts so purchased and the Proceeds.

Section 16.02

At any time after Cagamas shall have directed the Approved Seller to transfer any legal or other right, title and interest of the Approved Seller in the HP/Leasing Debts under Section 8.05 or Section 10.01 or after the occurrence of an event of default specified in Article XII, Cagamas or any other party assigned by Cagamas shall be entitled to execute and date the transfers of title and Assignments and present the transfers of title for registration.

ARTICLE XVII

Law and Submission to Jurisdiction

Section 17.01

This agreement shall be governed by and construed in all respects in accordance with the laws of Malaysia.

Section 17.02

The Approved Seller hereby irrevocably agrees that any legal action or proceedings against it with respect to this agreement and the Said Documents may be brought in the Courts of Malaysia and the Approved Seller hereby:

- (a) irrevocably submits to the non-exclusive jurisdiction of the aforesaid courts and to the extent that the Approved Seller has or may hereafter acquire any immunity from jurisdiction of any court or with regard to any legal process with respect to itself or its property or assets the Approved Seller hereby irrevocably waives such immunity in respect of this agreement and the Said Documents; and
- (b) acknowledges the competence of any such courts, and agrees that a final judgment in any such suit, action or proceeding brought in such courts shall be conclusive and binding upon the Approved Seller and may be enforced in Courts of Malaysia (to the extent permissible under Malaysian Law).

Section 17.03

Nothing in this agreement shall limit the right of Cagamas to bring any proceedings with respect to this agreement against the Approved Seller in any court elsewhere.

Section 17.04

The Approved Seller hereby irrevocably waives any objection which it may now or hereafter have to the venue of any suit, action or proceeding arising out of or relating to this agreement selected by Cagamas and hereby further irrevocably waives any claim that the venue so selected is not a convenient forum for any such suit, action or proceeding.

ARTICLE XVIII

Power of Attorney

Section 18.01

The Approved Seller hereby irrevocably appoints Cagamas and its assignees and any Person deriving title from it and its substitutes from time to time to be its attorney for it and in its name and on its behalf and as its act and deed or otherwise to do, execute, seal and deliver and

otherwise perfect any act, thing, deed, assurance, agreement or instrument which may be required or may be deemed proper for exercising the rights of the Approved Seller as owner under the Contracts relating to HP/Leasing Debts purchased and or giving effect to the provisions of this agreement, including in particular and without limitation to the generality of the foregoing, in connection with the sale, disposition and transfer to and or by Cagamas or any such Persons of any of the HP/Leasing Debts hereunder and the assignment or transfer of the Contracts and any Security Instrument in connection therewith.

IN WITNESS WHEREOF the parties have duly executed this agreement the day and year first abovewritten.

SIGNED by)
)
 for and on behalf of **CAGAMAS**)
BERHAD (157931-A))
 in the presence of:-)

The Common Seal of)
)
 was hereunto affixed in the)
 presence of:-)

CERTIFICATE OF AUTHENTICATION

I, _____, Magistrate/ Justice of the Peace/ Land Administrator/ Notary Public/ Commissioner for Oaths/ Bank Official/ Advocate and Solicitor of the High Court in Malaya, officiating/ practising at _____, hereby certify that on this _____ day of _____ 20____, the Common Seal of _____ was duly affixed to the above written instrument in my presence in accordance with the regulations of the said company.

Dated this _____ day of _____ 20____

Witness my hand,

APPENDIX 1

Specimen of Purchase Contract

Purchase Contract

Purchase Contract No.:

Purchase Contract Date:

Purchase Date:

Offer and Acceptance

[Name and address of Approved Seller] (the "Approved Seller") offers to sell, convey, assign and transfer to Cagamas Berhad ("Cagamas") a company incorporated in Malaysia with its registered office at Level 32, The Gardens North Tower Mid Valley City, Lingkaran Syed Putra 59200 Kuala Lumpur and its successors and assigns and Cagamas agrees to purchase all the HP/Leasing Debts listed in the Summary of HP/Leasing Debts Offered/Summary of HP/Leasing Debts Offered (Replacement) ("the Summary" which shall include any schedules annexed thereto) annexed hereto in printed form/the electronic medium marked for identification¹, together with all the rights, titles and interests therein in consideration of Cagamas paying to the Approved Seller the total of the purchase values stated in the Summary on the terms stated below.

Purchase Consideration

Cagamas shall pay the Approved Seller the total of the purchase values in (a) cash; or (b) partly in cash and partly by way of an issuance of debenture stock, bonds, notes or such other debt securities as may be issued by Cagamas from time to time (the "Debentures") to the Approved Seller or to such other party as may be nominated by the Approved Seller and approved by Cagamas².

For avoidance of doubt, it is hereby agreed that the purchase consideration for each of the HP/Leasing Debts identified in the Summary, is less than the Book Balance of such HP/Leasing Debts as denoted by the purchase values stated in the Summary³.

Payment Option⁴

Pursuant to Cagamas making the Payment Option available to the Approved Seller, the Approved Seller hereby elects to make payments to Cagamas by way of the Interest Only Option / Principal And Interest Option⁵.

¹ To delete as applicable

² To delete as applicable

³ To include only if Cagamas is purchasing the HP/Leasing Debts at a discount from the Approved Seller

⁴ To include only if Payment Option is made available to the Approved Seller by Cagamas pursuant to the Master Sale and Purchase Agreement

⁵ To delete as applicable

Date of Payment of Cagamas Instalment

The Approved Seller hereby agrees to make monthly remittance (or at such longer periods as the parties hereto may agree upon from time to time) to Cagamas, the total of the Cagamas Instalments stated in the Summary on the day of each calendar month (or at such other dates as the parties hereto may agree upon from time to time) the first of such payments to be made on the day of 20 .

Compulsory Repurchase/Replacement

The parties hereto hereby mutually agree that where an event of compulsory repurchase arises pursuant to the current guidelines embodied in the Cagamas Hire Purchase & Leasing Debts Guide which is incorporated herein by reference and/or consequentially the replacement of all or any of the HP/Leasing Debts subject to such compulsory repurchase, the balance of those HP/Leasing Debts not subject to the compulsory repurchase and the replacement HP/Leasing Debts (if any) shall be reconstituted and recomputed and annexed hereto as the relevant Summary. Provided that where such a compulsory repurchase and/or replacement arises the Reconstituted Summary of HP/Leasing Debts Offered shall be deemed to be the acknowledgement by the parties hereto of the HP/Leasing Debts as they are reconstituted and recomputed under the aforesaid relevant Summary.

Sale and Assignment of HP/Leasing Debts

Upon the date of execution of this Purchase Contract the Approved Seller hereby sells conveys assigns and transfers to Cagamas the HP/Leasing Debts stated in the Summary to hold the same unto and for the use of Cagamas all the rights, interest, and titles to the aforesaid HP/Leasing Debts absolutely upon the terms and conditions stated herein and in accordance with the current guidelines embodied in the Cagamas Hire Purchase and Leasing Debts Guide which is incorporated herein by reference.

Miscellaneous

The parties hereto hereby agree that the terms and conditions of the Master Sale and Purchase Agreement (Hire Purchase & Leasing Debts) dated [] and entered into between the Approved Seller and Cagamas and the current guidelines of the Cagamas Hire Purchase and Leasing Debts Guide shall be incorporated herein by reference.

IN WITNESS WHEREOF the authorised representatives of the parties have hereto set their hands the day and year first abovewritten.

SIGNED by)
)
 for and on behalf of)
 [CAGAMAS BERHAD (157931-A)])

SIGNED by)
)
 for and on behalf of)
 [Name of Approved Seller])

APPENDIX 1(a)

Summary of HP/Leasing Debts Offered

APPENDIX 1(b)

Summary of HP/Leasing Debts Offered (Replacement)

APPENDIX 2

Reconstituted Summary of HP/Leasing Debts Offered

APPENDIX 2(a)

Revised Summary of HP/Leasing Debts Offered

APPENDIX 3

Notice to Repurchase

Repurchase Notice No:-

Repurchase Date:-

To: [name and address of the Approved Seller]

We hereby require you to repurchase from us, pursuant to the Master Sale and Purchase Agreement (HP/Leasing Debts) dated _____ concluded between yourselves and ourselves all the HP/Leasing Debts listed in the Summary of HP/Leasing Debts Repurchased [“the Summary”] annexed hereto in printed form/the electronic medium marked for identification¹, together with all the rights, titles and interests, therein and the benefit of all Security Instruments taken by us in connection with the said HP/Leasing Debts.

Dated this _____ day of _____ 20 ____ .

SIGNED by]
]
for and on behalf of]
CAGAMAS BERHAD]
(Company No. 157931-A)]

¹ To delete as applicable

APPENDIX 3(a)

Specimen of Repurchase Contract

Repurchase Contract

Repurchase Contract No.:

Repurchase Contract Date:

Repurchase Date:

Offer and Acceptance

Cagamas Berhad ("Cagamas"), a company incorporated in Malaysia with its registered office at No. Level 32, The Gardens North Tower Mid Valley City, Lingkaran Syed Putra 59200 Kuala Lumpur offers to sell, convey, assign and transfer to [name of Approved Seller] ("the Approved Seller") and its successors and assigns and the Approved Seller agrees to repurchase all the HP/Leasing Debts listed in the summary of HP/Leasing Debts repurchased ("the Summary") annexed hereto in printed form/the electronic medium marked for identification¹, together with all the rights titles and interests therein in consideration of the Approved Seller paying to Cagamas the total of the Repurchase Value stated in the Summary on the terms stated hereunder and in accordance with the current guidelines embodied in the Cagamas Hire Purchase and Leasing Debts Guide which is incorporated herein by reference.

Miscellaneous

The parties hereto hereby agree that the terms and conditions of the Master Sale and Purchase Agreement between the parties dated _____ and the current guidelines of the Cagamas Hire Purchase and Leasing Debts Guide shall be incorporated herein by reference.

Reconstituted summary of HP/Leasing Debts offered

The parties hereto hereby duly acknowledge that under this Repurchase Contract, the summaries of HP/Leasing Debts offered/ summaries of HP/Leasing Debts offered (replacement) annexed to the respective offers the acceptance of which has given rise to the Purchase Contracts identified in the reconstituted summary of HP/Leasing Debts offered annexed hereto have been reconstituted as stated therein.

¹ To delete as applicable

IN WITNESS WHEREOF the authorised representatives of the parties have hereunto set their hands the day and year first abovewritten.

SIGNED by)
)
for and on behalf of)
CAGAMAS BERHAD)

SIGNED by)
)
for and on behalf of)
[name of Approved Seller])

APPENDIX 3(b)

Summary of HP/Leasing Debts Repurchased

APPENDIX 4

Instalment Schedule