

PARADIGM CAPITAL BERHAD

MEDIUM-TERM NOTES (“MTNs”) PROGRAMME (“MTN PROGRAMME”) OF UP TO RM5.0 BILLION IN NOMINAL VALUE FOR AND ON BEHALF OF PARADIGM REAL ESTATE INVESTMENT TRUST (“PARADIGM REIT”)

▪ Supplemental Terms and Conditions (“Supplemental PTC”) in relation to Issue 1

DETAILS OF THE ISSUE

All capitalised terms used in this Supplemental PTC shall, unless otherwise defined here, have the same meaning ascribed to it in the Lodgement Form for the MTN Programme (“Lodgement Form”), where relevant.

(1) Issue 1 Description : The MTNs under the MTN Programme which will be secured by Secured Properties – Issue 1 (as defined hereinafter in the section entitled “Details of security/collateral pledged”) (“**Issue 1**”) shall be issued as follows:

(a) MTNs to be issued under Issue 1 (“**MTN Issue 1**”) which may comprise:

- (i) rated and/or unrated Tranche(s) (“**MTN Tranche(s)**”);
- (ii) one or more Classes under the relevant rated MTN Tranche(s) (“**MTN Classes**”); and
- (iii) one or more Series under the relevant MTN Tranches or MTN Classes, as the case maybe (“**MTN Series**”),

all to be determined and agreed between the Issuer, Maybank Investment Bank Berhad and AmInvestment Bank Berhad (as the lead managers for Issue 1) (“**LM(s)**”) prior to issuance.

(2) Type of Issuance : Corporate Bonds

(3) Expected Issue Size : **Size of each MTN Tranche(s) under Issue 1**

The size of each issuance of the MTN Tranche(s) under Issue 1 will be determined and mutually agreed between the Issuer and the LM(s), in consultation with RAM Rating Services Berhad (“**Credit Rating Agency**”) as the rating agency (for the rated tranche), prior to issuance of such MTN Tranche(s) and set out in the pricing supplement of such Tranche(s) (“**Initial Size**”).

After the first issuance of the MTNs under Issue 1, the issue size may be varied from the Initial Size from time to time as agreed between the Issuer, the REIT Trustee and the LM(s), and if applicable, in consultation with the Credit Rating Agency, subject to the terms and upon the conditions as set out in the relevant Transaction Documents.

(4) Tenure of the Issue : **MTNs Issue 1**

The tenure of each issuance of the MTNs under Issue 1 shall be determined prior to the issuance.

The tenure of each MTNs issued shall be at least one (1) year and up to such period to be determined prior to each issuance (“**Expected Tenure**”) with a legal tenure to be determined prior to each issuance (“**Legal Tenure**”).

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“**Expected Maturity Date**” means the last day of the Expected Tenure of the MTNs.

“**Legal Maturity Date**” means the last day of the Legal Tenure of the MTNs.

- (5) **Details of security/collateral pledged, if applicable** : For the purpose of this Supplemental PTC, the “**Secured Properties – Issue 1**” shall mean the following properties:
- (a) Bukit Tinggi Shopping Centre held under Title No. Geran 338914, Lot 186125, Mukim Klang, Daerah Klang, Negeri Selangor;
 - (b) Paradigm Mall Petaling Jaya held under the following:
 - (i) Strata Title No. Pajakan Negeri 107088/M1-A/1/2, No. Bangunan M1-A, No. Tingkat 1, No. Petak 2, Lot 72658 Seksyen 40, Bandar Petaling Jaya, Daerah Petaling, Negeri Selangor;
 - (ii) Strata Title No. Pajakan Negeri 107088/M1/B2/1, No. Bangunan M1, No. Tingkat B2, No. Petak 1, Lot 72658 Seksyen 40, Bandar Petaling Jaya, Daerah Petaling, Negeri Selangor;
 - (iii) Strata Title No. Pajakan Negeri 107088/M1-B/3/5, No. Bangunan M1-B, No. Tingkat 3, No. Petak 5, Lot 72658 Seksyen 40, Bandar Petaling Jaya, Daerah Petaling, Negeri Selangor; and
 - (c) Paradigm Mall Johor Bahru held under Strata Title No. Geran 413471/M1/B1/1, No. Bangunan M1, No. Tingkat B1, No. Petak 1, Lot 32665, Mukim Tebrau, Daerah Johor Bahru, Negeri Johor.

The Issue 1 shall be secured, inter-alia by the following security:

- (a) third-party first-ranking legal assignment(s) by the REIT Trustee in favour of the Security Trustee of the Sale and Purchase Agreement (“**SPA**”) of the Secured Properties – Issue 1;
- (b) third-party first-ranking legal charge by the REIT Trustee in favour of the Security Trustee under the National Land Code (“**NLC**”) over the Secured Properties – Issue 1 (“**Property Charges – Issue 1**”),
- (c) pending the creation and/or perfection of the land charge over the Secured Properties - Issue 1:-

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- (i) a third party specific debenture (“**Specific Debenture – Issue 1**”) by the REIT Trustee in favour of the Security Trustee over the Secured Properties - Issue 1; and
 - (ii) a private caveat over the relevant Secured Properties - Issue 1;
- (d) third-party first-ranking legal assignment by the REIT Trustee in favour of the Security Trustee over all the REIT Trustee’s rights, titles, interests and benefits under the tenancy agreements and/or lease agreements and/or like agreements in relation to the Secured Properties – Issue 1 or, as the case may be, the letting and/or leasing of the Secured Properties – Issue 1 (including, without limitation, any and all consideration and/or rental payable thereunder) provided that for the assignment which requires consent from the relevant counterparty, the REIT Trustee is able to obtain such consent from the relevant counterparty. In the event the REIT Trustee is unable to obtain consent from the relevant counterparty for such assignment despite best efforts by the REIT Trustee to the satisfaction of the Security Trustee, the REIT Trustee shall assign all the REIT Trustee’s rights, titles, interests and benefits in and under the proceeds arising from the tenancy agreements and/or lease agreements and/or like agreements in relation to the Secured Properties – Issue 1 or, as the case may be, the letting and/or leasing of the Secured Properties – Issue 1 including the rights to claim, take legal action and recover such proceeds from the counterparty (“**Assignment of Tenancy – Issue 1**”);
- (e) third-party first-ranking legal assignment by the REIT Trustee in favour of the Security Trustee over all the REIT Trustee’s rights, titles, interests and benefits in and under all takaful/insurance policies required to be taken up for the Secured Properties – Issue 1 (“**Assignment of Insurances – Issue 1**”);
- (f) third-party first-ranking legal charge and assignment by the REIT Trustee in favour of the Security Trustee over all the REIT Trustee’s rights, titles, interests and benefits in and under the Collection Account – Issue 1, Proceeds Account – Issue 1 and Operations Account – Issue 1 (all as defined hereinafter in the section entitled “Details of Designated Accounts”);
- (g) first-party first-ranking legal charge and assignment by the Issuer in favour of the Security Trustee over all the Issuer’s rights, titles, interests and benefits in and under the Debt Service Reserve Account – Issue 1 (as defined hereinafter in the section entitled “Details of Designated Accounts”);
- (h) irrevocable power of attorney to be granted by the REIT Trustee in favour of the Security Trustee to deal with matters including without limitation to the application for subdivision (if any), the

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collection of title on behalf of the REIT Trustee, the disposal of the Secured Properties – Issue 1; and the collection of rental, the management and operation of the Secured Properties – Issue 1 upon occurrence of a Trigger Event;

- (i) letter of undertaking from the REIT Manager in favour of the Bond Trustee and the Security Trustee, amongst others:
 - (i) to deposit all rental cash flows, deposits and other income, in relation to the Secured Properties – Issue 1 and any proceeds generated from the Secured Properties – Issue 1 into the Collection Account of the Issue 1 and all insurance claim proceeds in relation to the Secured Properties – Issue 1 into the Proceeds Account of the Issue 1; and
 - (ii) that it shall not make or permit to make any withdrawal from the Designated Accounts of the Issue 1 in respect of the Secured Properties – Issue 1 for the declaration of any income distributions to Paradigm REIT’s unitholders, if:
 - (a) an Event of Default and/or Trigger Event under the Issue 1 has occurred and is continuing or will occur as a result of such payment or distribution; or
 - (b) the financial covenants of the Issue 1 are not met prior to and/or will not be met after such distribution;
- (j) undertaking from the REIT Trustee in favour of the Bond Trustee and the Security Trustee, amongst others, to perform all its obligations and comply with all the covenants and undertakings under the MTN Programme and the Issue 1;
- (k) first-party first-ranking legal assignment by the Issuer in favour of the Security Trustee over all the Issuer’s rights, titles, interests and benefits in and under the Issue 1 REIT Trustee Financing Agreement; and
- (l) any other security arrangement as may be deemed necessary by the LM(s) and/or the Solicitors,

(collectively, the “Issue 1 Security Documents”).

(6) Details of Covenants : Positive Covenants

All positive covenants under the Lodgement Form shall be applicable to Issue 1.

Negative Covenants

All negative covenants under the Lodgement Form shall be applicable to Issue 1.

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Information Covenants

All information covenants under the Lodgement Form shall be applicable to Issue 1.

Financial Covenants

The financial covenants for Issue 1 shall be the following which shall be calculated based on the formula prescribed in the Lodgement Form:

- (1) The Issuer, the REIT Trustee and the REIT Manager shall ensure that Paradigm REIT shall maintain its gearing level in accordance to the Guidelines on Listed Real Estate Investment Trusts issued by the SC on 15 March 2018 (as the same may be further amended, revised and/or substituted from time to time) and/or any other relevant practice notes or announcements issued by the SC from time to time.
 - (2) The Issuer will maintain the Interest Coverage Ratio (“**ICR**”) of not less than 1.5 times at all times for Issue 1.
 - (3) The REIT Trustee will maintain the ICR of not less than 1.5 times at all times for Paradigm REIT.
 - (4) The Issuer will maintain the Security Cover Ratio (“**SCR**”) of not less than 2.0 times at all times for Issue 1 after the first issuance of the MTNs under Issue 1. In the event the SCR falls below 2.0 times, the breach has to be rectified within thirty (30) days from the date of the breach via the following:
 - (a) by redeeming the MTNs or topping up cash in the DSRA – Issue 1 (as defined below); and/or
 - (b) by providing additional securities acceptable to the Security Trustee or the holders of the MTNs of Issue 1.
- (7) **Details of Designated Accounts** : The following are the designated accounts for Issue 1 (“**Designated Accounts – Issue 1**”):
- 1) Collection Account – Issue 1;
 - 2) Proceeds Account – Issue 1;
 - 3) Operations Account – Issue 1; and
 - 4) Debt Service Reserve Account – Issue 1.

No	:	1
Account Name	:	Collection Account – Issue 1
Parties responsible	:	REIT Trustee

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for opening of account	:	
Parties responsible to maintain and operate account	:	REIT Trustee (save and except after the declaration of an Event of Default or the occurrence of a Trigger Event, whereupon the Collection Account – Issue 1 shall be operated solely by the Security Trustee)
Signatories to account	:	REIT Trustee (save and except after the declaration of an Event of Default or the occurrence of a Trigger Event, whereupon the Collection Account – Issue 1 shall be operated solely by the Security Trustee)
Sources of funds	:	<p>The following shall be deposited or caused to be deposited into the Collection Account – Issue 1:</p> <ul style="list-style-type: none"> (i) all revenue proceeds from each of the Secured Properties – Issue 1 (which shall include but are not limited to rental income, tenant's/ lessee's/ licensee's security/ income deposits and refund of taxes) from the letting/ leasing of the Secured Properties – Issue 1 and all such other miscellaneous income in relation to the Secured Properties – Issue 1; and (ii) any excess of the Minimum Required Amount (as defined below) in the DSRA – Issue 1 are to be deposited by the Security Trustee.
Utilisation of funds	:	<p><u>Prior to the declaration of an Event of Default or occurrence of a Trigger Event</u></p> <p>The funds in the Collection Account – Issue 1 will be applied to meet the following permitted expenditure in the following order of priority:</p> <ul style="list-style-type: none"> (a) Contributions to the Operations Account – Issue 1 as and when required by the REIT Manager, subject however to the yearly budget for operating expenditure and capital expenditure (which exclude the capital expenditure set out in (h) below) of the Secured Properties –

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	<p>Issue 1 (“Yearly Budget”) as prepared by the REIT Manager;</p> <p>(b) Refunds of tenancy/ lease/ income deposits to the relevant tenants/ lessees/ licensees/ occupiers on termination/ expiry of the relevant tenancy/lease/agreement as notified in writing by the REIT Manager relating to the Secured Properties – Issue 1;</p> <p>(c) Deposit into the DSRA – Issue 1 to meet the relevant Minimum Required Amount under the Issue 1;</p> <p>(d) Fees and expenses incidental to the MTN Programme (if applicable) to be pro-rated among the outstanding Issues under the MTN Programme;</p> <p>(e) Coupon under the Issue 1 as and when due, in accordance with its priority of ranking i.e. the most senior ranking MTNs followed by the next most senior ranking MTNs;</p> <p>(f) Nominal amount of the outstanding MTNs under the Issue 1, in accordance with its priority of ranking, i.e. payment in full to the most senior ranking MTNs followed by payment in full to the next most senior ranking MTNs;</p> <p>(g) All trust expenses, charges and fees in relation to the Paradigm REIT which are permitted to be incurred by the REIT Trustee pursuant to the provision of the Paradigm REIT’s trust deed and not part of the operating expenses under (a) above. Such amounts are apportioned based on the investment property value of the Paradigm REIT, which includes the Secured Properties – Issue 1;</p> <p>(h) Contributions to the Operations Account – Issue 1 for capital expenditure (other than those which are deemed necessary for the upkeep of the Secured Properties –</p>
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	<p>Issue 1 set out in (a) above) as and when required by the REIT Manager;</p> <p>(i) Income distribution to the Paradigm REIT unitholders to the extent permitted by the respective Transaction Documents of the MTN Programme; and</p> <p>(j) Permitted Investment.</p> <p>Any withdrawal of monies from the Collection Account – Issue 1 other than in the manner as set out above shall be subject to the consent of the Security Trustee.</p> <p><u>After declaration of an Event of Default or occurrence of a Trigger Event pending the disposal process of the Secured Properties – Issue 1</u></p> <p>The funds in the Collection Account – Issue 1 will be applied to meet the following permitted expenditure in the following order of priority:</p> <p>(a) to pay any outstanding taxes, government charges, and such other statutory obligations due in relation to the Secured Properties – Issue 1;</p> <p>(b) deposit into the DSRA – Issue 1 to meet the relevant Minimum Required Amount under the Issue 1;</p> <p>(c) to pay rateably and on pari passu basis or to provide for all outstanding costs, charges, expenses and liabilities incurred in relation to the MTN Programme which include, amongst others, those incurred by the Security Trustee, the Facility Agent and Bond Trustee in carrying out their duties, powers and discretions or the execution of the powers contained in the Transaction Documents, including the cost of realising any security for the Issue 1;</p> <p>(d) in the event there is any shortfall in the Operations Account – Issue 1 to pay for any outstanding insurance</p>
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	<p>premiums and utilities bills on the Secured Properties – Issue 1, when due and payable;</p> <p>(e) to pay rateably and on pari passu basis (based on outstanding) in full:</p> <p>(i) in the case of occurrence of a Trigger Event:</p> <p>(A) any accrued and unpaid coupon under the Issue 1 in accordance with its priority of ranking, i.e., payment in full of the most senior ranking MTNs followed by payment in full of the next most senior ranking MTNs; and</p> <p>(B) any nominal amount of the outstanding MTNs under the Issue 1, in accordance with its priority of ranking, i.e., payment in full of the most senior ranking MTNs followed by payment in full of the next most senior ranking MTNs.</p> <p>(ii) in the case of a declaration of an Event of Default: any accrued and unpaid coupon and any nominal amount of the outstanding MTNs under the Issue 1, in accordance with the priority of ranking, i.e., payment in full of the most senior ranking MTNs followed by payment in full of the next most senior ranking MTNs.</p> <p>Any excess monies after the application of the priority of payments above and subject to all indebtedness under the MTN Programme shall have been fully repaid or provided for, as the case may be, shall be transferred to the Issuer/REIT Trustee or such other person as may be instructed by the Issuer/ REIT Trustee.</p>
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No	:	2
Account Name	:	Proceeds Account – Issue 1
Parties responsible for opening of account	:	REIT Trustee
Parties responsible to maintain and operate account	:	Security Trustee
Signatories to account	:	Security Trustee
Sources of funds	:	<p>The sources of funds for the Proceeds Account – Issue 1 are:</p> <ul style="list-style-type: none"> (i) all insurance proceeds receivable by the Paradigm REIT in respect of the Secured Properties – Issue 1; or (ii) net sale proceeds in respect of the Secured Properties – Issue 1 following the occurrence of a Trigger Event or the declaration of an Event of Default; or (iii) Disposal Proceeds receivable by Paradigm REIT in respect of the Secured Properties – Issue 1 (other than following the occurrence of a Trigger Event or the declaration of an Event of Default); or (iv) the Refunded Proceeds from the Issue 1 pursuant to the rescission of the relevant sale and purchase agreement, of which the proceeds from such Issue are to finance or part-finance the purchase of the Secured Properties – Issue 1; or (v) monies transferred from:

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	<p>(aa) the Operations Account – Issue 1 upon completion of the disposal of all the Secured Properties – Issue 1 securing the Issue 1 pursuant to the exercise of the Power of Attorney upon occurrence of a Trigger Event or a declaration of an Event of Default; and</p> <p>(bb) the DSRA – Issue 1 upon the completion of the disposal of all the Secured Properties – Issue 1 securing the Issue 1 pursuant to the exercise of the Power of Attorney upon occurrence of a Trigger Event or a declaration of an Event of Default.</p>
<p>Utilisation of funds</p>	<p>: The funds in the Proceeds Account – Issue 1 may only be withdrawn for the following purposes:</p> <p>(a) <u>Insurance Claims</u></p> <p>(i) <u>Minor Insurance Claims</u></p> <p>In respect of insurance proceeds of RM5.0 million or less following a claim by Paradigm REIT that was credited into the Proceeds Account – Issue 1, to make good/repair the damage, loss and/or disrepair to the Secured Properties – Issue 1 or made as compensation due to loss of business income with respect to the Secured Properties – Issue 1 (in respect of which such insurance proceeds were paid by the insurance companies) PROVIDED THAT such withdrawal must be accompanied by relevant supporting documents evidencing the amount payable to make good/repair such damage, loss and/or disrepair to be furnished by Paradigm REIT and acceptable to the Security Trustee;</p> <p>(ii) <u>Major Insurance Claims</u></p>

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	<p>In respect of insurance proceeds of more than RM5.0 million following a claim by Paradigm REIT that was credited into the Proceeds Account – Issue 1, subject to the consent of the Security Trustee, to make good/repair the damage, loss and/or disrepair to the Secured Properties – Issue 1 or made as compensation due to loss of business income with respect to the Secured Properties – Issue 1 (in respect of which such insurance proceeds were paid by the insurance companies) PROVIDED THAT such withdrawal must be accompanied by relevant supporting documents evidencing the amount payable to make good/repair such damage, loss and/or disrepair to be furnished by the Paradigm REIT and acceptable to the Security Trustee;</p> <p>(b) <u>Sale of Secured Properties – Issue 1 following occurrence of a Trigger Event or declaration of an Event of Default</u></p> <p>Subject to 100% of the net proceeds of disposal of any of the Secured Properties – Issue 1 arising from the occurrence of a Trigger Event or the declaration of an Event of Default being deposited into the Proceeds Account – Issue 1, such proceeds shall be applied in the following order of priority:</p> <ul style="list-style-type: none">(i) to pay any outstanding taxes, government charges and such other statutory obligations due in relation to the Secured Properties – Issue 1;(ii) to pay rateably and on a pari passu basis or to provide for all outstanding costs, charges, expenses and liabilities
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	<p>incurred in relation to the MTN Programme, which include, amongst others, those incurred by the Security Trustee, the Facility Agent and the Bond Trustee in carrying out their duties, powers and discretions or the execution of the powers contained in the Transaction Documents including the cost of realising any security for the Issue 1;</p> <p>(iii) in the event there is any shortfall in the Operations Account – Issue 1, to pay for any outstanding insurance premiums and utilities bills of the Secured Properties – Issue 1 and the remaining undisposed Secured Properties – Issue 1 (if any), when due and payable;</p> <p>(iv) to pay rateably and on a pari passu basis (based on the outstanding amounts), payment in full of:</p> <p>(A) in the case of occurrence of a Trigger Event:</p> <p>(aa) any accrued and unpaid coupon under the Issue 1, in accordance with its priority of ranking, i.e., payment in full of the most senior ranking MTNs followed by payment in full of the next most senior ranking MTNs; and</p> <p>(bb) any nominal amount of the outstanding MTNs under the Issue 1, in accordance with its priority of ranking, i.e., payment in full of the most senior</p>
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	<p>ranking MTNs followed by payment in full of the next most senior ranking MTNs;</p> <p>(B) in the case of a declaration of an Event of Default: any accrued and unpaid coupon and any nominal amount of the outstanding MTNs under the Issue 1, in accordance with the priority of ranking, i.e., payment in full of the most senior ranking MTNs followed by payment in full of the next most senior ranking MTNs.</p> <p>(c) <u>Sale of Secured Properties – Issue 1 by Paradigm REIT (other than pursuant to a Trigger Event or an Event of Default)</u></p> <p>In the event of a sale of any of the Secured Properties – Issue 1, the Disposal Proceeds of such sale shall be applied, subject to MTN holders’ consent, on a pari passu basis, towards early redemption of the relevant outstanding MTNs (including any accrued and unpaid coupon) of the Issue 1, in accordance with its priority of ranking, i.e., the most senior ranking MTNs followed by the next most senior ranking MTNs.</p> <p>(d) <u>Rescission of a sale and purchase agreement</u></p> <p>In the event the Issue 1 is for the purposes of financing or part-financing the purchase of any of the Secured Properties – Issue 1 and such purchase is subsequently aborted pursuant to the rescission of the relevant sale and purchase agreement, the Refunded Proceeds shall be applied on a pari passu basis (subject to the MTN holders’ consent), to early redeem the</p>
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	<p>relevant outstanding MTNs (including any accrued and unpaid coupon) of the Issue 1 in accordance with the priority of ranking, i.e., the most senior ranking MTNs followed by the next most senior ranking MTNs.</p> <p>(e) <u>Monies transferred from the Operations Account – Issue 1 and the DSRA – Issue 1</u></p> <p>Upon receipt of the monies transferred from the Operations Account – Issue 1 and the DSRA – Issue 1 upon completion of the disposal of all the Secured Properties – Issue 1 securing the Issue 1 pursuant to the exercise of the Power of Attorney upon occurrence of a Trigger Event or a declaration of an Event of Default, such monies shall be applied in the order of priority set out in (b)(i), (b)(ii) and (b)(iv) above.</p> <p>Any excess monies, after the application of the priority of payments above and subject to all indebtedness under the MTN Programme (based on the priority ranking) shall have been fully repaid or provided for (as the case may be), shall be transferred to the Issuer / REIT Trustee or such other person entitled thereto.</p>
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No	:	3
Account Name	:	Operations Account – Issue 1
Parties responsible for opening of account	:	REIT Trustee
Parties responsible to maintain and operate account	:	REIT Manager (save and except after the declaration of an Event of Default or the occurrence of a Trigger Event, whereupon the Operations Account – Issue 1 shall be operated solely by the Security Trustee)

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<p>Signatories to account</p>	<p>: REIT Manager (save and except after the declaration of an Event of Default or the occurrence of a Trigger Event, whereupon the Operations Account – Issue 1 shall be operated solely by the Security Trustee)</p>
<p>Sources of funds</p>	<p>: Funds will be transferred into the Operations Account – Issue 1 from the Collection Account – Issue 1 as and when required by the REIT Manager subject however to the Yearly Budget.</p> <p>The REIT Manager shall prepare a Yearly Budget.</p> <p>Any variation of ten per cent (10%) or higher above the Yearly Budget shall require the approval of the Security Trustee.</p>
<p>Utilisation of funds</p>	<p>: The funds in the Operations Account – Issue 1 will be applied to meet the Secured Properties – Issue 1's projected operating expenditure (including the taxes, government charges and statutory obligations required for the Secured Properties – Issue 1) and capital expenditure.</p> <p>For the avoidance of doubt, payment for operating expenditure shall rank ahead of payment for capital expenditure, unless such capital expenditure is deemed necessary for the upkeep of Secured Properties – Issue 1 or not related to asset enhancement initiatives.</p> <p>Balances standing to the credit of the Operations Account – Issue 1 at the end of each month (if any) shall remain in the account until the end of the then prevailing Yearly Budget ("Ending Balance").</p> <p>Such amounts that are required to pay for accruals and other operating expenditure and capital expenditure relating to the said period shall then be set aside ("Accrued Amount") in the Operations Account – Issue 1. The difference between the Ending Balance and the Accrued Amount shall be referred to as the "Surplus Amount".</p>

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	<p>Pursuant to the next Yearly Budget, the first transfer of funds from the Collection Account – Issue 1 for the next yearly period shall be net of the Surplus Amount (i.e. the budgeted transfer amount for the next yearly period less the Surplus Amount shall be equal to the actual amount of funds to be transferred).</p> <p>Funds held in the Operations Account – Issue 1 may be utilised for investments in Permitted Investments, provided always that such Permitted Investments shall mature and the proceeds be remitted into the Operations Account – Issue 1 no later than five (5) business days before any payment obligations become due and payable.</p> <p>Upon completion of the disposal of all the Secured Properties – Issue 1 securing the Issue 1 pursuant to the exercise of the Power of Attorney upon occurrence of a Trigger Event or a declaration of an Event of Default, the funds in the Operations Account shall be transferred to the Proceeds Account – Issue 1.</p>
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No	:	4
Account Name	:	Debt Service Reserve Account – Issue 1 (“ DSRA – Issue 1 ”)
Parties responsible for opening of account	:	Issuer
Parties responsible to maintain and operate account	:	Security Trustee
Signatories to account	:	Security Trustee
Sources of funds	:	Monies transferred from Collection Account – Issue 1 for the purpose of meeting the Minimum Required Amount in

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	accordance with the permitted utilization as stated therein.
Utilisation of funds	<p>: “Minimum Required Amount” shall mean at any time, the amount equivalent to:</p> <p>(a) in case of fixed coupon rate, either (A) or (B) below (whichever is applicable) based on the Credit Rating Agency’s assessment of the Secured Properties – Issue 1 (in the case of a rated issuance); or</p> <p>(b) in case of floating coupon rate, such amount (based on ceiling rate) to be determined prior to the issuance.</p> <p>(A) Upon issuance of the MTNs and prior to a Trigger Event:</p> <p>Six (6) months of coupon payable under the MTNs of the Issue 1 or any other amount to be agreed with the Credit Rating Agency (in the case of a rated issuance).</p> <p>(B) Upon the occurrence of a Trigger Event:</p> <p>As soon as practicable, to top up the Minimum Required Amount balance to the amount equivalent to twelve (12) months’ aggregate coupon payable under the MTNs of the Issue 1 or any other amount to be agreed with the Credit Rating Agency (in the case of a rated issuance).</p> <p>Prior to the occurrence of a Trigger Event or the declaration of an Event of Default, the funds in the DSRA – Issue 1 shall be utilized for the following permitted purposes:</p> <p>(a) meeting the Issuer’s payment obligations in respect of the coupon due and payable in the event there are insufficient funds in the Collection Account – Issue 1 to make such payment when such payment is due; and</p>

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	<p>(b) investments in Permitted Investments.</p> <p>In the event the Minimum Required Amount requirement is being satisfied with cash equivalent to such amount and the balance held in the DSRA – Issue 1 is less than/exceeds the Minimum Required Amount, the shortfall/excess shall be topped up from/released to the Collection Account – Issue 1 (as the case may be).</p> <p>Any non-compliance with the Minimum Required Amount which is not remedied within a period of ten (10) business days from the date of the Minimum Required Amount is to be deposited, will lead to a Trigger Event and not an Event of Default.</p> <p>Upon completion of the disposal of all the Secured Properties – Issue 1 pursuant to the exercise of the Power of Attorney upon occurrence of a Trigger Event or a declaration of an Event of Default, the funds in the DSRA – Issue 1 shall be transferred to the Proceeds Account – Issue 1.</p>
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(8) Details of credit rating, if applicable

: **Credit Rating Agency**

RAM Rating Services Berhad

Preliminary Rating of the Initial Size of Issue 1:

Class	Credit Rating Assigned	Amount (RM million)
Class A MTNs	AAA	735.0
Class B MTNs	AA ₂	115.0
Total		850.0

For clarity, the credit rating assigned or the amounts of which the credit rating is assigned may be revised by the rating agency from time to time and the Issuer shall notify the Bond Trustee of such revision accordingly.

(9) Conditions Precedent for Issue 1

: In addition to the conditions precedent for issuance of the Relevant Issue stated in the Lodgement Form, the conditions precedent for Issue 1 shall also include the following:

- (i) The Issue 1 REIT Trustee Financing Agreement has been signed and, where applicable, stamped or endorsed as

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- exempted from stamp duty and presented for registration with the relevant registries, if applicable.
- (ii) The Issue 1 Security Documents (save for the Property Charges – Issue 1, the Assignment of Tenancy – Issue 1 and Assignment of Insurances – Issue 1) have been signed and, where applicable, stamped or endorsed as exempted from stamp duty and where applicable, presented for registration with the relevant registries.
 - (iii) Evidence that the relevant form(s) in respect of the charges under the Issue 1 Security Documents (save for the Property Charges – Issue 1, the Assignment of Tenancy – Issue 1 and Assignment of Insurances – Issue 1) have been lodged with Companies Commission of Malaysia for registration.
 - (iv) Evidence that all relevant Issue 1 Security Documents (save for the Property Charges – Issue 1, the Assignment of Tenancy – Issue 1 and Assignment of Insurances – Issue 1) which contain a power of attorney provision (for the avoidance of doubt, including the Power of Attorney) have been presented to the High Court of Malaya for registration of the power of attorney contained therein.
 - (v) Evidence that all notice(s) of assignment in relation to the relevant Issue 1 Security Documents (save for the Property Charges – Issue 1, the Assignment of Tenancy – Issue 1 and Assignment of Insurances – Issue 1) have been served and receipt by the Security Trustee of the acknowledgement by the relevant party(ies).
 - (vi) Receipt of a valuation report on the Secured Properties – Issue 1 addressed to the LM(s) and the Security Trustee indicating the open market value of the Secured Properties – Issue 1 to be no less than RM2,437,000,000.00 with liability to be extended to the LM(s) and the Security Trustee.
 - (vii) Evidence that the Designated Accounts for the Issue 1 have been duly opened in accordance with the terms of the Issue 1 Security Documents.
 - (viii) Relevant consents or, approvals from any regulatory authorities, creditors and/or such other parties as identified during the due diligence process or notified by the Issuer, and resolutions empowering each of the Issuer, the REIT Manager and the REIT Trustee to (i) take all necessary actions for the Issuer to undertake the issuance of the MTNs; (ii) provide security for the Issue 1; and (iii) enter into and execute the relevant agreements in relation to Issue 1, have been obtained and remain valid and where relevant, the receipt of evidence of presentation of the application for permission or consent to charge with the relevant land office for purposes of registration of the land charge over the

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- Secured Properties – Issue 1 and the receipt of the request letter for approval or consent to charge the Secured Properties – Issue 1 as required under the licence issued for the Secured Properties – Issue 1 pursuant to Section 9 of the Electricity Supply Act 1990.
- (ix) Receipt of the original or certified true copy of the duly executed and stamped SPAs of the Secured Properties – Issue 1.
 - (x) Receipt of written confirmation addressed to the LM(s) from the solicitors acting for the REIT Trustee (in such form and substance satisfactory to the LM(s)) confirming, amongst others, that all the conditions precedent as provided under the Secured Properties – Issue 1’s SPAs have been fulfilled or otherwise waived including but not limited to where applicable, the relevant consents for the transfer of title to the REIT Trustee have been obtained.
 - (xi) A certified true copy of the approval letter from the SC on the Initial Public Offering of the Paradigm REIT.
 - (xii) Receipt of written confirmation addressed to the LM(s) from the solicitors acting for the REIT Trustee (in such form and substance satisfactory to the LM(s)) confirming, amongst others, that all documents (save and except for the original issue document of title and the discharge and release documents) required for the purpose of the presentation of the memorandum of transfer in respect of the Secured Properties – Issue 1 at the relevant land registry have been deposited with them and a written confirmation from the Solicitors that a legal charge in respect of the Secured Properties – Issue 1 by the REIT Trustee in favour of the Security Trustee have been signed in escrow.
 - (xiii) A certified true copy of a list of the lease / tenancy agreements in relation to the Secured Properties – Issue 1.
 - (xiv) A certified true copy of the insurance policy(ies) obtained in relation to the Secured Properties – Issue 1.
 - (xv) Receipt of redemption statement and letter of undertaking from the existing lenders/financiers which is to be refinanced with the proceeds from the Issue 1, to discharge its charge, execute and deliver all documents relating to such discharge upon full redemption of monies due, if any.
 - (xvi) Confirmation that no event that would constitute an Event of Default and/or Trigger Event has occurred and continues to subsist.
 - (xvii) Receipt of satisfactory legal opinion on the validity and enforceability of the Issue 1 Security Documents (save for the

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Property Charges – Issue 1, the Assignment of Tenancy – Issue 1 and Assignment of Insurances – Issue 1) from the Solicitors.

- (xviii) Receipt of written confirmation from the Solicitors that all conditions precedent for the Issue 1 have been fulfilled or waived by the LM(s) or subscriber(s), as the case may be.
- (xix) Receipt of evidence of registration of a private caveat over the Secured Properties – Issue 1 at the relevant land office.
- (xx) Such other conditions precedent as may be advised by the Solicitors and mutually agreed by the Issuer and the LM(s) or subscriber(s), as the case may be, and set out in the Transaction Documents.

Conditions Subsequent after first issuance under Issue 1

Not later than four (4) months from the first issuance date under Issue 1 or any extension thereof and unless otherwise stated:

- (i) Where applicable, the permission or consent to charge have been obtained from the relevant land office for purposes of registration of the land charge over the Secured Properties – Issue 1;
- (ii) Where applicable, the approval or consent to charge the Secured Properties – Issue 1 as required under the licence issued for the Secured Properties – Issue 1 pursuant to Section 9 of the Electricity Supply Act 1990 have been obtained from the relevant authorities, within five (5) months from the first issuance date under Issue 1;
- (iii) Where applicable, receipt of the necessary documents for the discharge and release of the relevant Secured Properties – Issue 1 duly executed by the parties;
- (iv) The Property Charges – Issue 1, the Assignment of Tenancy – Issue 1 and Assignment of Insurances – Issue 1 have been signed and, where applicable, stamped or endorsed as exempted from stamp duty and where applicable, presented for registration with the relevant registries and the Security Trustee has been endorsed as chargee and loss payee under the assigned insurance policies;
- (v) Evidence that the relevant form(s) in respect of the charges under the Property Charges – Issue 1, the Assignment of Tenancy – Issue 1 and Assignment of Insurances – Issue 1 have been lodged with Companies Commission of Malaysia for registration.
- (vi) Evidence that the Assignment of Tenancy – Issue 1 and Assignment of Insurances – Issue 1 which contain a power of

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attorney provision have been presented to the High Court of Malaya for registration of the power of attorney contained therein.

- (vii) Evidence that all notice(s) of assignment in relation to the Assignment of Tenancy – Issue 1 have been served on the relevant parties.
- (viii) Evidence that all notice(s) of assignment in relation to the Assignment of Insurances – Issue 1 have been served and receipt by the Security Trustee of the acknowledgement by the relevant party(ies).
- (ix) The reports of the relevant land searches on the Secured Properties – Issue 1 being satisfactory to the LM(s).
- (x) Receipt of satisfactory legal opinion on the validity and enforceability of the Property Charges – Issue 1, the Assignment of Tenancy – Issue 1 and Assignment of Insurances – Issue 1 from the Solicitors.
- (xi) Receipt of written confirmation from the Solicitors that all conditions subsequent for the Issue 1 have been fulfilled or waived by the LM(s) or subscriber(s), as the case may be, within five (5) months from the first issuance date under Issue 1.

Conditions Precedent for further issuance under Issue 1

All conditions precedent for further issuance of the Relevant Issue stated in the Lodgement Form shall be applicable for Issue 1.

- (12) **Representations and Warranties** : All representations and warranties under the Lodgement Form shall be applicable to Issue 1.
- (13) **Events of default or enforcement events, where applicable** : All Events of Default under the Lodgement Form shall be applicable for Issue 1.

OTHER TERMS AND CONDITIONS

- (1) **Details on Utilisation of Proceeds** : Proceeds raised from the issuance of each MTN Tranche(s) under the Issue 1 are more particularly specified in the pricing supplement and post-issuance notice to be submitted to the SC of such MTN Tranche(s).
- (2) **Other covenants** : Such other terms including but not limited to the following clauses under the Lodgement Form shall also be applicable to Issue 1:
 - 1) Trigger events;
 - 2) Limited recourse;
 - 3) Provision on buy-back;

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- 4) Provision on early redemption;
 - 5) Permitted Investment; and
 - 6) Voting.
- (3) **Detailed information of the existing corporate bonds or sukuk issue or loans/financing to be refinanced by the facility/programme, if applicable** : The detailed information of the existing corporate bonds or sukuk issue or loans/ financing to be refinanced by the facility/ programme, if applicable, will be set out in the relevant pricing supplement and/or post-issuance notice to be submitted to the SC.

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