



**SOLARPACK SURIA SUNGAI PETANI SDN BHD**

**ASEAN GREEN SRI SUKUK WAKALAH FRAMEWORK**

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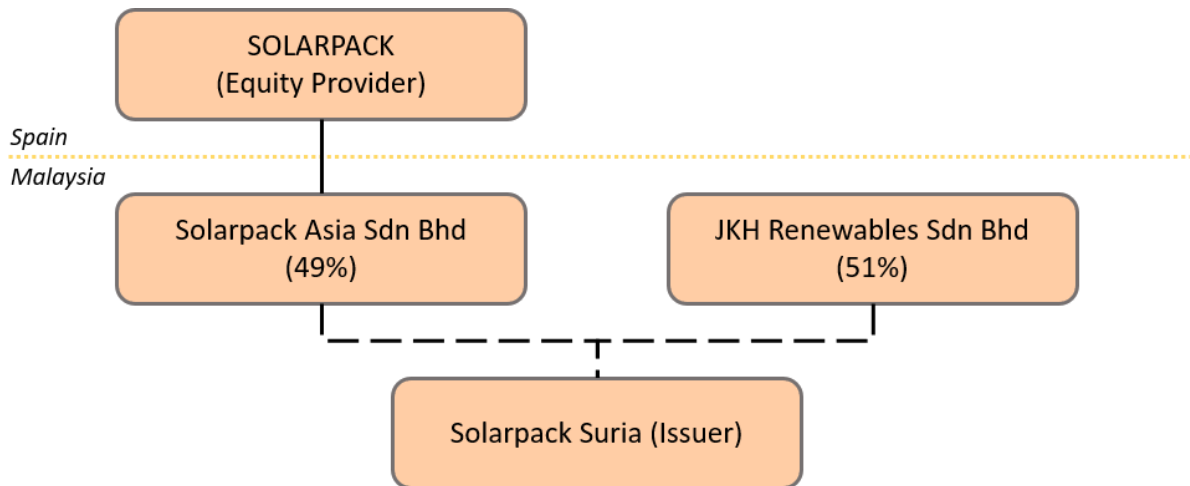
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# 1. BACKGROUND

## 1.1 Introduction of the Issuer

The project company, Solarpack Suria Sungai Petani Sdn Bhd, (“**3SP**”, “**Solarpack Suria**” or the “**Issuer**”) is a subsidiary of Solarpack Corporación Tecnológica S.A.U. (“**SOLARPACK**” or the “**Company**”) via its wholly owned subsidiary, Solarpack Asia Sdn Bhd. SOLARPACK, along with its local consortium partner, JKH Renewables Sdn Bhd (“**JKH Renewables**”), will build, own, and operate a solar power plant with installed capacity of 90.88 MW<sub>AC</sub> (“**3SP Project**” or the “**Project**”), with SOLARPACK acting as the main sponsor and equity provider of the Project.

The Issuer is a Malaysian entity incorporated on 13<sup>th</sup> January 2020 and is the joint venture between SOLARPACK and JKH Renewables for the implementation of the Project. JKH Renewables is a Malaysian company incorporated on 2<sup>nd</sup> August 2019 and is principally engaged in the development and operation of power generation plants using renewable energy resources including solar, biomass and biogas. JKH Renewables also provides solutions on waste-to-energy and waste-to-resource projects using commercially proven technologies.



## 1.2 Historical Background of SOLARPACK

SOLARPACK is a multinational company specializing in the comprehensive management of photovoltaic solar energy projects for electricity generation. The company is principally engaged in the development, financing, construction, operation, and management of utility scale solar power plants. The company was founded in Getxo, Spain back in 2005 as one of the first pure solar photovoltaic (“**PV**”) developers and an independent power producer in Spain. Since then, SOLARPACK has grown to become a leading vertically integrated solar PV platform with presence in Europe, North America, Latin America, Asia, and Africa.

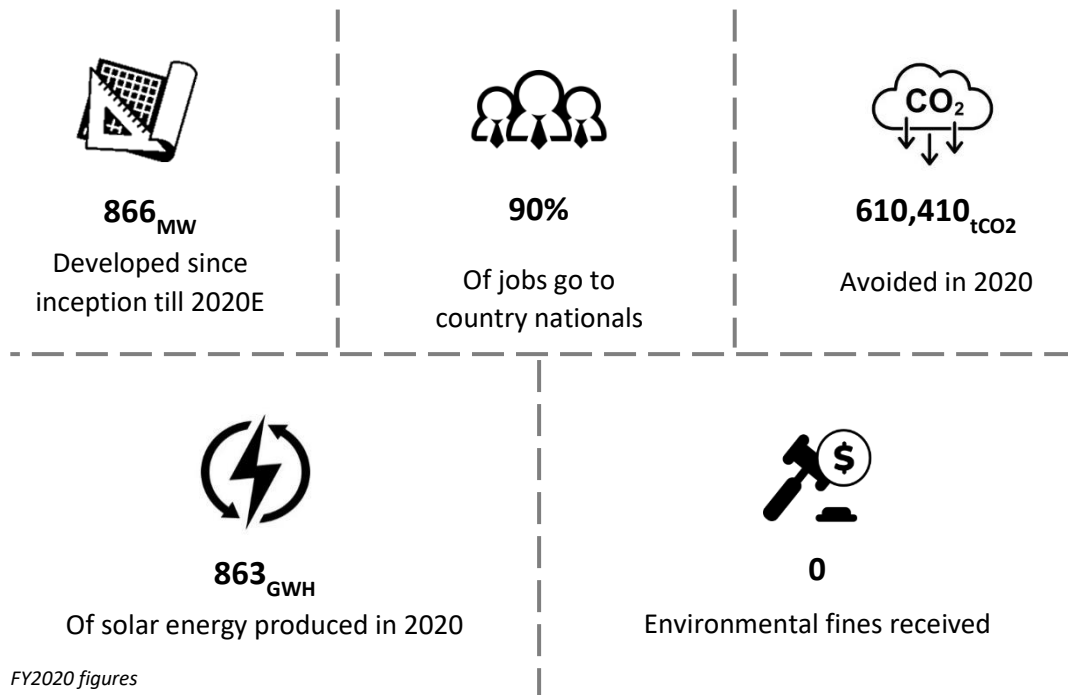
SOLARPACK’s purpose is to accelerate the transition towards clean and affordable energy for all. The company operates through 3 main business divisions:

- i. **Development and Construction** – A holistic approach towards innovative solar PV solutions, including project development, financing and engineering, procurement & construction.
- ii. **Power Generation** – Generation of long-term and stable cash flow through the provision of electricity generated by solar PV plants through long-term purchase agreements.

- iii. **Services** – Includes the Operation & Maintenance (“**O&M**”) segment which entails the day-to-day supervision services of solar PV plants; and the Asset Management (“**AMS**”) segment, which is the provision of commercial, financial, and corporate services, advising clients on optimizing value creation from their solar PV plants.

With a track record of over 15 years, SOLARPACK has contributed towards efforts in decarbonizing the economy through their vision of being a globally recognized agent, managing the complexities of the journey towards a world connected to renewable energy.

SOLARPACK also promotes the social development of the communities they operate in, by creating high-quality jobs and devising social initiatives which benefit local communities.



### 1.3 SOLARPACK’s Corporate Governance



SOLARPACK’s key governing body is the Board of Directors. This body is backed by other supplemental structures such as the Audit and Compliance Committee, Informational and Advisory Committee of the Board of Directors without executive functions, ESG Committee, or the Project Coordination Committee which play their individual parts towards SOLARPACK’s strategic objectives relating to operations and risk management.

Environmental Governance within SOLARPACK is carried out by SOLARPACK’s ESG Committee and Green Financing Subcommittee, as described below:

- o **ESG Committee** - The Environmental Social and Governance Steering Committee’s (“**ESG Committee**”) purpose is to support the Company’s on-going commitment to environmental, health and safety, corporate social responsibility, corporate governance, sustainability, and other public policy matters relevant to the Company (collectively “**ESG Matters**”).

This committee is a cross-functional management committee which will assist the Senior Leadership Team of the Company in the following matters:

- i. setting general strategy relating to ESG Matters;
- ii. developing, implementing, and monitoring initiatives and policies based on the aforementioned strategy;
- iii. overseeing communications with employees, investors, and stakeholders with respect to ESG Matters;
- iv. keeping and updating the “Eligible Universe Project List”; and
- v. monitoring and assessing developments relating to and improving the Company’s understanding of ESG.

The ESG Committee meets every quarter or as deemed necessary. The members include, but are not limited to the:

- i. CEO;
- ii. Director of Sustainability and People;
- iii. Compliance Officer;
- iv. Risk Manager;
- v. Head of People and Organization;
- vi. Quality Manager; and
- vii. Head of Health & Safety, Environment and Community Relations.

The ESG Committee reports to the Executive Committee and the Board of Directors and may delegate all or part of its duties and responsibilities to one or more subcommittees of the ESG Committee.

- **Green Financing Subcommittee** - A sub-committee of the ESG Committee, for the overall governance of its Green financing framework corresponding to each Green financing. More generally, the Green Financing Subcommittee guides SOLARPACK’s financing strategy following market guidelines for sustainable financing products. The Green Financing Subcommittee is composed of the Head of the ESG Team (Chair), the Head of Finance and the Business Units developing Eligible Green Projects (as defined in Section 3.1). The Green Financing Subcommittee, which meets on average 3 times per year:
  - i. Validates the eligibility of projects to be included in the Eligible Universe Projects List;
  - ii. Evaluates the projects in the Eligible Universe Projects List with the Evaluation Parameters while excluding controversial projects;
  - iii. Validates the annual reporting to investors; and
  - iv. Reviews the eligibility criteria to reflect any change with regards to the Group’s ESG strategy and initiatives, and any change in market standards and criteria selection.

SOLARPACK also has a General Sustainability Policy as detailed in Section 2.1, integrated in its Corporate Governance Regulations, which underpins the Company's commitment to the Sustainable Development Goals (SDGs) approved by the United Nations, strengthening the Company’s overall sustainability mission. Additional details relating to corporate governance at SOLARPACK including SOLARPACK’s policies and code of ethics may be found on SOLARPACK’s corporate website.

#### 1.4 SOLARPACK’s Corporate Website

SOLARPACK’s corporate website can be accessed at the following link and QR code:



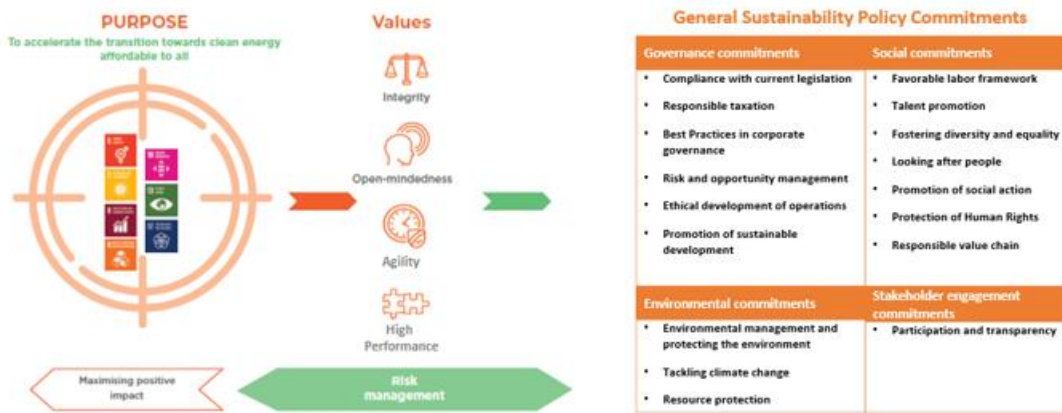
<https://www.solarpack.es/en/home-2/>

## 2. SOLARPACK’S SUSTAINABILITY APPROACH<sup>1</sup>

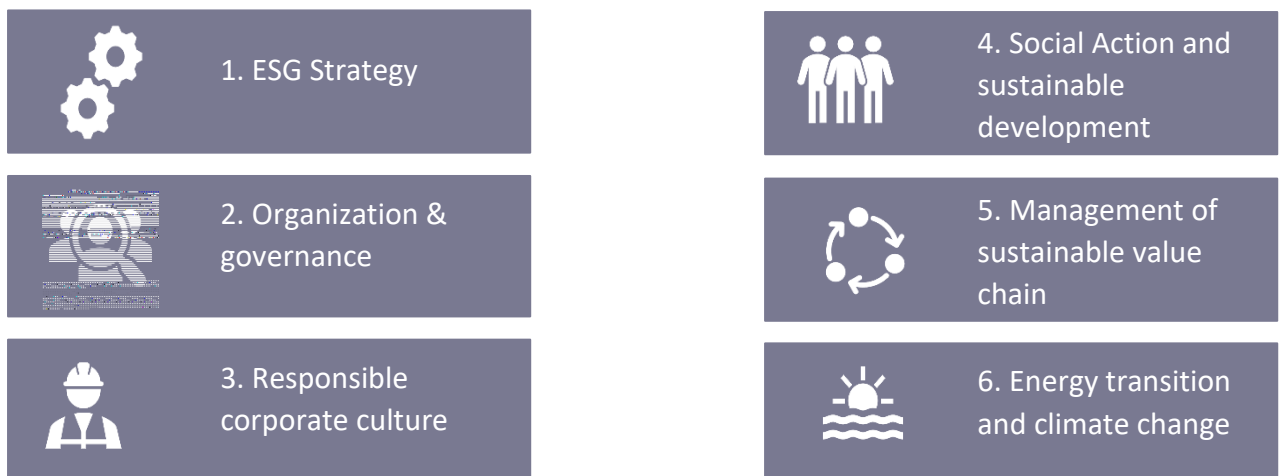
### 2.1 Sustainability Strategy and Commitment

Through the development of high quality solar PV projects, SOLARPACK seeks to create value for both people and the environment. SOLARPACK generates positive impacts through the development of social projects, the creation of quality employment and the production of 100% renewable energy.

SOLARPACK’s ESG strategy is underpinned by its purpose to accelerate the transition towards clean energy affordable to all. In pursuit of this objective, SOLARPACK’s produces products and offers services in the field of renewable energies. Its strategy is also supplemented by its established policies and regulations, including its General Sustainability Policy.









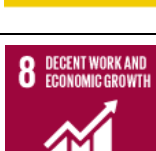

SOLARPACK has also developed an ESG plan to ensure that due consideration is given to the ESG criteria within the Company. The plan is based on the materiality analysis and identifies stakeholders and relevant aspects from the perspective of the Company. SOLARPACK factors sustainability into the Company’s strategy on the basis of 6 strategic axes:



<sup>1</sup> Information and diagrams shown are based on SOLARPACK’s 2020 Sustainability Report and Policies and Code of Ethics. The Company’s annual Sustainability Report will be made available on the Company’s website.

## 2.2 SOLARPACK’s Commitment to the UN SDGs

SOLARPACK is committed to the United Nation’s 2030 agenda for Sustainable Development which comprises a total of 17 Sustainable Development Goals (“SDGs”) and, in view of its corresponding business model, particularly to SDGs 4, 5, 7, 8, 9, 10, 13 and 17.

| Sustainable Development Goals  |  |   |  |
|--|--|---|--|
|  <p><b>4</b> QUALITY EDUCATION</p>                | <p>ENSURE INCLUSIVE AND EQUITABLE QUALITY EDUCATION AND PROMOTE LIFELONG LEARNING OPPORTUNITIES FOR ALL</p>  |  <p><b>9</b> INDUSTRY, INNOVATION AND INFRASTRUCTURE</p> | <p>BUILD RESILIENT INFRASTRUCTURE, PROMOTE INCLUSIVE AND SUSTAINABLE INDUSTRIALISATION AND FOSTER INNOVATION</p> |
|  <p><b>5</b> GENDER EQUALITY</p>                  | <p>ACHIEVE GENDER EQUALITY AND EMPOWER ALL WOMEN AND GIRLS</p>   |  <p><b>10</b> REDUCED INEQUALITIES</p>                   | <p>REDUCE INEQUALITY WITHIN AND AMONG COUNTRIES</p>  |
|  <p><b>7</b> AFFORDABLE AND CLEAN ENERGY</p>      | <p>ENSURE ACCESS TO AFFORDABLE, RELIABLE, SUSTAINABLE AND MODERN ENERGY FOR ALL SUSTAINABLE ECONOMIC GROWTH, FULL AND PRODUCTIVE AND DECENT WORK FOR ALL</p> |  <p><b>13</b> CLIMATE ACTION</p>                         | <p>TAKE URGENT ACTION TO COMBAT CLIMATE CHANGE AND ITS EFFECTS</p>   |
|  <p><b>8</b> DECENT WORK AND ECONOMIC GROWTH</p> | <p>PROMOTE SUSTAINED, INCLUSIVE AND SUSTAINABLE ECONOMIC GROWTH, FULL AND PRODUCTIVE AND DECENT WORK FOR ALL</p>   |  <p><b>17</b> PARTNERSHIPS FOR THE GOALS</p>            | <p>REVITALISE THE GLOBAL ALLIANCE FOR SUSTAINABLE DEVELOPMENT</p>  |

## 2.3 Prioritising Sustainable Impact

In Q3 2020, SOLARPACK conducted a materiality study to identify the most relevant ESG aspects for the Company which primarily involved a comprehensive assessment of external sources of information, including the direct global competitors of SOLARPACK, the various non-financial disclosure standards, stakeholders within the investor community and sectoral promoters with business influence, and a detailed analysis of the risks to which the Company is exposed both in countries of operation and the sector in which it is active.

SOLARPACK further enhanced the study by producing an internal analysis based on surveys, in which the criteria of the most important governing bodies of the Company (Board of Directors, Management and business units) were assessed along with other relevant stakeholders for SOLARPACK (suppliers, consultants and service providers).

The materiality matrix which was produced as a result of the 2020 analysis identified 20 material aspects for SOLARPACK and are classified into four groups or dimensions; Environmental, Governance, Financial-operational and Social. This matrix which displays the result of cross-referencing and weighting the different scores obtained in the external and internal analysis can be found in the 2020 Sustainability Report on SOLARPACK’s corporate website.

## 2.4 Established Regulatory Frameworks

SOLARPACK has various regulations and procedures in order to guarantee that its principles and commitments are observed in several fields. In 2021, SOLARPACK's Board of Directors updated the General Sustainability Policy, Environmental Policy and the Health and Safety Policy.

| <b>Regulatory Framework</b>   | <b>Description</b>  |
|-------------------------------|---|
| General Sustainability Policy | <ul style="list-style-type: none"><li>• Underpinned by SOLARPACK's purpose to "to accelerate the transition towards clean and affordable energy to all" and the entity's values of integrity, open-mindedness, flexibility and high standards.</li></ul>              |
| Environmental Policy          | <ul style="list-style-type: none"><li>• Further confirmation of SOLARPACK's commitment to the environment and its contribution to tackling climate change, from the efficient and responsible use of natural resources to the preservation of biodiversity.</li></ul> |
| Health and Safety Policy      | <ul style="list-style-type: none"><li>• With a view of protecting employees and preventing risks, the policy sets out that the Health and Safety of employees and any third parties involved is a top priority in all of SOLARPACK's business activities.</li></ul>   |






### 3. THE ELIGIBLE PROJECT

#### 3.1 Eligible Project Categories

The net proceeds of Solarpack Suria’s ASEAN Green SRI Sukuk Wakalah (as defined in Section 4) issued under Solarpack Suria’s ASEAN Green SRI Sukuk Wakalah Framework (the “**Framework**”) will be exclusively used to finance and/or refinance, in whole or in part, eligible projects (“**Eligible Green Projects**”).

Eligible Green Projects are projects that support the transition to clean and affordable energy for all, which will be a direct link with SOLARPACK’s purpose. In order to ensure that Eligible Green Projects provide environmental benefits, they must fall into and comply the following Eligible Project Categories and Use of Proceeds respectively:

| Eligible Project Category   | Use of Proceeds   | Related SDG   | SC SRI SF/ ASEAN GBS/ ICMA GBP |
|-----------------------------|---|---|--------------------------------|
| Renewable energy production | To finance and/or refinance, in part or in whole, new costs or existing loans to fund the the development, construction, installation and operation of electricity generation facilities that produce electricity from solar photovoltaic projects, generating clean renewable while creating employment for country nationals. | <br><br> | Renewable Energy               |

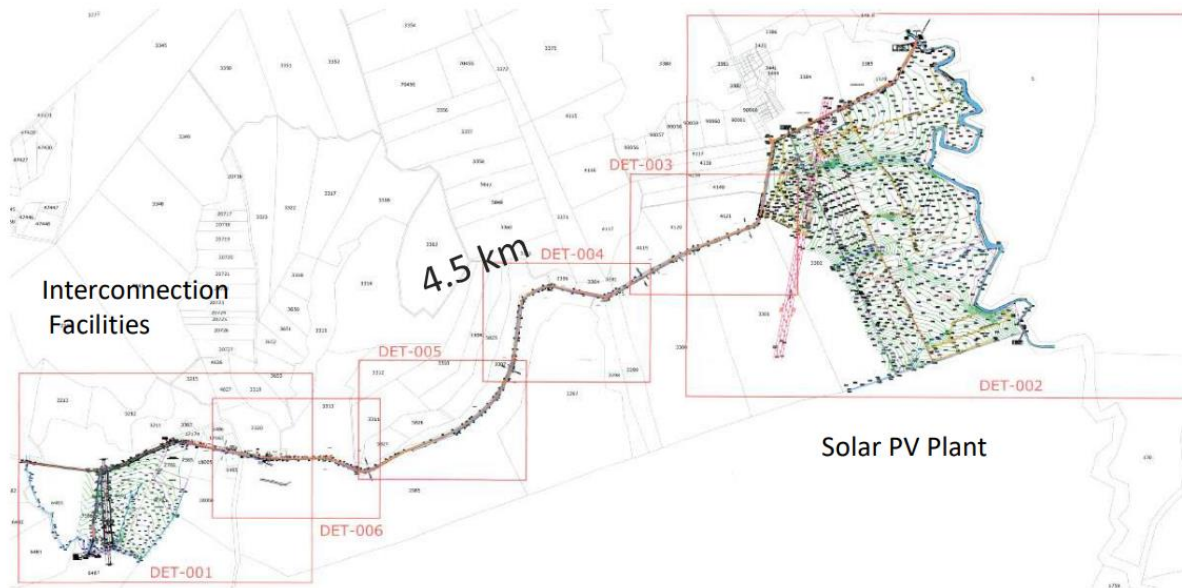
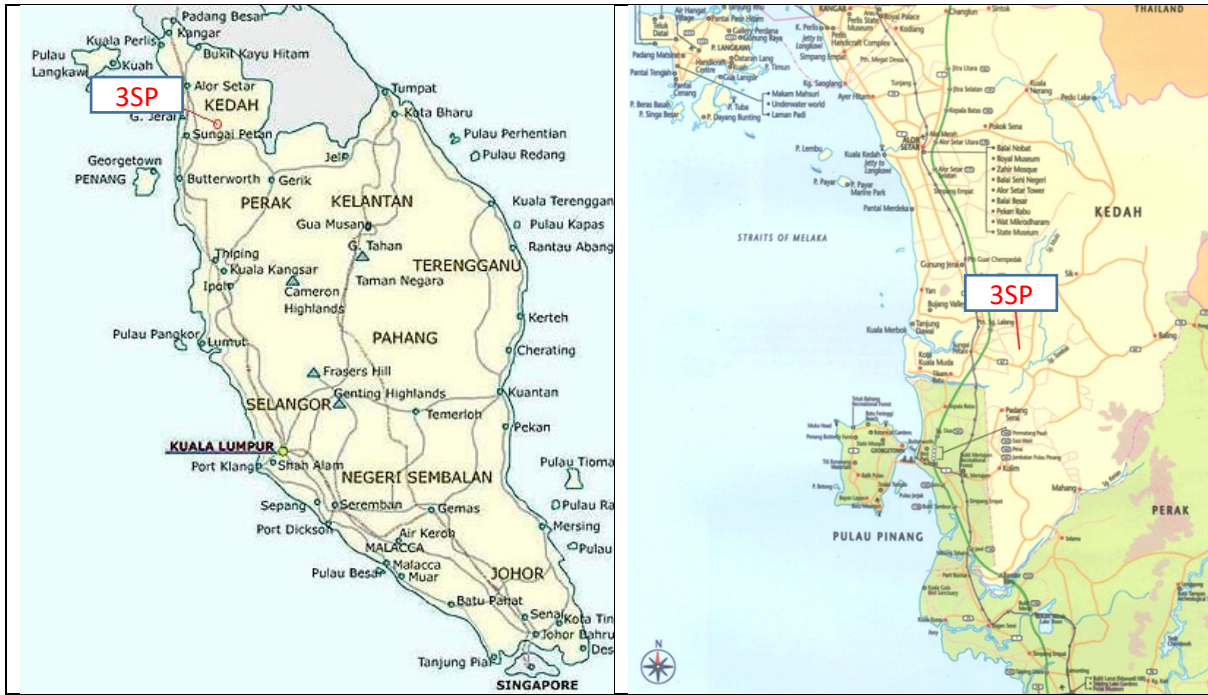
The list of eligible projects (“**Eligible Universe Project List**”) will be proposed to the Green Finance Subcommittee by the different business teams in coordination with each other and in consideration of the eligibility criteria. The Green Finance Subcommittee will maintain the Eligible Universe Project List and vet any new names that are proposed for the list. After validation, the list will be shared with SOLARPACK’s Finance Department.

SOLARPACK will employ a variety of evaluation parameters to assess the suitability of categorising a project within an Eligible Project Category, so that the project may be eligible for financing as detailed in Section 4.2.

#### 3.2 Solarpack Suria Sungai Petani Project (3SP Project)

The Eligible Project for the purpose of this Framework is the 3SP Project which entails the building, owning and operation of a large-scale solar PV power plant with an installed capacity of 90.88MW<sub>AC</sub> (116.08MW<sub>DC</sub>) and estimated expected production of 177GWh per year. SOLARPACK and their local consortium partner, JKH Renewables were shortlisted as one of the successful bidders of the 3<sup>rd</sup> Large Scale Solar tender (“**LSS3**”) on 24<sup>th</sup> December 2019 and has entered into a 21-year Power Purchase Agreement (“**PPA**”) with Tenaga Nasional Berhad (“**TNB**”), the sole electricity utility provider in Malaysia. The Project has a scheduled commercial operation date (“**SCOD**”) by March 2022.

The Project is based at Mukim Sg. Petani, Kedah, which is one of the Malaysian states with higher solar radiation in the country, located in northern Peninsular Malaysia as shown below.



The Project's key technical details are shown in the table below:

| No. | Item               | Details  |
|-----|--------------------|--|
| 1   | Coordinates        | 5° 38.833'N, 100° 36.722'E<br>5°38'09.2"N 100°34'42.2"E              |
| 1   | Surface            | 202 acres (Solar Plant) + 2.7 acres (TNB Interconnection Facilities) |
| 2   | Installed Power    | 90.88 MW <sub>AC</sub> , 116.08 MW <sub>DC</sub>                     |
| 3   | Module Type        | Mono or Poly Perc  |
| 4   | Mounting Structure | Fixed System in North South configuration                            |
| 5   | Inverter           | Centralized Inverter   |

|   |                   |   |
|---|-------------------|---|
| 6 | Interconnection   | LiLo (Line in Line out) connection (132 kV)   |
| 7 | Transmission Line | 4.5km   |
| 8 | Annual Generation | Approximately 177GWh for 1 <sup>st</sup> year |

### 3.3 Benefits of the Project

The clean energy generated by the 3SP Project is aligned with SOLARPACK's vision of connecting the world to renewable energy by contributing to the Government of Malaysia's plans to increase their share of renewable energy in the energy generation mix to 31% in 2025 and 40% in 2035<sup>2</sup>. The Project is part of SOLARPACK's efforts in driving the change towards a low-carbon and climate-resilient world.

According to an Environment Impact Assessment by ERE Consulting Group Sdn Bhd, the Project has an estimated emission reduction of 1.99 million tonnes of greenhouse gases throughout the lifetime of the project, with the bulk of the emission stemming from the pre-construction stage of the project. In terms of impact, this would be equivalent to savings of CO2 emissions from 5.3mn barrels of gasoline or 1,053,625 MT of coal or 31,509 flights between London and Kuala Lumpur.

The Project has contributed c. MYR500,000 to CSR activities in the local area such as the installation of streetlights and has also proved socially beneficial by employing local Construction Industry Development Board (“CIDB”) registered contractors who contributed c. 95% of the manhours during the construction of the project through their workforce.

In view of the alignment of the 3SP Project with SOLARPACK’s sustainability objectives and following detailed analysis and studies (including but not limited to feasibility studies, environmental and social impact study, power system study , financial modelling and due diligence) as described in Section 4.2, the 3SP Project was identified and approved as an eligible project by the Green Finance Subcommittee and shared with the Finance department to be financed by the ASEAN Green SRI Sukuk Wakalah.

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<sup>2</sup> Ministry of Energy and Natural Resources, *Malaysia’s Energy Transition Plan 2021-2040*

## 4. ASEAN GREEN SRI SUKUK WAKALAH FRAMEWORK

Solarpack Suria’s Framework is structured to be in line with the following guidelines (collectively the “Guidelines”):

| Issuing Body                             | Standards  | Version Date                          |
|--|--|---------------------------------------|
| Securities Commission Malaysia           | Sustainable and Responsible Investment (SRI) Sukuk Framework | November 2019                         |
| ASEAN Capital Markets Forum              | ASEAN Green Bond Standards                                   | October 2018                          |
| International Capital Market Association | Green Bond Principles  | June 2021 (with June 2022 Appendix 1) |

The Framework sets out clear and transparent guidelines and principles for the issuance of Solarpack Suria’s Islamic medium term notes issuance of up to RM305.0 million in nominal value under the Shariah principle of Wakalah Bi Al-Istithmar (“**ASEAN Green SRI Sukuk Wakalah**”).

Below is a detailed disclosure of Solarpack Suria’s approach to the four (4) core components:

1. Use of Proceeds
2. Process for Project Evaluation and Selection
3. Management of Proceeds
4. Reporting

### 4.1 Use of Proceeds

Proceeds from Solarpack Suria’s ASEAN Green SRI Sukuk Wakalah shall be utilised to refinance the bridge loan facility obtained to part-finance the development cost incurred relating to the building, owning and operation for the 3SP Project, pay any costs yet to be incurred for the 3SP Project, prefund any required accounts, partially repay the shareholder loans to the sponsors (including any accrued interest thereon), general working capital purposes of the 3SP Project and to defray the fees and expenses incurred in relation to the ASEAN Green SRI Sukuk Wakalah. More than 75% of the proceeds will be used for refinancing of the existing bridge loan and shareholder loans.

The development of the solar plant is aligned with the eligible Green project category of “Renewable Energy” as described by the Guidelines. Solarpack Suria complies with the relevant ESG standards and recognised best practices relating to the Eligible Green Projects.

The proceeds of Solarpack Suria’s ASEAN Green SRI Sukuk Wakalah will not be used to finance fossil fuel energy generation (e.g. standalone projects connected to high-polluting activities such as oil, gas and mining), nuclear energy generation, weapons and defence industries, potentially environmentally negative resource extraction, gambling or tobacco.

### 4.2 Process for Project Evaluation and Selection

SOLARPACK adopts a pre-defined set of performance indicators and evaluation parameters for ascertaining the potential and feasibility of projects and for evaluation and selection of eligible Green projects depending on the project life cycle stage (e.g. identified opportunity, pipeline, backlog, under-construction and in operation). The key performance indicators (KPIs) relied upon for ascertaining the potential and feasibility of a project are described in Solarpack’s internal Dictionary of Indicators

whereas the evaluation parameters relevant for evaluation and selection of eligible Green projects are listed below (“**Evaluation Parameters**”):

| Project Stage         | Identified Opportunity   | Pipeline  | Backlog   | Under Construction  | In Operation |
|-----------------------|--|---|---|---|--------------|
| Eligible Category     | Renewable Energy Projects  |   |   |   |              |
| Evaluation Parameters | <ul style="list-style-type: none"> <li>Internal Verification of absence of Environmental or Social Issue through analysis of public domain databases related to local and regional environmental and social information / constraints and confirmation that there is no incompatibility with the RE Project.</li> <li>Compliance (regulation)</li> </ul> | <ul style="list-style-type: none"> <li>Status of permitting based: Internal verification of absence of Environmental or Social Issue or EIA/consultation</li> <li>Third party EIA</li> <li>Compliance (regulation)</li> </ul> | <ul style="list-style-type: none"> <li>Third party EIA</li> <li>Compliance (regulation)</li> <li>ESMP</li> <li>Procurement chain analysis</li> <li>H&amp;S</li> </ul> | <ul style="list-style-type: none"> <li>Compliance (regulation)</li> <li>ESMP</li> <li>H&amp;S</li> <li>End of life management</li> <li>If refinancing: EIA</li> </ul> |              |

The Green Finance Subcommittee, with the help of the Finance and Sustainability & People departments, reviews the performance of each potential project from the Eligible Universe Project List based on a series of analysis and feasibility studies. Once a project is approved by the Green Finance Subcommittee, the ESG Committee will validate the final selection of the project and classify it as an Eligible Green Project. The eligibility of such project will need to be unanimously agreed by all members of the ESG Committee.

To validate 3SP Project’s selection as an Eligible Green Project, SOLARPACK conducted the following studies and evaluations:

- i. Initial Environmental Evaluation (conducted before bid submission);
- ii. Power System Study (Stage 1) and Power System Study (Stage 2);
- iii. Hydrological, Geotechnical and Topographical studies;
- iv. Environmental and Social Impact Assessment report based on which an Environmental and Social Management Plan (ESMP); and
- v. Yield Assessment.

Based on the studies and evaluations conducted, the Green Finance Subcommittee has approved the selection of the Project as an Eligible Green Project to be refinanced through the proceeds of the ASEAN Green SRI Sukuk Wakalah. The selection has further been validated by the ESG Committee.

Progress on the 3SP Project will be monitored by 3SP’s Project Coordination Committee. The Power Generation department shall monitor the implementation of pollution prevention and mitigation measures at site and compliance of environmental regulations.

#### 4.3 Management of Proceeds

Under the ASEAN Green SRI Sukuk Wakalah terms, Solarpack Suria will be required to open the following Shariah-compliant designated accounts (together, the “**Designated Accounts**”):

- i. Revenue Account;
- ii. Operating Account;
- iii. Financial Service Reserve Account (“**FSRA**”);
- iv. Maintenance Reserve Account (“**MRA**”);
- v. Takaful/Insurance Proceeds Account (“**TIPA**”);

- vi. Sinking Fund Account (“SFA”) and
- vii. Distribution Account.

The proceeds from Solarpack Suria’s ASEAN Green SRI Sukuk Wakalah (net of payments to fully redeem the bridging loan facility, payments to repay shareholder loans and any accrued interest thereon and payments of fees and expenses in relation to the issuance of ASEAN Green SRI Sukuk Wakalah) will be deposited into the Revenue Account which will be jointly managed by Solarpack Suria and the Security Trustee – Malaysian Trustees Berhad. The Operating Account and Distribution Account will be managed by Solarpack Suria. The FSRA, MRA, SFA and TIPA will be solely managed by the Security Trustee.

Disbursements of the funds from the Revenue Account, FSRA, MRA, SFA and TIPA will be supported by the relevant documentary evidence such as invoices, billings and/or other documentary evidence as may be requested by the Security Trustee prior to the payment/disbursement.

Pending full allocation of the proceeds, the balance of unallocated proceeds shall be earmarked and held in the form of temporary cash or cash equivalent investment instruments until deployed

Transfers to the Operating Account will be based on Solarpack Suria’s approved annual budget presented on a quarterly basis, with a variance of not more than 10% from the base case financial model submitted by Solarpack Suria as a condition precedent to the issuance of the ASEAN Green SRI Sukuk Wakalah, beyond which the Sukuk Trustee’s consent will be required, and also based on documentary evidence in form and substance acceptable to the Security Trustee. Transfers to the Distribution Account are subject to distribution conditions, which include repayment of payment obligations under the ASEAN Green SRI Sukuk Wakalah and sufficient cash balances in the Designated Accounts.

Any unutilised proceeds in the Designated Accounts may be invested in permitted investments, subject to:

- i. the permitted investments having a maximum tenure of 12 months;
- ii. such funds utilized for permitted investments shall be remitted to the respective Designated Accounts in a timely manner to meet any payment obligations of the Issuer at least 3 business days before such payment obligations are due and payable.

Permitted investments shall comprise Shariah-compliant investment products approved by the Shariah Advisory Council of the SC and/or Bank Negara Malaysia (“BNM”)’s Shariah Advisory Council, as follows:

- i. Islamic treasury bills, Islamic money market instruments and sukuk issued by BNM or the Government of Malaysia;
- ii. Shariah compliant deposits and investment accounts with licensed Islamic financial institutions and/or development financial institutions in Malaysia, with a short term rating of at least P1 and/or a long term rating of at least AA2 or their equivalent;
- iii. Islamic banker acceptances, Islamic bills, and other Islamic money market instruments issued by licensed financial institutions, with a short term rating of at least P1 and a minimum long term rating of AA2 or their equivalent;

provided that such investments which are equities in nature or incorporate loss-sharing mechanism shall not be allowed.

Given that the proceeds from the ASEAN Green SRI Sukuk Wakalah will be utilised for the 3SP Project only, and any disbursements from the Designated Accounts will be processed by the Security Trustee and Facility Agent, there is clear visibility on the utilisation of proceeds. The process in regards to the management of proceeds has not been verified externally, but for additional safeguards, Solarpack Suria has put in place a robust internal process for tracking and authorising payments. All invoices and payments are subject to a 3-step check involving different teams, before any payment is processed.

For detailed information on the accounts related to Solarpack Suria's ASEAN Green SRI Sukuk Wakalah, please refer to the Principal Terms and Conditions of the issuance, to be made publicly available on BNM's Fully Automated System for Issuing/Tendering ("**BNM FAST**") and the SC's website pursuant to the issuance of the ASEAN Green SRI Sukuk Wakalah.

#### 4.4 Reporting

Solarpack Suria is committed to managing corporate sustainability and relevant reporting commitments relating to the Project as required under the Guidelines. To enable investors to follow the development progress and monitoring of the environmental compliance, Solarpack Suria will publish an ASEAN Green SRI Sukuk Wakalah Report which will be publicly available on BNM FAST and/or SOLARPACK's corporate website within one year from the issuance of the ASEAN Green SRI Sukuk Wakalah and updated annually for so long as all the ASEAN Green SRI Sukuk Wakalah remains outstanding.

The reporting will be split into two parts (i) the Allocation Reporting and (ii) the Impact Reporting, whereby each part will disclose information including, but not limited to:

(i) Allocation Reporting

- a. The original amount earmarked for the Project;
- b. The amount of proceeds allocated to the Project including broad descriptions of utilisation;
- c. The amount of allocated proceed for financing and refinancing; and
- d. The remaining balance, if any, of unallocated proceeds at the end of the reporting period and where it is placed/ invested pending utilisation.

(ii) Impact Reporting

Solarpack Suria will report on the relevant areas of environment impact of the Project on a best effort basis and is subject to data availability. The impact reporting may include, but not limited to, impact or key performance indicators as outlined below:

- a. Installed renewable energy capacity ( $MW_{ac}$ );
- b. Annual renewable energy generation (MWh); and
- c. Annual CO<sub>2</sub> emission reduction/ avoidance (in tonnes of CO<sub>2</sub>)

Any assumptions made in relation to the units used or the relevant benchmark emissions will be clearly stated in the reporting. Additional indicators and/or detailed information related to the impact indicators as mentioned above may be reported at the discretion of Solarpack Suria's management.

## 5. EXTERNAL REVIEW

Solarpack Suria has appointed RAM Sustainability Sdn Bhd (“**RAM Sustainability**”) as an independent party to issue a Second Opinion Report on the alignment of the Framework to the Green Guidelines/Framework (“**SPO**”). The Framework and RAM Sustainability’s Second Opinion Report will be made publicly available on BNM FAST and/or SOLARPACK’s corporate website during the time of issuance and throughout the tenure of Solarpack Suria’s ASEAN Green SRI Sukuk Wakalah as its ongoing commitment to transparency and integrity.