

**ISLAMIC MEDIUM TERM NOTES PROGRAMME OF RM5.0 BILLION IN NOMINAL VALUE FOR THE ISSUANCE OF SENIOR SUKUK MURABAHAH, TIER 2 SUKUK MURABAHAH AND/OR ADDITIONAL TIER 1 CAPITAL SUKUK WAKALAH (“SUKUK PROGRAMME”)**

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**PRINCIPAL TERMS AND CONDITIONS**

- (1) **Name of facility/programme** : Islamic medium term notes programme of RM5.0 billion in nominal value for the issuance of senior sukuk murabahah (“**Senior Sukuk Murabahah**”), Tier 2 sukuk murabahah (“**T2 Sukuk Murabahah**”) and/or Additional Tier 1 capital sukuk wakalah (“**AT1 Sukuk Wakalah**”) (“**Sukuk Programme**”).
- (2) **Issuance type** : Programme.
- (3) **Shariah Principle** : 1. Murabahah (via Tawarruq arrangement)  
2. Wakalah bi al-Istithmar

Additional Notes:

**Senior Sukuk Murabahah and T2 Sukuk Murabahah**

- (i) Murabahah (via Tawarruq arrangement)

**AT1 Sukuk Wakalah**

- (i) Wakalah bi al-Istithmar  
(ii) Murabahah (via Tawarruq arrangement)

- (4) **Facility description** : A Sukuk Programme for the issuance of Senior Sukuk Murabahah, T2 Sukuk Murabahah and/or AT1 Sukuk Wakalah (collectively, the Senior Sukuk Murabahah, T2 Sukuk Murabahah and AT1 Sukuk Wakalah shall be referred to as “**Sukuk**”) up to a combined limit of RM5.0 billion in nominal value.

The holders of the Senior Sukuk Murabahah (“**Senior Sukukholders**”), the holders of T2 Sukuk Murabahah (“**T2 Sukukholders**”) and the holders of the AT1 Sukuk Wakalah (“**AT1 Sukukholders**”) are collectively referred to as “**Sukukholders**”.

**Senior Sukuk Murabahah and T2 Sukuk Murabahah**

The Senior Sukuk Murabahah and T2 Sukuk Murabahah shall collectively be referred to as “**Sukuk Murabahah**”. The Senior Sukukholders and T2 Sukukholders shall collectively be referred to as “**Murabahah Sukukholders**”.

The T2 Sukuk Murabahah are intended to qualify as Tier 2 regulatory capital of the Issuer and shall comply with BNM’s Capital Adequacy Framework for Islamic Banks (Capital Components) issued on 2 February 2018, as amended from time to time (“**CAFIB**”), in relation to requirements of Tier 2 capital instruments.

The Sukuk Murabahah shall be issued from time to time under the Shariah principle of Murabahah (via Tawarruq arrangement) which is one of the Shariah principles and concepts approved by the Shariah Advisory Council (“**SAC**”) of the Securities Commission Malaysia (“**SC**”).

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The issuance of each Sukuk Murabahah shall be effected as follows:

- (i) The Sukuk Trustee (on behalf of the Murabahah Sukukholders) and the Issuer shall enter into a purchase agency agreement (“**Purchase Agency Agreement**”), pursuant to which the Sukuk Trustee will appoint the Issuer as agent (wakeel) of the Murabahah Sukukholders (in such capacity, the “**Purchase Agent**”) for the purchase and sale of Shariah-compliant commodities, which shall include but not limited to crude palm oil or such other acceptable commodities (excluding ribawi items in the category of medium of exchange such as currency, gold and silver) which are provided through the commodity trading platform, Bursa Suq Al-Sila’ or other trading platforms acceptable to the Lead Arranger and Shariah Adviser (“**Commodities**”).

The Purchase Agent will then enter into a sub-agency agreement (“**Sub-Agency Agreement**”) to appoint the Facility Agent as sub-agent of the Purchase Agent (in such capacity, the “**Sub-Purchase Agent**”) to purchase the Commodities.

The Purchase Agent will also enter into a sale agency agreement (“**Sale Agency Agreement**”) to appoint the Facility Agent as agent (wakeel) of the Purchase Agent (in such capacity, the “**Selling Agent**”) to sell the Commodities to the Issuer on behalf of the Purchase Agent.

- (ii) Pursuant to a commodities murabahah master agreement (“**Commodities Murabahah Master Agreement**”) to be entered into between the Issuer (in such capacity, the “**Purchaser**”), the Purchase Agent, the Selling Agent and the Sub-Purchase Agent, the Purchaser shall, from time to time, issue a purchase order (“**Purchase Order**”) to the Purchase Agent and the Sub-Purchase Agent. In the Purchase Order, the Purchaser will request the Purchase Agent and the Sub-Purchase Agent to purchase the Commodities and will irrevocably and unconditionally undertake based on unilateral promise to purchase the Commodities from the Murabahah Sukukholders via the Selling Agent at a price equivalent to the aggregate of (i) the Purchase Price (as defined below); and (ii) a mark-up (profit margin), payable on a deferred payment basis (“**Deferred Sale Price**”).

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- (iii) Upon receipt of the Purchase Order from the Issuer (as Purchaser), the Sub-Purchase Agent will purchase the Commodities from commodity vendor(s) in the Bursa Suq Al-Sila commodity market (through a Commodity Trading Participant (“**CTP**”)), or other trading platforms acceptable to the Lead Arranger and Shariah Adviser pursuant to an agreement (the “**CTP Purchase Agreement**”) entered into between the Sub-Purchase Agent and the CTP, on a spot basis at a purchase price which shall be equivalent to the proceeds raised from the issuance of the Sukuk Murabahah (“**Purchase Price**”). The Purchase Price shall be in accordance with the asset pricing requirements stipulated under the Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework (issued by the Securities Commission Malaysia (“**SC**”) on 9 March 2015 and revised on 8 November 2017) (“**LOLA Guidelines**”).
- (iv) Subsequently, the Issuer shall then issue the Sukuk Murabahah to the Murabahah Sukukholders to evidence the Murabahah Sukukholders’ ownership of the Commodities and all such rights thereto (including all rights against the Issuer (as Purchaser) under the Purchase Order) and subsequently once the Commodities are sold to the Issuer (as Purchaser), the Sukuk Murabahah shall represent the Murabahah Sukukholders’ entitlement to receive the Deferred Sale Price. The proceeds raised from the issuance of the Sukuk Murabahah shall be used to pay the Purchase Price of the Commodities by the Sub-Purchase Agent.
- (v) Thereafter, pursuant to the undertaking to purchase under the Purchase Order, the Selling Agent (acting on behalf of the Purchase Agent who in turn acts on behalf of the Murabahah Sukukholders) shall sell the Commodities to the Issuer (as Purchaser) at the Deferred Sale Price under the sale and purchase agreement (“**Sale and Purchase Agreement**”).
- Upon completion of such sale, the Issuer (as Purchaser) shall appoint and instruct the Selling Agent as agent (wakeel) of the Purchaser to sell the Commodities to the Bursa Suq Al-Sila commodity market (through a CTP), or other trading platforms acceptable to the Lead Arranger and Shariah Adviser pursuant to an agreement (the “**CTP Sale Agreement**”) entered into between the Selling Agent and the CTP, on a spot basis for cash consideration for an amount equivalent to the Purchase Price. Proceeds realised from such sale shall be utilised by the Issuer for purposes that are Shariah-compliant.

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- (vi) During the tenure of the Sukuk Murabahah, the Issuer (as Purchaser), as part of its obligation to pay the Deferred Sale Price, shall make Periodic Profit Payments (as defined in the section entitled “*Other terms and conditions – Profit/coupon payment frequency*” below) to the Murabahah Sukukholders. Each such payment shall pro tanto reduce the obligation of the Issuer (as Purchaser) on the Deferred Sale Price payable for the purchase of the Commodities from the Selling Agent (acting on behalf of the Purchase Agent who in turn acts on behalf of the Murabahah Sukukholders).
- (vii) On the occurrence of the following, whichever is earlier:
  - (a) the maturity date of the relevant Sukuk Murabahah; or
  - (b) upon the declaration of an Event of Default (in the case of the Senior Sukuk Murabahah) (as defined in the section entitled “*Events of default or enforcement events, where applicable, including recourse available to investors*” below); or
  - (c) upon the declaration of an Enforcement Event (in the case of the T2 Sukuk Murabahah) (as defined in the section entitled “*Events of defaults or enforcement events, where applicable, including recourse available to investors*” below); or
  - (d) upon the early redemption pursuant to the exercise of Call Option (as defined in the section entitled “*Call Option and details, if applicable*” below), Regulatory Redemption (in the case of the T2 Sukuk Murabahah) or Tax Redemption (in the case of the T2 Sukuk Murabahah) (as the case may be) (both as defined in the section entitled “*Provisions on early redemption, if applicable*” below),

the Issuer (as Purchaser), as part of its obligation to pay the Deferred Sale Price, shall pay the relevant Murabahah Sukukholders all amounts then outstanding on the Deferred Sale Price (subject to any Ibra’ (as defined in the section entitled “*Ibra*” below), if applicable) as final settlement of the same, upon which the relevant Sukuk Murabahah shall be cancelled.

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- (viii) Upon the occurrence of a Non-Viability Event (in the case of the T2 Sukuk Murabahah) (as defined in the section entitled “*Other terms and conditions – Non-Viability Event (applicable to T2 Sukuk Murabahah and AT1 Sukuk Wakalah only)*” below), the T2 Sukukholders shall waive all their rights (Ibra') to the payment of up to the outstanding Deferred Sale Price due from the Purchaser, and such amount is equivalent to the aggregate outstanding principal amount and the accrued and unpaid periodic profits of the T2 Sukuk Murabahah required to be written off.

Please refer to **Annexure A** for the illustrative diagram of the Sukuk Murabahah transaction.

**AT1 Sukuk Wakalah**

The AT1 Sukuk Wakalah are intended to qualify as Additional Tier 1 regulatory capital of the Issuer and shall comply with the CAFIB in relation to requirements of Additional Tier 1 capital instruments.

The AT1 Sukuk Wakalah shall be issued under the Shariah principle of Wakalah bi Al-Istithmar and Murabahah (via Tawarruq arrangement) which are all Shariah principles and concepts approved by the SAC.

Pursuant to a Wakalah agreement entered into between the Sukuk Trustee (acting on behalf of the AT1 Sukukholders) and the Issuer (“**Wakalah Agreement**”), the Sukuk Trustee shall appoint the Issuer as its agent (“**Wakeel**”) to perform duties in respect of the Wakalah Portfolio (as defined below), including management of the Wakalah Portfolio, for a nominal fee, in accordance with the Wakalah Agreement.

The Wakeel shall manage the Wakalah Portfolio, including investment in the Wakalah Portfolio, collection and distribution of income generated from the Wakalah Portfolio and monitoring of compliance of the Wakalah Portfolio with the Assets Minimum Requirements (as defined below).

The Wakalah Portfolio shall comprise a combination of:

- (i) Investment assets which shall be invested in the Issuer’s Shariah-compliant general business (“**Investment Assets**”); and
- (ii) Shariah-compliant commodities purchased and sold under the Shariah principle of Murabahah (via Tawarruq arrangement) (“**Commodity Murabahah Investment**”).

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The “**Shariah-compliant commodities**” to be transacted under the Commodity Murabahah Investment (in AT1 Sukuk Wakalah) shall be Shariah-compliant commodities, which shall include but not limited to crude palm oil or such other acceptable commodities (excluding ribawi items in the category of medium of exchange such as currency, gold and silver) which are provided through the commodity trading platform, Bursa Suq Al-Sila’ or such other trading platforms acceptable to the Lead Arranger and Shariah Adviser (“**AT1 Commodities**”).

The investments described in (i) and (ii) above shall collectively be referred to as the “**Wakalah Portfolio**”.

The Issuer shall issue AT1 Sukuk Wakalah from time to time to the AT1 Sukukholders and the AT1 Sukukholders shall subscribe to the AT1 Sukuk Wakalah by paying the proceeds (“**AT1 Sukuk Wakalah Proceeds**”). Under the Wakalah Agreement, the Wakeel shall be authorised to utilise the AT1 Sukuk Wakalah Proceeds arising from the issuance of the AT1 Sukuk Wakalah for investment in the Wakalah Portfolio on behalf of the Sukuk Trustee (for the benefit of the AT1 Sukukholders).

The Wakeel shall pursuant to an investment agreement (“**Investment Agreement**”), utilise part of the AT1 Sukuk Wakalah Proceeds as investment in the Investment Assets, subject to the valuation principles set out in the Wakalah Agreement, under the principle of musharakah. The contract of musharakah entered into by the parties in this issuance, shall always follow all the requirements of Shariah in respect of contract of musharakah. The contribution of the AT1 Sukukholders shall be the proceeds from the issuance of the AT1 Sukuk Wakalah (the portion of the proceeds to be used for investment in the Investment Assets), whilst the contribution of the Issuer shall be in-kind contribution in the form of its existing general business. The value of the Issuer’s existing general business shall be the consolidated net assets of the Issuer based on the Issuer’s latest audited financial statements. The parties shall also agree on the ratio of profit distribution and the loss shall be borne by the parties in accordance to their capital contribution to the musharakah. The capital contribution ratio between the Issuer and the AT1 Sukukholders under the musharakah venture shall be the ratio of the portion of the AT1 Sukuk Wakalah proceeds from the issuance of the AT1 Sukuk Wakalah used for investment in the Investment Assets to the value of the Issuer’s existing general business. The exact capital contribution ratio will be determined at the point of issuance. The musharakah venture shall be the investment in the existing general business of the Issuer. The partners in the musharakah venture shall be the Wakeel (on behalf of the AT1 Sukukholders) and the Issuer (collectively, the “**Musharik**”). The Musharik agree that the musharakah venture shall be managed by the Issuer and there are no further fees payable to the Issuer in managing the musharakah venture except the profit sharing ratio agreed by the Musharik in the musharakah.

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The value of the Wakalah Portfolio in respect of the Issuer's Shariah-compliant general business should be at least 33% of the Wakalah Portfolio (“**Assets Minimum Requirements**”).

For the avoidance of doubt, (i) the above ratio of at least 33% of the value of the Wakalah Portfolio is only applicable at the point of initial investment for each series of the respective AT1 Sukuk Wakalah, subject to the valuation principles set out in the Wakalah Agreement, and does not need to be maintained throughout the tenure of the AT1 Sukuk Wakalah. However, the Wakeel shall ensure that the Issuer's Shariah-compliant general business shall at all times be a component of the Wakalah Portfolio, and (ii) the AT1 Sukukholders shall, via the AT1 Sukuk Wakalah Trust Deed (as defined under the section entitled “*Other terms and conditions – Transaction Documents*” below) provide their upfront consent to the Issuer to create further trusts over the Issuer's Shariah-compliant general business (“**Future Trusts**”) to facilitate any transactions undertaken by the Issuer in connection with any proposed Islamic financing facility to be obtained by the Issuer, so long as the interest of the relevant parties in the Future Trusts does not overlap with the interest of the AT1 Sukukholders in the Issuer's Shariah-compliant general business under the Wakalah Portfolio.

The Wakeel shall hold the Wakalah Portfolio on trust for the benefit of the AT1 Sukukholders. The AT1 Sukuk Wakalah shall represent the AT1 Sukukholders' proportionate undivided beneficial ownership and interest in the Trust Assets (as defined below). The Issuer shall declare a trust over the Trust Assets for the benefit of the AT1 Sukukholders.

“**Trust Assets**” shall comprise the AT1 Sukuk Wakalah Proceeds, the Wakalah Portfolio and the rights, titles, interests, entitlements and benefits in, to and under the AT1 Sukuk Wakalah Transaction Documents (as defined in the section entitled “*Other terms and conditions – Transaction Documents*” below).

In respect of the Commodity Murabahah Investment, the Wakeel shall utilise the remaining balance of the AT1 Sukuk Wakalah Proceeds to invest in Commodity Murabahah Investment. The Commodity Murabahah Investment shall be effected as follows:

- (i) The Sukuk Trustee (on behalf of the AT1 Sukukholders) and the Issuer shall enter into a purchase agency agreement (“**AT1 Purchase Agency Agreement**”), pursuant to which the Sukuk Trustee will appoint the Issuer as agent (wakeel) of the AT1 Sukukholders (in such capacity, the “**AT1 Purchase Agent**”) for the purchase and sale of AT1 Commodities to be identified prior to the issuance of the AT1 Sukuk Wakalah.

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The AT1 Purchase Agent will then enter into a sub-agency agreement (“**AT1 Sub-Agency Agreement**”) to appoint the Facility Agent as sub-agent of the AT1 Purchase Agent (in such capacity, the “**AT1 Sub-Purchase Agent**”) to purchase the AT1 Commodities.

The AT1 Purchase Agent will also enter into a sale agency agreement (“**AT1 Sale Agency Agreement**”) to appoint the Facility Agent as agent (wakeel) of the AT1 Purchase Agent (in such capacity, the “**AT1 Selling Agent**”) to sell the AT1 Commodities to the Issuer on behalf of the AT1 Purchase Agent.

- (ii) Pursuant to a commodities murabahah master agreement (“**AT1 Commodities Murabahah Master Agreement**”) to be entered into between the Issuer (in such capacity, the “**AT1 Purchaser**”), the AT1 Purchase Agent, the AT1 Selling Agent and the AT1 Sub-Purchase Agent, the AT1 Purchaser shall, from time to time, issue a purchase order (“**AT1 Purchase Order**”) to the AT1 Purchase Agent and the AT1 Sub-Purchase Agent. In the AT1 Purchase Order, the AT1 Purchaser will request the AT1 Purchase Agent and the AT1 Sub-Purchase Agent to purchase the AT1 Commodities and will irrevocably and unconditionally undertake based on unilateral promise to purchase the AT1 Commodities from the AT1 Sukukholders via the AT1 Selling Agent at a deferred sale price which shall be equivalent to the nominal value of the AT1 Sukuk Wakalah (“**AT1 Deferred Sale Price**”).
- (iii) Upon receipt of the AT1 Purchase Order from the Issuer (as AT1 Purchaser), the AT1 Sub-Purchase Agent will purchase the AT1 Commodities from commodity vendor(s) in the Bursa Suq Al-Sila commodity market (through a CTP), or other trading platforms acceptable to the Lead Arranger and Shariah Adviser pursuant to an agreement (the “**AT1 CTP Purchase Agreement**”) entered into between the AT1 Sub-Purchase Agent and the CTP, on a spot basis at a purchase price which shall be equivalent to the proceeds raised from the issuance of the AT1 Sukuk Wakalah less the amount invested in the Investment Assets (“**AT1 Purchase Price**”). The AT1 Purchase Price shall be in accordance with the asset pricing requirements stipulated under the LOLA Guidelines.
- (iv) Thereafter, pursuant to the undertaking to purchase under the AT1 Purchase Order, the AT1 Selling Agent (acting on behalf of the AT1 Purchase Agent who in turn acts on behalf of the AT1 Sukukholders) shall sell the AT1 Commodities to the Issuer (as AT1 Purchaser) at the AT1 Deferred Sale Price under the sale and purchase agreement (“**AT1 Sale and Purchase Agreement**”).



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For the avoidance of doubt, the AT1 Deferred Sale Price shall be equivalent to the nominal value of the AT1 Sukuk Wakalah. The AT1 Deferred Sale Price shall be payable for a period of 99 years, and the Issuer shall be given the right to defer the payment further upon request made by the Issuer or if required by BNM. The Issuer will send a notice of deferment if the deferment is required.

- (v) Upon completion of such sale, the Issuer (as AT1 Purchaser) shall appoint and instruct the AT1 Selling Agent as agent (wakeel) of the AT1 Purchaser to sell the AT1 Commodities to the Bursa Suq Al-Sila commodity market (through a CTP), or other trading platforms acceptable to the Lead Arranger and Shariah Adviser pursuant to an agreement (the “**AT1 CTP Sale Agreement**”) entered into between the AT1 Selling Agent and the CTP, on a spot basis for cash consideration for an amount equivalent to the AT1 Purchase Price. Proceeds realised from such sale shall be utilised by the Issuer for purposes that are Shariah-compliant.
- (vi) During the tenure of the AT1 Sukuk Wakalah, on each Distribution Payment Date (as defined in the section entitled “*Other terms and conditions – Profit/ coupon payment frequency*” below), the Wakeel shall distribute any income generated from the Wakalah Portfolio up to the Periodic Distribution Amount (as defined in the section entitled “*Other terms and conditions – Profit/ coupon payment rate*” below) in the form of Periodic Distribution Payment (as defined in the section entitled “*Other terms and conditions – Profit/ coupon payment rate*” below). Any amount over and above the Periodic Distribution Amount shall be retained by the Wakeel as incentive fee.

In the event that the income generated from the Wakalah Portfolio is insufficient to pay the Periodic Distribution Amount, the Wakeel may provide *hibah* (but without obligation) to the Sukuk Trustee (on behalf of the AT1 Sukukholders).

The Issuer (as “**Obligor**”) shall grant a purchase undertaking (“**Purchase Undertaking**”) to the Wakeel and the Sukuk Trustee, under which the Obligor shall purchase the Investment Assets at the Exercise Price (as defined below) by entering into a sale agreement (“**Sale Agreement**”) upon an Enforcement Event or the occurrence of a Capital Disqualification Event (as defined in the section entitled “*Other terms and conditions – Contingent Settlement (applicable for AT1 Sukuk Wakalah only)*” below) (as the case may be).

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The Wakeel and the Sukuk Trustee shall grant a sale undertaking (“**Sale Undertaking**”) to the Issuer, under which the Wakeel shall sell the Investment Assets at the Exercise Price (as defined below) by entering into a Sale Agreement upon the Issuer exercising its rights to redeem the AT1 Sukuk Wakalah pursuant to the Call Option, Regulatory Redemption or Tax Redemption.

“**Exercise Price**” pursuant to the Purchase Undertaking or the Sale Undertaking shall be equal to the fair market value of the Investment Assets based on the valuation principles set out in the Wakalah Agreement, at the relevant redemption date or Enforcement Event date or the Capital Disqualification Event date (as the case may be) of the AT1 Sukuk Wakalah.

Pursuant to the Purchase Undertaking or the Sale Undertaking, and subject to no disqualification of the AT1 Sukuk Wakalah as Additional Tier 1 capital of the Issuer, the proceeds from the Wakalah Portfolio including the AT1 Deferred Sale Price, the Exercise Price and any returns generated from the Wakalah Portfolio shall be utilised to redeem the AT1 Sukuk Wakalah at the Redemption Amount (as defined in section entitled “*Provisions on early redemption, if applicable*” below). Upon full payment of all amounts due and payable under the AT1 Sukuk Wakalah or write-off pursuant to the terms of the AT1 Sukuk Wakalah, the relevant trust in respect of the Trust Assets will be dissolved and the relevant AT1 Sukuk Wakalah held by the AT1 Sukukholders will be cancelled. Any excess over and above the Redemption Amount shall be retained by the Wakeel as incentive fees.

Please refer to **Annexure B** for the illustrative diagram of the AT1 Sukuk Wakalah transaction.

The Shariah Committee of the Issuer has reviewed and concurred that the structure and mechanism of the Sukuk are in compliance with the Shariah principles.

(5) **Currency type** : Ringgit

(6) **Expected facility/programme size** :

<input type="checkbox"/> Up to	MYR	5,000,000,000.00
<input type="checkbox"/> Combined limit with		
<input type="checkbox"/> Sub-limit of		

Option to upsize:  Yes  
 No

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Additional Notes on upsizing (leave blank if not applicable):

The Issuer shall have the option to upsize the Sukuk Programme provided that:

- (i) such increase will not result in any adverse impact on the rating of the respective Sukuk under the Sukuk Programme;
- (ii) the relevant requirements under the LOLA Guidelines in relation to such upsizing have been complied with; and
- (iii) the relevant regulatory approvals have been obtained (if applicable, including but not limited to the approval from BNM).

Each trust deed will provide that the Sukukholders by purchasing the Sukuk shall be deemed to have consented to any upsizing of the programme limit from time to time. Accordingly, no consent will be required from the Sukukholders, the Sukuk Trustee or from any other party under the Sukuk Programme for the Issuer to exercise the option to increase the limit of the Sukuk Programme from time to time.

- (7) **Tenure of facility/programme** : Perpetual.
- (8) **Availability Period for programme** : The Sukuk Programme is available for issuance upon fulfilment (or waiver, as the case may be) of all conditions precedent to the satisfaction of the Lead Arranger and for so long as the Sukuk Programme subsists.
- The first issuance under the Sukuk Programme shall be within sixty (60) business days from the date of lodgement with the SC.
- (9) **Clearing & settlement platform(s)** : Real-time Electronic Transfer of Funds and Securities System (“**RENTAS**”) operated by Payments Network Malaysia Sdn Bhd (“**PayNet**”).
- (10) **Mode(s) of issue** :  Private/direct placement  
 Bought deal  
 Book building  
 Tender

Additional Notes (leave blank if not applicable):

The Sukuk may be issued through any of the modes marked above on a best effort basis.

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**(11) Selling restrictions : (i) At Issuance**

- Exclusively to persons outside Malaysia
- Part 1 of Schedule 6 of the Capital Markets & Services Act, 2007 (CMSA)
- Part 1 of Schedule 7 of the CMSA
- Read together with Schedule 9 of CMSA
- Schedule 8 of CMSA
- Section 2(6) of the Companies Act 2016
- Other

**(ii) After Issuance**

- Exclusively to persons outside Malaysia
- Part 1 of Schedule 6 of the CMSA
- Read together with Schedule 9 of CMSA
- Schedule 8 of CMSA
- Section 2(6) of the Companies Act 2016
- Other

Additional Notes (leave blank if not applicable):

**Selling Restrictions at Issuance**

The Sukuk may only be offered, sold, transferred or otherwise disposed directly or indirectly to persons to whom an offer or invitation to subscribe the Sukuk may be made and to whom the Sukuk are issued would fall within Part I of Schedule 6 or Section 229(1)(b) and Part I of Schedule 7 or Section 230(1)(b) of the CMSA, read together with Schedule 9 or Section 257(3) of the CMSA, as amended from time to time.

**Selling Restrictions Thereafter**

The Sukuk may only be offered, sold, transferred or otherwise disposed directly or indirectly to persons to whom an offer or invitation to subscribe the Sukuk may be made and to whom the Sukuk are issued would fall within Part I of Schedule 6 or Section 229(1)(b), read together with Schedule 9 or Section 257(3) of the CMSA, as amended from time to time.

**(12) Tradability and transferability :**

	<b>Tradability and transferability</b>	<b>Amount</b>
<input checked="" type="checkbox"/>	Tradable & transferable	MYR5,000,000,000.00
<input type="checkbox"/>	Non-tradable & non-transferable	-
<input type="checkbox"/>	Restricted transferability	-

Additional Notes (leave blank if not applicable):

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ISLAMIC MEDIUM TERM NOTES PROGRAMME OF RM5.0 BILLION IN NOMINAL VALUE FOR THE ISSUANCE OF SENIOR SUKUK MURABAHAH, TIER 2 SUKUK MURABAHAH AND/OR ADDITIONAL TIER 1 CAPITAL SUKUK WAKALAH (“SUKUK PROGRAMME”)

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- (13) Details of security/collateral pledged, if applicable :  Unsecured  
 Secured / combination of unsecured and secured, details as follows:
- (14) Details of guarantee, if applicable :  Not guaranteed  
 Guaranteed, details as follows:
- (15) Convertibility of issuance :  Non-convertible  
 Convertible, details as follows:
- (16) Exchangeability of issuance and details of the exchangeability :  Non-exchangeable  
 Exchangeable, details as follows:
- (17) Call option and details, if applicable :  No call option  
 Call option, details as follows:

Each series of the Sukuk issued under the Sukuk Programme may have a call option (to be determined prior to the relevant issue date) (“**Call Option**”) to allow the Issuer, at its option, to redeem (in whole or in part) that series of the Sukuk (and in the case of the Sukuk Murabahah, prior to maturity) on the Call Date (if applicable for the relevant series) at its nominal value.

“**Call Date**” is defined as:

- (i) in the case of Senior Sukuk Murabahah, any Profit Payment Date (as defined in the section entitled “*Other terms and conditions – Profit/coupon payment frequency*”) after the date of issue of that series of Senior Sukuk Murabahah.
- (ii) in the case of T2 Sukuk Murabahah, any Profit Payment Date after a minimum period of five (5) years from the date of issue of that series of T2 Sukuk Murabahah; and
- (iii) in the case of AT1 Sukuk Wakalah, any Distribution Payment Date after a minimum period of five (5) years from the date of issue of that series of AT1 Sukuk Wakalah.
- (18) Put option and details, if applicable :  No put option  
 Put option, details as follows:
- (19) Positive covenants :  No positive covenant  
 Positive covenant, details as follows:

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The Issuer shall comply with such applicable covenants, including but not limited to the following:

- (i) at all times perform all its obligations and promptly comply with all provisions of the Transaction Documents (as defined in the section entitled “*Other terms and conditions – Transaction Documents*” below) and immediately notify the Sukuk Trustee in the event that the Issuer is unable to fulfil or comply with any of the provisions of the Transaction Documents;
- (ii) keep proper books and accounts at all times on a basis consistently applied in accordance with the laws of Malaysia and generally accepted accounting principles and standards in Malaysia and provide the Sukuk Trustee or any person appointed by it (e.g. auditors) access to such books and accounts to the extent permitted by law;
- (iii) at all times comply with any and all requirements and rules, regulations and guidelines as may be issued and/or imposed by the SC and BNM from time to time and the applicable provisions of the CMSA;
- (iv) at all times maintain its corporate legal existence and exercise reasonable diligence in carrying on its business and affairs in a proper and efficient manner and in accordance with sound financial and commercial standards and practices and ensure, amongst others, that all necessary approvals and relevant licences required for it to carry on its business are obtained and maintained;
- (v) at all times maintain a paying agent who is based in Malaysia;
- (vi) procure that the paying agent shall notify the Sukuk Trustee, through the Facility Agent, in the event that the paying agent does not receive payment in respect of the relevant Sukuk from the Issuer on the due dates and in the manner as required under the relevant Transaction Documents and the terms and conditions of the relevant Sukuk;
- (vii) ensure that the Transaction Documents and the information memorandum (“**Information Memorandum**”) do not contain any matter or information which is inconsistent between them; and
- (viii) any other covenants as may be advised by the Solicitors and to be mutually agreed between the Lead Arranger and the Issuer.

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- (20) **Negative covenants** :  No negative covenant  
 Negative covenant, details as follows:

**Senior Sukuk Murabahah**

- (i) The Issuer shall not, unless it has obtained BNM's approval, reduce or alter (except increase) its issued and paid-up capital whether by varying the amount, structure or value thereof or the rights attached thereto or convert any of its share capital into stock, or by consolidation, dividing or sub-dividing all or any of its shares. For the avoidance of doubt, this covenant shall not restrict the Issuer from dividing or sub-dividing all or any of its shares provided that its paid-up share capital is not reduced, pursuant to such dividing or sub-dividing of its shares;
- (ii) The Issuer shall not:
- (a) consolidate or amalgamate with or merge with any other person or into another entity or transfer all or substantially all its assets to another entity; or
- (b) enter into any de-merger, reconstruction or winding up unless the successor person or entity expressly assumes the Issuer's obligations under the Senior Sukuk Murabahah Transaction Documents and after giving effect to such transaction, no Event of Default has occurred or is continuing or would occur,
- unless BNM has granted its approval in respect of the relevant events set out in items (a) and (b) above;
- (iii) The Issuer shall not cause itself to take steps to be voluntarily wound up or to dissolve itself and / or its respective affairs;
- (iv) The Issuer shall not do or permit to occur or omit to do any act or omission, or execute or omit to execute any document which may render any of the Senior Sukuk Murabahah Transaction Documents to be illegal, void, voidable or unenforceable;
- (v) The Issuer shall not use the proceeds derived from the issuance of the Senior Sukuk Murabahah hereunder except for the purposes set out in the Senior Sukuk Murabahah Transaction Documents and the Information Memorandum;

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- (vi) The Issuer shall not surrender, transfer, assign, relinquish or otherwise dispose any of its rights and interest under the Senior Sukuk Murabahah Transaction Documents (except as permitted or required under the Transaction Documents);
- (vii) The Issuer shall not add, delete, amend or substitute its constitution in a manner inconsistent with the provisions of the Senior Sukuk Murabahah Transaction Documents or in any manner which may be materially prejudicial to the interest of the Senior Sukukholders;
- (viii) The Issuer shall not enter into any transaction, whether directly or indirectly with interested persons (including any of its directors or its related corporation’s directors, substantial shareholders or persons connected with any of them) (for the purpose of this covenant, the term “transaction” shall have the same meaning as ascribed to “related party transaction” in the Listing Rules of Bursa Malaysia (“LR”)) unless:
  - (a) such transaction shall be on terms that are no less favourable to the Issuer than those which could have been obtained in a comparable transaction from persons who are not interested persons; and
  - (b) with respect to transactions involving an aggregate payment or value equal to or exceeding the applicable percentage ratios as set out in the LR at the relevant point in time, the Issuer shall obtain certification from an independent adviser that the transaction is carried out on fair and reasonable terms,  
  
provided that the Issuer certifies to the Sukuk Trustee that the transaction complies with paragraph (a), where applicable, that the Issuer has received the certification referred to in this subparagraph (b) above, and that the transaction has been approved by the majority of its board of directors and, where applicable, shareholders at a general meeting; and
- (ix) Any other covenants as may be advised by the Solicitors and to be mutually agreed between the Lead Arranger and the Issuer.

**T2 Sukuk Murabahah and AT1 Sukuk Wakalah**

No negative covenants.

- (21) **Financial covenant** :  No financial covenant  
 Financial covenant, details as follows:



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- (22) Information covenants :  No information covenant  
 Information covenant, details as follows:
- (i) The Issuer shall deliver to the Sukuk Trustee:
- (a) annually, a certificate that the Issuer has complied with its obligations under the relevant Transaction Documents and the terms and conditions of the relevant Sukuk and that there did not exist or had not existed, from the date the first relevant Sukuk were issued or from the date of the previous certificate as the case may be, any Event of Default or Enforcement Event (as the case may be) and if such is not the case, to specify the same; and
- (b) a copy of its annual audited consolidated financial statements within one hundred and eighty (180) days after the end of each financial year, its semi-annual unaudited consolidated financial statements within ninety (90) days after the end of each half of its financial year and copies of any other accounts, reports, notices, statements or circulars issued to its shareholders;
- (ii) The Issuer shall notify the Sukuk Trustee in the event that the Issuer becomes aware of the following:
- (a) any Event of Default or Enforcement Event (as the case may be) or that such other right or remedy under the terms, provisions and covenants of the relevant Sukuk and the relevant Trust Deed (as defined in the section entitled “*Other terms and conditions – Transaction Documents*”) have become immediately enforceable;
- (b) any circumstance that has occurred that would materially prejudice the Issuer;
- (c) any substantial change in the nature of the business of the Issuer;
- (d) any change in the utilisation of proceeds from the relevant Sukuk other than for the purpose stipulated in the Information Memorandum and the relevant Transaction Documents;
- (e) any change in the Issuer’s withholding tax position or tax jurisdiction; or
- (f) any other matter that may materially prejudice the interest of the Sukukholders;

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- (iii) The Issuer shall give to the Sukuk Trustee such information relating to the Issuer’s affairs as the Sukuk Trustee may reasonably require, in order to discharge its duties and obligations as Sukuk Trustee, to the extent permitted by law; and
- (iv) Any other covenants as may be advised by the Solicitors and to be mutually agreed between the Lead Arranger and the Issuer.

**(23) Details of designated account(s), if applicable** :  No designated account  
 Designated account(s) as follows:

**(24) Credit rating(s) of facility/programme, if applicable** :  Not rated  
 Combination of rated and unrated as follows:  
 Rated as follows:

Credit Rating Agency	Credit Rating	Final/ Indicative	Name of Tranche / Series / Class	Partial rating	Amount Rated
RAM	AA <sub>3</sub>	Final rating	-	No	MYR5,000,000,000.00
RAM	A <sub>1</sub>	Final rating	-	No	MYR5,000,000,000.00
RAM	A <sub>3</sub>	Final rating	-	No	MYR5,000,000,000.00

Additional Notes (leave blank if not applicable):

The respective Sukuk have been assigned the following final ratings by RAM of up to RM5.0 billion in nominal value each:

- (i) Senior Sukuk Murabahah – AA<sub>3</sub>
- (ii) T2 Sukuk Murabahah – A<sub>1</sub>
- (iii) AT1 Sukuk Wakalah – A<sub>3</sub>

**(25) Conditions precedent** : Including but not limited to the following:

**Conditions Precedent for the Establishment of the Sukuk Programme**

- (i) The relevant Transaction Documents in relation to the Sukuk Programme have been duly executed and, where applicable, stamped (unless otherwise exempted) and presented for registration;
- (ii) Certified true copies of the certificate of incorporation and the constitution or its equivalent of the Issuer;

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- (iii) Certified true copies of the most recent forms as prescribed under sections 78 (*Return of allotment*), 46 (*Registered office and office hours*) and 58 (*Duty to notify of particulars and changes of director, manager and secretary*) of the Companies Act 2016 of the Issuer;
- (iv) Certified true copy of the board resolution of the Issuer authorising, amongst others, the establishment of the Sukuk Programme, issuance of the Sukuk and the execution of all relevant documents thereto;
- (v) A list of the Issuer’s authorised signatories and their respective specimen signatures;
- (vi) A report of the relevant company search conducted on the Issuer;
- (vii) A report of the relevant winding up search conducted on the Issuer;
- (viii) Evidence that all relevant regulatory approvals and acknowledgements have been obtained, including but not limited to written approval from BNM in relation to the establishment of the Sukuk Programme, endorsement of the Sukuk from the SAC and the acknowledgement by the SC of the lodgement;
- (ix) Evidence that the respective Sukuk under the Sukuk Programme has obtained the minimum rating as stated in the section entitled “*Credit rating of facility/programme, if applicable*”;
- (x) Legal opinion from the Solicitors with respect to the legality, validity and enforceability of the Transaction Documents and confirmation that all conditions precedent thereto have been fulfilled or waived, as the case may be;
- (xi) Receipt of the Shariah pronouncement(s) from the Shariah Adviser that the structure and mechanism of the Sukuk and the Transaction Documents are in compliance with Shariah principles; and
- (xii) Such other conditions precedent as advised by the Solicitors and mutually agreed between the Lead Arranger and the Issuer.

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**Conditions Precedent for Each Issuance of Senior Sukuk Murabahah**

- (i) Confirmation from the Issuer that all representations and warranties remain true and accurate in all material respects;
- (ii) No Event of Default has occurred or is continuing or would occur as a result of an issuance of Senior Sukuk Murabahah under the Sukuk Programme;
- (iii) Evidence that the rating for the Senior Sukuk Murabahah shall be at least the minimum rating as stated in the section entitled “*Other terms and conditions – Credit rating of the Sukuk Murabahah*”; and
- (iv) Such other conditions for issuance as advised by the Solicitors.

**Conditions Precedent for Each Issuance of T2 Sukuk Murabahah and AT1 Sukuk Wakalah**

- (i) Receipt of BNM’s prior approval for the issuance of the relevant series of T2 Sukuk Murabahah or AT1 Sukuk Wakalah;
- (ii) Confirmation from the Issuer that all representations and warranties remain true and accurate in all material respects;
- (iii) No Enforcement Event has occurred or is continuing or would occur as a result of an issuance of T2 Sukuk Murabahah or AT1 Sukuk Wakalah (as the case may be) under the Sukuk Programme;
- (iv) Evidence that the rating for the T2 Sukuk Murabahah or AT1 Sukuk Wakalah (as the case may be) shall be at least the minimum rating as stated in the section entitled “*Credit rating of facility/programme, if applicable*”; and
- (v) Such other conditions for issuance as advised by the Solicitors.

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- (26) **Representations and warranties** : Representations and warranties usual and customary for a transaction of such nature, which shall include but are not limited to the following:
- (i) the Issuer is duly established and validly in existence and has the power and authority to carry out its business;
  - (ii) the Issuer has the power to enter into the Transaction Documents and exercise its rights to perform its obligations under the Transaction Documents;
  - (iii) the Issuer's entry into, exercise of its rights under and performance of the Transaction Documents do not and will not violate any existing law or agreements to which it is a party;
  - (iv) the issuance of the Sukuk has been duly authorised, and when issued and delivered pursuant to the Transaction Documents, will have been duly executed, authenticated, issued and delivered and will constitute valid and binding obligations of the Issuer enforceable in accordance with its terms;
  - (v) the Issuer has all licences, franchises, permits, authorisations, approvals, orders and other concessions of and from all governmental and regulatory officials and bodies that are necessary to own or lease its properties and conduct its business, other than where the failure to obtain such licences, franchises, permits, authorisations, approvals, orders and other concessions would not have a Material Adverse Effect (as defined below) on the Issuer's ability to perform its obligations under the Transaction Documents;
  - (vi) the Transaction Documents create valid and binding obligations which are enforceable on and against the Issuer;
  - (vii) all necessary actions, authorisations and consents required under the Transaction Documents have been taken, fulfilled and obtained and remain in full force and effect;
  - (viii) the audited financial statements of the Issuer are prepared in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 so as to give a true and fair view of the financial position of the Issuer;

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- (ix) there are no legal or governmental proceedings pending or, to the knowledge of the Issuer, threatened, to which the Issuer is or may be a party or to which any property or asset of the Issuer is or may be the subject which, if determined adversely to the Issuer, could individually or in the aggregate reasonably be expected to have a Material Adverse Effect;
- (x) no event has occurred which would constitute an Event of Default and/or Enforcement Event or which with the giving of notice or the lapse of time or fulfilment of the relevant requirement(s) as contemplated under the relevant Transaction Document would constitute an Event of Default and/or Enforcement Event;
- (xi) no step has been taken by the Issuer, its creditors or any of its shareholders or any other person on its behalf, nor have any legal proceedings or applications been started, under Section 366 of the Companies Act 2016 in respect of the Issuer;
- (xii) there has been no material change in the business and condition (financial or otherwise) of the Issuer or its subsidiaries since the date of its last audited financial statements which might have a Material Adverse Effect on the ability of the Issuer to comply with its obligations under the Transaction Documents; and
- (xiii) such other representations and warranties as may be advised by the Solicitors and to be mutually agreed between the Lead Arranger and the Issuer.

“**Material Adverse Effect**” means the occurrence of any event which materially and adversely affects the ability of the Issuer to perform any of its obligations under any of the Transaction Documents or which materially and adversely affects the business, financial position, shareholders’ funds or results of the operations of the Issuer.

**(27) Events of default or enforcement events, where applicable, including recourse available to investors**

: **Senior Sukuk Murabahah**

Events of default (each an “**Event of Default**”) shall encompass the following:

- (i) the Issuer defaults in the payment of any monies owing in respect of the Senior Sukuk Murabahah when the same shall become due and payable in accordance with the Senior Sukuk Murabahah Transaction Documents and the Issuer fails to remedy such default within a period of seven (7) business days after the Issuer became aware or has been notified by the Sukuk Trustee of the default;

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- (ii) a winding-up order has been made against the Issuer or a resolution to wind-up the Issuer has been passed;
- (iii) a scheme of arrangement under Section 366 of the Companies Act 2016 has been instituted against the Issuer;
- (iv) an encumbrancer takes possession or a receiver or similar officer is appointed over the whole or a substantial part of the assets or undertaking of the Issuer;
- (v) there has been a breach by the Issuer of any obligation under any of the Issuer’s existing obligations which may materially and adversely affect the Issuer’s ability to perform its obligations under the Senior Sukuk Murabahah Transaction Documents, and in the case of a breach which in the opinion of the Sukuk Trustee is capable of being remedied, the Issuer does not remedy the breach within a period of seven (7) business days after the Issuer became aware or has been notified by the Sukuk Trustee of the failure;
- (vi) any other indebtedness of the Issuer becomes due and payable prior to its stated maturity or where the security created for any other indebtedness becomes enforceable which in the opinion of the Sukuk Trustee may have a Material Adverse Effect or prejudices the ability of the Issuer to comply with its obligations under the Transaction Documents;
- (vii) where there is revocation, withholding, invalidation or modification of any licence, authorisation, approval or consent which in the opinion of the Sukuk Trustee may have a Material Adverse Effect;
- (viii) there has been a breach by the Issuer of any term or condition in the Senior Sukuk Murabahah Transaction Documents or the Issuer fails to observe or perform its obligation under any of the Senior Sukuk Murabahah Transaction Documents (other than an obligation referred to in (i) above) and in the case of a breach or failure which in the opinion of the Sukuk Trustee is capable of being remedied, the Issuer does not remedy the failure within a period of seven (7) business days after the Issuer became aware or has been notified by the Sukuk Trustee of the failure;

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- (ix) any representations and warranties made or given by the Issuer under the Transaction Documents or any certificate or document furnished pursuant to the terms of any Transaction Document, proves to have been incorrect or misleading in any material respect on or as at the date made or given, and in the case of such event which in the opinion of the Sukuk Trustee is capable of being remedied, the Issuer does not remedy it within a period of seven (7) business days after the Issuer became aware or has been notified by the Sukuk Trustee of the failure;
- (x) at any time any of the provisions of the Transaction Documents is or becomes illegal, void, voidable or unenforceable; and
- (xi) such other events of default as may be advised by the Solicitors and to be mutually agreed between the Lead Arranger and the Issuer.

Upon the occurrence of any of the above, the Sukuk Trustee may, at its discretion, or shall (if so directed to do so by a special resolution of the Senior Sukukholders) declare (by giving written notice to the Issuer) that an Event of Default has occurred and all sums payable under the Senior Sukuk Murabahah which shall be the Deferred Sale Price are immediately due and payable and the Sukuk Trustee may enforce its rights under the Senior Sukuk Murabahah Transaction Documents.

**T2 Sukuk Murabahah and AT1 Sukuk Wakalah**

There are no events of default applicable for the T2 Sukuk Murabahah and AT1 Sukuk Wakalah. However, the following enforcement events (each an “**Enforcement Event**”) are applicable:

- (i) the Issuer defaults in the payment of any monies owing in respect of the T2 Sukuk Murabahah or AT1 Sukuk Wakalah (as the case may be) when the same shall become due and payable in accordance with the T2 Sukuk Murabahah Transaction Documents or AT1 Sukuk Wakalah Transaction Documents (as the case may be) and the Issuer fails to remedy such default within a period of seven (7) business days after the Issuer became aware or has been notified by the Sukuk Trustee of the default; and



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- (ii) an order is made for the winding-up of the Issuer and such order is not stayed or set aside within thirty (30) days of such order being made or where so stayed, such stay lapses, or an effective resolution is passed for the winding-up of the Issuer except where such order is made or such resolution is passed for the purpose of a reconstruction or amalgamation, the terms of which have been approved by the T2 Sukukholders or AT1 Sukukholders (as the case may be) by way of special resolution.

Upon the occurrence of item (i) above, subject to the terms of the relevant Trust Deed, the Sukuk Trustee may or shall (if directed to do so by a special resolution of the T2 Sukukholders or AT1 Sukukholders, as the case may be) institute proceedings to enforce the payment obligations under that relevant series of T2 Sukuk Murabahah or AT1 Sukuk Wakalah (as the case may be) and may institute proceedings in Malaysia for the winding-up of the Issuer, provided that neither the Sukuk Trustee nor any of the T2 Sukukholders or AT1 Sukukholders (as the case may be) of that relevant series of the T2 Sukuk Murabahah or AT1 Sukuk Wakalah (as the case may be) shall have the right to accelerate payment of that relevant series of T2 Sukuk Murabahah or AT1 Sukuk Wakalah (as the case may be) in the case of such default in the payment of amount owing under that relevant series of T2 Sukuk Murabahah or AT1 Sukuk Wakalah (as the case may be) or any default in the performance of any condition, provision or covenant under the relevant Trust Deed.

Upon occurrence of item (ii) above, subject to the terms of the relevant Trust Deed, the Sukuk Trustee may or shall (if directed to do so by a special resolution of the T2 Sukukholders or AT1 Sukukholders, as the case may be) declare (by giving written notice to the Issuer) that the T2 Sukuk Murabahah or AT1 Sukuk Wakalah (as the case may be) with all other sums payable under the T2 Sukuk Murabahah or AT1 Sukuk Wakalah (as the case may be) pursuant to the relevant Transaction Documents shall become immediately due and payable.

For the avoidance of doubt, the occurrence of an Enforcement Event under item (i) above for any series of the T2 Sukuk Murabahah or AT1 Sukuk Wakalah (as the case may be) will not trigger an Enforcement Event for other series of the T2 Sukuk Murabahah or AT1 Sukuk Wakalah (as the case may be) outstanding. However, the occurrence of an Enforcement Event under item (ii) above will trigger an Enforcement Event for all series of the outstanding T2 Sukuk Murabahah or AT1 Sukuk Wakalah (as the case may be).

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In relation to the AT1 Sukuk Wakalah, for the avoidance of doubt, no Periodic Distribution Payment shall be due and payable if such Periodic Distribution Payment or part thereof has been cancelled or is deemed cancelled (in each case, in whole or in part) under the section entitled “*Other terms and conditions – Limitation on Periodic Distribution Payment (applicable to AT1 Sukuk Wakalah only)*”.

In respect of the AT1 Sukuk Wakalah, the Purchase Undertaking will be triggered pursuant to an Enforcement Event.

Pursuant to the Purchase Undertaking, the Trust Assets would be dissolved.

- (28) **Governing laws** : Laws of Malaysia.
- (29) **Provisions on buy-back, if applicable** :  No provision on buy-back  
 Provisions on buy-back, details as follows:

**Senior Sukuk Murabahah**

The Issuer or any of its subsidiaries or agent(s) of the Issuer may at any time purchase the Senior Sukuk Murabahah at any price in the open market or by private treaty. If purchases are made by tender, such tender must (subject to any applicable rules and regulations) be made available to all Senior Sukukholders of the relevant series equally.

All Senior Sukuk Murabahah redeemed or purchased by the Issuer or its subsidiaries or by agent(s) of the Issuer other than in the ordinary course of business shall be cancelled and shall not be resold.

The Senior Sukuk Murabahah purchased by other related corporations (other than its subsidiaries) or any interested person of the Issuer, which includes the directors, major shareholders and chief executive officer, need not be cancelled but they will not entitle such related corporations or interested person of the Issuer to vote under the terms of the Senior Sukuk Murabahah subject to any exceptions in the SC’s Trust Deeds Guidelines.

For avoidance of doubt, the Senior Sukuk Murabahah held by related corporations and the interested person of the Issuer shall not be counted for purposes of voting subject to any exception in the SC’s Trust Deeds Guidelines.

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**T2 Sukuk Murabahah and AT1 Sukuk Wakalah**

The Issuer or any of its subsidiaries or agent(s) of the Issuer may at any time purchase, subject to the prior approval of BNM (but which approval shall not be required for a purchase done in the ordinary course of business), the T2 Sukuk Murabahah or AT1 Sukuk Wakalah (as the case may be) at any price in the open market or by way of private treaty provided that no Non-Viability Event (as defined in the section entitled “*Other terms and conditions – Non-Viability Event (applicable to T2 Sukuk Murabahah and AT1 Sukuk Wakalah only)*” below) has occurred prior to the date of such purchase. If purchase is made by tender, such tender must (subject to any applicable rules and regulations) be made available to all the T2 Sukukholders or AT1 Sukukholders (as the case may be) of the relevant series equally.

The T2 Sukuk Murabahah or AT1 Sukuk Wakalah (as the case may be) purchased by the Issuer or by its subsidiaries or by agent(s) of the Issuer (other than in the ordinary course of business) shall be cancelled and shall not be resold.

The T2 Sukuk Murabahah or AT1 Sukuk Wakalah (as the case may be) purchased by other related corporations (other than its subsidiaries) or any interested person of the Issuer, which includes the directors, major shareholders and chief executive officer, need not be cancelled but such related corporations or interested person of the Issuer will not be entitled to vote under the terms of the Sukuk subject to any exceptions in the SC’s Trust Deeds Guidelines.

For the avoidance of doubt, the T2 Sukuk Murabahah or AT1 Sukuk Wakalah (as the case may be) held by related corporations and the interested person of the Issuer shall not be counted for the purposes of voting subject to any exceptions in the SC’s Trust Deeds Guidelines.

The term “**related corporation**” has the meaning given to it in the Companies Act 2016 and the term “**ordinary course of business**” includes those activities performed by the Issuer or its subsidiaries or agents of the Issuer or any related corporation of the Issuer for third parties but excludes those performed for the account of the Issuer or its subsidiaries or agents of the Issuer or such related corporation.

For the avoidance of doubt, subject always to the requirements of the SC’s Trust Deeds Guidelines where the purchase of the T2 Sukuk Murabahah and AT1 Sukuk Wakalah by the Issuer or its subsidiaries (if any) or by agents of the Issuer shall be cancelled and shall not be resold, neither the Issuer nor an affiliated party over which it exercises control or significant influence can purchase the T2 Sukuk Murabahah and AT1 Sukuk Wakalah, nor can the Issuer directly or indirectly have financed its purchase, failing which the regulatory adjustments as set out in the CAFIB shall apply.

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- (30) Provisions on early redemption, if applicable :  No provision on early redemption  
 Provisions on early redemption, details as follows:

**Senior Sukuk Murabahah**

In respect of any series of Senior Sukuk Murabahah for which there is a Call Option, the Issuer may at its sole discretion redeem that series of Senior Sukuk Murabahah (in whole or in part) on any Call Date at the Deferred Sale Price.

**T2 Sukuk Murabahah and AT1 Sukuk Wakalah**

(i) **Optional Redemption**

In respect of each series of T2 Sukuk Murabahah or AT1 Sukuk Wakalah (as the case may be) with a Call Option, the Issuer may, at its sole discretion, and subject to the Redemption Conditions (as described below) being satisfied, redeem that series of T2 Sukuk Murabahah or AT1 Sukuk Wakalah (in whole or in part) on any Call Date at the Redemption Amount. The optional redemption of one series of the T2 Sukuk Murabahah or AT1 Sukuk Wakalah shall not trigger the redemption of other series of the T2 Sukuk Murabahah or AT1 Sukuk Wakalah.

In respect of the AT1 Sukuk Wakalah, the Sale Undertaking will be triggered pursuant to the exercise of the Call Option.

Pursuant to the Sale Undertaking, the Trust Assets would be dissolved.

(ii) **Regulatory Redemption**

The Issuer may, at its option, redeem a series of T2 Sukuk Murabahah or AT1 Sukuk Wakalah (as the case may be) (in whole or in part) at the Redemption Amount, subject to the Redemption Conditions being satisfied, if a Regulatory Event (as defined below) occurs.

“**Regulatory Event**” means any time there is more than an insubstantial risk, as determined by the Issuer, that:

- (a) any series of T2 Sukuk Murabahah or AT1 Sukuk Wakalah (in whole or in part) will, either immediately or with the passage of time or upon either the giving of notice or fulfilment of a condition, no longer qualify as Tier 2 capital (for T2 Sukuk Murabahah) or Additional Tier 1 capital (for AT1 Sukuk Wakalah) of the Issuer for the purposes of BNM’s capital adequacy requirements under any applicable regulations

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and/or any other regulations applicable to the Issuer; or

- (b) changes in law will make it unlawful for the Issuer to continue performing its obligations under any series of T2 Sukuk Murabahah or AT1 Sukuk Wakalah.

In respect of the AT1 Sukuk Wakalah, the Sale Undertaking will be triggered pursuant to the Regulatory Redemption.

Pursuant to the Sale Undertaking, the Trust Assets would be dissolved.

(iii) **Tax Redemption**

The Issuer may, at its option, redeem a series of T2 Sukuk Murabahah or AT1 Sukuk Wakalah (as the case may be) (in whole or in part) at the Redemption Amount, subject to the Redemption Conditions being satisfied, if a Tax Event (as defined below) occurs.

“**Tax Event**” means any time there is more than an insubstantial risk that:

- (a) the Issuer has or will become obliged to pay any additional taxes, duties, assessments or government charges of whatever nature in relation to the T2 Sukuk Murabahah or AT1 Sukuk Wakalah; or
- (b) the Issuer would no longer obtain tax deductions for the purposes of Malaysian corporation tax for any payment in respect of the T2 Sukuk Murabahah or AT1 Sukuk Wakalah,

as a result of a change in, or amendment to, the laws or regulations of Malaysia or any political subdivision or any authority thereof or therein having power to tax, or change in the application or official application or interpretation of such laws or regulations, which change or amendment is announced and becomes effective on or after the issue date and the Issuer cannot, by taking reasonable measures available to it, avoid such obligations.

In respect of the AT1 Sukuk Wakalah, the Sale Undertaking will be triggered pursuant to the Tax Redemption.

Pursuant to the Sale Undertaking, the Trust Assets would be dissolved.

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In the case of a partial redemption of a series of T2 Sukuk Murabahah or AT1 Sukuk Wakalah, the selection of the T2 Sukuk Murabahah or AT1 Sukuk Wakalah to be redeemed will be made by the Sukuk Trustee on a pro rata basis, by lot or by such other method as the Sukuk Trustee (with the agreement of the Issuer) will deem to be fair and appropriate.

**“Redemption Amount”** means:

- (i) For T2 Sukuk Murabahah, the principal amount of the outstanding T2 Sukuk Murabahah, together with any accrued and unpaid Periodic Profit Payment (if any) up to (but not including) the redemption date; or
- (ii) For AT1 Sukuk Wakalah, the principal amount of the outstanding AT1 Sukuk Wakalah together with any accrued but unpaid and uncanceled Periodic Distribution Payment (if any and subject to the provision contained in the section entitled “*Other terms and conditions – Limitation on Periodic Distribution Payment (applicable to AT1 Sukuk Wakalah only)*”) up to (but not including) the redemption date.

**“Redemption Conditions”** mean:

- (i) the Issuer has obtained the written approval of BNM prior to redemption of that series of T2 Sukuk Murabahah or AT1 Sukuk Wakalah or part thereof;
- (ii) the Issuer is solvent at the time of any redemption of that series of T2 Sukuk Murabahah or AT1 Sukuk Wakalah or part thereof and immediately thereafter;
- (iii) the Issuer is not in breach of BNM’s minimum capital adequacy requirements and capital buffer requirements applicable to the Issuer after redemption of that series or part of such series of the T2 Sukuk Murabahah or AT1 Sukuk Wakalah; and
- (iv) the Issuer shall:
  - (a) replace that series of the T2 Sukuk Murabahah or AT1 Sukuk Wakalah or part thereof to be redeemed with capital of the same or better quality and the replacement of this capital shall be done at conditions which are sustainable for the income capacity of the Issuer; or
  - (b) demonstrate to BNM that its capital position is well above the minimum capital adequacy and capital buffer requirements after redemption of such series of the T2 Sukuk Murabahah or AT1 Sukuk Wakalah.

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- (31) **Voting** : The Sukukholders shall have no voting rights in any way whatsoever that are of an equivalent nature to those of the shareholders of the Issuer.

Voting by the Sukukholders shall be carried out as follows:

Prior to upsizing of the Sukuk Programme

All matters which require the Sukukholders' consent under the Sukuk Programme shall be carried out on a collective basis; and

Post upsizing of the Sukuk Programme:

All matters which require the Sukukholders' consent under the Sukuk Programme shall be carried out on a per series basis. Sukukholders holding a requisite amount under each series shall provide their consent for the relevant matters to be passed under the Sukuk Programme and the consent from the Sukukholders of all outstanding series shall have been obtained for any such resolution to be carried.

- (32) **Permitted investments, if applicable** :  No permitted investments  
 Permitted investments, details as follows:

- (33) **Ta'widh** : **Sukuk Murabahah**

In the event of delay in the payment of the Deferred Sale Price under any Sukuk Murabahah, the Issuer shall pay Ta'widh (compensation) to the Sukuk Trustee (acting on behalf of the relevant Murabahah Sukukholders) on such overdue amounts at the rate and in the manner prescribed by the SAC from time to time.

**AT1 Sukuk Wakalah**

In the event the Wakeel breaches the fiduciary duty as an investment manager due to its failure to distribute the realised Periodic Distribution Payment and/or delays in the payment of the Redemption Amount pursuant to the exercise of the Purchase Undertaking or the Sale Undertaking (as the case may be), the Issuer shall pay to the Sukuk Trustee (acting on behalf of the AT1 Sukukholders) Ta'widh (compensation) on such overdue amounts at the rate and in the manner prescribed by the SAC from time to time.

- (34) **Ibra'** : Ibra' refers to an act of releasing absolutely or conditionally one's rights and claims on any obligation against another party which would result in the latter being discharged of his/its obligations or liabilities towards the former. The release may be either partially or in full. With respect to the Murabahah contract, Ibra' refers to the release of rights on debts/amounts due and payable under the said contract.

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**Senior Sukuk Murabahah**

The Senior Sukukholders in subscribing or purchasing the Senior Sukuk Murabahah consent to grant Ibra' (if any) on the Deferred Sale Price, if the Senior Sukuk Murabahah is (i) redeemed upon the declaration of an Event of Default or (ii) upon the early redemption pursuant to the exercise of Call Option, whichever is earlier. The Ibra' for such redemption upon declaration of an Event of Default or pursuant to the Call Option shall be the aggregate of unearned Periodic Profit Payments.

The Ibra' in relation to the Senior Sukuk Murabahah shall be calculated from the date of the declaration of an Event of Default or date the Call Option is exercised up to the Senior Sukuk Murabahah's respective maturity date(s).

**T2 Sukuk Murabahah**

The T2 Sukukholders in subscribing or purchasing the T2 Sukuk Murabahah consent to grant Ibra' (if any) if the T2 Sukuk Murabahah is redeemed before the maturity date, pursuant to the acceleration of the T2 Sukuk Murabahah upon the occurrence of an Enforcement Event, Optional Redemption, Regulatory Redemption or the Tax Redemption (whichever is applicable).

The Ibra' shall be the aggregate of unearned Periodic Profit Payments to the T2 Sukukholders from the date of redemption of the T2 Sukuk Murabahah upon the acceleration of the T2 Sukuk Murabahah due to the occurrence of an Enforcement Event, Optional Redemption, Regulatory Redemption or the Tax Redemption (whichever is applicable) up to the maturity of the T2 Sukuk Murabahah.

In respect of a write-off at the point of a Non-Viability Event, the T2 Sukukholders waive their rights (Ibra') to the payment of the outstanding Deferred Sale Price due from the Purchaser, such amount corresponding to the aggregate principal amount and the Periodic Profit Payments of the T2 Sukuk Murabahah to be written-off.



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**AT1 Sukuk Wakalah**

In the case of write-off (in whole or in part), the Periodic Distribution Payments are waived and the AT1 Sukukholders agree to waive their rights on the AT1 Deferred Sale Price (in whole or in part, as the case may be) in the event of occurrence of:

- (i) Non-Viability Event; or
- (ii) breach of CET1 Capital Ratio.

In case of (ii), the aggregate amount to be written off must be at least the amount required to restore the consolidated and entity level CET1 Capital Ratio to the statutory required level.

(35) **Kafalah** : Not applicable.

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1.04 OTHER TERMS AND CONDITIONS

(1) Tenure of Sukuk : **Senior Sukuk Murabahah**

Each series of the Senior Sukuk Murabahah shall have a tenure of at least one (1) year from the date of issue and the tenure shall be determined prior to each issuance of the Senior Sukuk Murabahah.

**T2 Sukuk Murabahah**

Subject to the Optional Redemption, each series of the T2 Sukuk Murabahah shall have a tenure of at least five (5) years from the date of issue and the tenure shall be determined prior to each issuance of the T2 Sukuk Murabahah.

**AT1 Sukuk Wakalah**

Perpetual.

(2) Profit/ coupon payment rate : **Senior Sukuk Murabahah**

The periodic profit payment rate(s) (“**Periodic Profit Payment Rate**”) for the Senior Sukuk Murabahah shall be a fixed rate to be determined prior to each issuance of the Senior Sukuk Murabahah.

**T2 Sukuk Murabahah**

The Periodic Profit Payment Rate(s) for the T2 Sukuk Murabahah shall be determined prior to each issuance of the T2 Sukuk Murabahah. The profit rate herein shall be a fixed rate applicable throughout the tenure of each series of the T2 Sukuk Murabahah.

For avoidance of doubt, there is no step-up Periodic Profit Payment Rate after the Call Date of the T2 Sukuk Murabahah, in the event the Call Option is not exercised by the Issuer.

**AT1 Sukuk Wakalah**

The expected rate of the Periodic Distribution Payment (“**Distribution Rate**”) shall be determined prior to the issuance of each series of AT1 Sukuk Wakalah.

Subject to the section entitled “*Other terms and conditions – Limitation on Periodic Distribution Payment (applicable to AT1 Sukuk Wakalah only)*”, the AT1 Sukuk Wakalah confer a right to receive Periodic Distribution Amount from (and including) the issue date at the applicable Distribution Rate (“**Periodic Distribution Payment**”).

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“**Periodic Distribution Amount**” shall be calculated at the Distribution Rate on the outstanding nominal value of the AT1 Sukuk Wakalah based on the actual number of days elapsed over actual number of days in a year basis (actual/actual) or in any event, in accordance with the rules issued by PayNet.

The Distribution Rate applicable to each series of the AT1 Sukuk Wakalah shall be:

- (i) a fixed rate applicable throughout the tenure of the AT1 Sukuk Wakalah; or
- (ii) a floating rate based on the aggregate of a benchmark rate plus a credit spread, subject to a reset of the benchmark rate provided that:
  - (a) the credit spread in the Distribution Rate shall be maintained at all times, and
  - (b) the basis for determining the benchmark rate shall be the same throughout the tenure of the AT1 Sukuk Wakalah.

The Distribution Rate herein shall be applicable throughout the tenure of the series of the AT1 Sukuk Wakalah.

For the avoidance of doubt, there is no step-up Distribution Rate after the Call Date of the AT1 Sukuk Wakalah, in the event the Call Option is not exercised by the Issuer.

**(3) Profit/ coupon payment frequency : Sukuk Murabahah**

The Murabahah Sukukholders will receive Periodic Profit Payment at semi-annual intervals or such other frequency to be determined prior to issuance (“**Periodic Profit Payment Period**”) in arrears.

“**Periodic Profit Payment**” which is payable on any relevant Profit Payment Date, is calculated at the Periodic Profit Payment Rate on the nominal value of the relevant series of the Sukuk Murabahah for the relevant Periodic Profit Payment Period.

“**Profit Payment Date**” is the last day of a particular Periodic Profit Payment Period.

**AT1 Sukuk Wakalah**

Subject always to the section entitled “*Other terms and conditions – Limitation on Periodic Distribution Payment (applicable to AT1 Sukuk Wakalah only)*”, Periodic Distribution Payment will be payable semi-annually or such other frequency to be determined prior to issuance (“**Periodic Distribution Payment Period**”) in arrears.

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“**Periodic Distribution Payment**” which is payable on any relevant Distribution Payment Date, is calculated at the Distribution Rate on the nominal value of the relevant series of the AT1 Sukuk Wakalah for the relevant Periodic Distribution Payment Period.

“**Distribution Payment Date**” is the last day of a particular Periodic Distribution Payment Period.

(4) **Profit/ coupon payment basis** : Actual / actual.

(5) **Details on utilisation of proceeds by Issuer** : **Sukuk Murabahah**

The proceeds to be raised from the issuance of the Sukuk Murabahah shall be utilised for the general banking working capital requirements and business purposes of the Issuer, which shall be Shariah compliant.

**AT1 Sukuk Wakalah**

By the Wakeel

The AT1 Sukuk Wakalah proceeds will be utilised by the Wakeel to invest in the Wakalah Portfolio comprising the Investment Assets and Commodity Murabahah Investment.

By the Issuer

Thereafter, the AT1 Sukuk Wakalah proceeds shall be utilised for the general banking working capital requirements and business purposes of the Issuer, which shall be Shariah compliant.

(6) **Non-Viability Event (applicable to T2 Sukuk Murabahah and AT1 Sukuk Wakalah only)**

A “**Non-Viability Event**” shall be the earlier of the following:

- (i) the Relevant Malaysian Authority (the “**Relevant Malaysian Authority**” means BNM, jointly with the Malaysia Deposit Insurance Corporation (“**PIDM**”)) notifies the Issuer in writing that the Relevant Malaysian Authority is of the opinion that a write-off is necessary, without which the Issuer would cease to be viable; or
- (ii) the Relevant Malaysian Authority publicly announces that a decision has been made by BNM, PIDM, or any other federal or state government in Malaysia, to provide a capital injection or equivalent support to the Issuer, without which the Issuer would cease to be viable.

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- (7) **Non-Viability Loss Absorption (applicable to T2 Sukuk Murabahah and AT1 Sukuk Wakalah only)** : Upon occurrence of a Non-Viability Event, the Issuer shall irrevocably, without the need for the consent of the Sukuk Trustee or the Sukukholders at that time, write-off the relevant T2 Sukuk Murabahah and/or AT1 Sukuk Wakalah (as the case may be, in whole or in part), if so required by BNM and PIDM at their full discretion.

Upon the occurrence of a Non-Viability Event, the Issuer is required to give notice to the T2 Sukukholders and/or AT1 Sukukholders (as the case may be, via the Sukuk Trustee) and the Credit Rating Agency in accordance with the terms of the relevant T2 Sukuk Murabahah and/or AT1 Sukuk Wakalah (as the case may be), then as of the relevant write-off date:

- (i) the write-off shall reduce:
  - (a) the claim of the relevant T2 Sukuk Murabahah and/or AT1 Sukuk Wakalah in liquidation. The T2 Sukukholders and/or AT1 Sukukholders (as the case may be) will be automatically deemed to irrevocably waive their right to receive, and no longer have any rights against the Issuer with respect to any payment of the aggregate principal amount of the relevant T2 Sukuk Murabahah and/or AT1 Sukuk Wakalah (as the case may be) written-off;
  - (b) the amount to be paid when a Call Option, Regulatory Redemption or Tax Redemption is exercised; and
  - (c) Periodic Profit Payment and/or Periodic Distribution Payment, as the case may be, on the relevant T2 Sukuk Murabahah or AT1 Sukuk Wakalah written-off;
- (ii) the write-off shall be permanent and the full or part (as the case may be) of the principal amount of the relevant T2 Sukuk Murabahah and/or AT1 Sukuk Wakalah (as the case may be) and together with all unpaid Periodic Profit Payment and/or Periodic Distribution Payment (as the case may be) thereon will automatically be written-off to zero and the whole or part (as the case may be) of the relevant T2 Sukuk Murabahah and/or AT1 Sukuk Wakalah (as the case may be) will be cancelled; and
- (iii) the write-off of the relevant T2 Sukuk Murabahah and/or AT1 Sukuk Wakalah (as the case may be) shall not constitute an Enforcement Event or trigger cross-default clauses.

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The write-off of the relevant T2 Sukuk Murabahah and/or AT1 Sukuk Wakalah (as the case may be) must generate Common Equity Tier 1 capital (“**CET1 Capital**”) under the Malaysian Financial Reporting Standards and the relevant Sukuk will only receive recognition in Tier 2 capital or Additional Tier 1 capital (as the case may be) up to the level of CET1 Capital generated by a full write-off of the relevant T2 Sukuk Murabahah and/or AT1 Sukuk Wakalah (as the case may be).

For the avoidance of doubt, the loss absorption feature in this section entitled “*Non-Viability Loss Absorption (applicable to T2 Sukuk Murabahah and AT1 Sukuk Wakalah only)*” will cease to be effective or shall be amended accordingly if BNM’s capital adequacy rules no longer apply or have materially changed.

- (8) **Loss Absorption at the point of breach of CET1 Capital Ratio (applicable to AT1 Sukuk Wakalah only)** : If the CET1 Capital Ratio (as determined by the CAFIB) of the Issuer, at the consolidated or entity level, falls below 5.125%, the Issuer shall, without the need for the consent of the Sukuk Trustee or Sukukholders, write-off the AT1 Sukuk Wakalah (in whole or in part). The aggregate amount to be written-off must be at least the amount required to restore the Issuer’s and its consolidated CET1 Capital Ratio to at least 5.75%. If this is not possible, then the full principal value of the AT1 Sukuk Wakalah will be written-off. Such write-off of the AT1 Sukuk Wakalah, together with the write-off of other relevant Tier 1 instruments, if any, shall be done on a pro-rata basis.

For the avoidance of doubt, the loss absorption feature in this section entitled “*Loss Absorption at the point of breach of CET1 Capital Ratio (applicable to AT1 Sukuk Wakalah only)*” will cease to be effective or shall be amended accordingly if BNM’s capital adequacy rules no longer apply or have materially changed.

- (9) **Limitation on Periodic Distribution Payment (applicable to AT1 Sukuk Wakalah only)** : The Issuer may, at its sole discretion and with prior notice to the AT1 Sukukholders, taking into account its specific financial and solvency condition, elect to cancel any Periodic Distribution Payment, in whole or in part, on a non-cumulative basis. Any Periodic Distribution Payment that has been cancelled shall no longer be due and payable at any time by the Issuer and shall not accrue, whether in a winding up situation or otherwise. Cancellation of a Periodic Distribution Payment shall not constitute an Enforcement Event and does not entitle the AT1 Sukukholders to petition for the insolvency or winding-up of the Issuer. If the Issuer does not make a Periodic Distribution Payment on the relevant Distribution Payment Date (or if the Issuer elects to make a payment of a portion, but not all, of such Periodic Distribution Payment), such non-payment or partial payment shall serve as evidence of the Issuer’s exercise of its discretion to cancel such Periodic Distribution Payment (or portion of such Periodic Distribution Payment not paid), and accordingly such Periodic Distribution Payment (or the portion thereof not paid) shall not be due and payable.

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In the event that there is profit for distribution, and the Issuer decides not to distribute the profit pursuant to this paragraph, the AT1 Sukukholders hereby give their tanazul to waive their right to receive distribution for that period.

The Issuer shall provide notice of any cancellation of Periodic Distribution Payment (in whole or in part) to the AT1 Sukukholders at least five (5) business days prior to the relevant Distribution Payment Date. Failure to provide such notice will not have any impact on the effectiveness of, or otherwise invalidate, such cancellation of Periodic Distribution Payment, or give the AT1 Sukukholders any rights as a result of such failure.

- (10) **Distributable Reserves (applicable for AT1 Sukuk Wakalah only)** : At any time, the amounts for the time being available to the Issuer for distribution as a dividend in compliance with Section 131 of the Companies Act 2016, as of the date of the Issuer's latest audited financial statements provided that if the Issuer reasonably believes that the available amounts as of any Distribution Determination Date (as defined below) are lower than the available amounts as of the date of the Issuer's latest audited financial statements and are insufficient to pay the Periodic Distribution Payments and for payments of any dividends or other distributions in respect of Parity Obligations (as defined in the section entitled “*Other terms and conditions – Status*” below) on the relevant Distribution Payment Date, then two (2) directors of the Issuer shall provide a certificate, on or prior to such Distribution Determination Date, to the AT1 Sukukholders of the available amounts as of such Distribution Determination Date (which certificate of the two (2) directors will be binding absent manifest error) and the “**Distributable Reserves**” as of such Distribution Determination Date for the purposes of such Periodic Distribution Payment will mean the available amounts as set forth in such certificate.

“**Distribution Determination Date**” means, with respect to any Distribution Payment Date, the day falling two (2) business days prior to that Distribution Payment Date.

- (11) **No claim by Sukukholders in respect of Periodic Distribution Payment (applicable for AT1 Sukuk Wakalah only)** : No AT1 Sukukholders shall have any claim whatsoever in respect of any Periodic Distribution Payment or part thereof cancelled and/or not due or payable as described under the section entitled “*Other terms and conditions – Limitation on Periodic Distribution Payment (applicable to AT1 Sukuk Wakalah only)*” above. Accordingly, such cancelled Periodic Distribution Payment or part thereof shall not accrue or accumulate for the benefit of the AT1 Sukukholders or entitle the AT1 Sukukholders to any claim in respect thereof against the Issuer.

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- (12) **Dividend and Capital Stopper (applicable for AT1 Sukuk Wakalah only)** : In the event that the Issuer has not made a full payment of any Periodic Distribution Payment on a Distribution Payment Date, then:
- (i) the Issuer shall not pay any dividends to its shareholders or make any payment or distribution on any security or instruments ranking pari passu with or junior to the AT1 Sukuk Wakalah and which terms do not require the Issuer to make such payment or distribution (“**Dividend Stopper**”); and
  - (ii) the Issuer shall not redeem, purchase, reduce or otherwise acquire any of its ordinary shares, preference shares, securities or instruments ranking pari passu with or junior to the AT1 Sukuk Wakalah, or any other securities of any of its subsidiaries benefitting from a guarantee from the Issuer, ranking, as to the right of redemption of principal, or in the case of any such guarantee, as to the payment of sums under such guarantee, pari passu with or junior to the AT1 Sukuk Wakalah (“**Capital Stopper**”).

The Dividend Stopper and Capital Stopper shall continue to apply, as the case may be, until either any of the below is met:

- (a) the Issuer has paid full Periodic Distribution Payment scheduled for two (2) consecutive semi-annual Distribution Payment Dates or four (4) consecutive quarterly Distribution Payment Dates (as the case may be) after the application of the Dividend Stopper and Capital Stopper;
- (b) the Issuer has irrevocably set aside in a separately designated trust account of the Issuer for payment to the AT1 Sukukholders, an amount sufficient to provide for the full Periodic Distribution Payment scheduled for two (2) consecutive semi-annual Distribution Payment Dates or four (4) consecutive quarterly Distribution Payment Dates (as the case may be) after the application of the Dividend Stopper and the Capital Stopper and if upon determination of the amount of each of such Periodic Distribution Payment there is a shortfall in the amounts set aside in such separately designated trust account with reference to the amounts so determined, an amount at least equal to such shortfall shall be paid or irrevocably set aside in the same manner; or



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- (c) an Optional Distribution (as defined below) has, at the option of the Issuer and subject to BNM’s approval, been paid to all AT1 Sukukholders equal to, (without duplication of amounts previously paid to the AT1 Sukukholders) amounts outstanding (if any) on the AT1 Sukuk Wakalah which were scheduled to be paid in the twelve (12) months before the date of payment of the Optional Distribution.

“**Optional Distribution**” means an amount, equal to any Unpaid Distribution Amount (as defined below), scheduled to have been paid during the twelve (12) month period immediately preceding the date on which the Issuer shall pay the Optional Distribution.

“**Unpaid Distribution Amount**” means any Periodic Distribution Payment which is cancelled by the Issuer pursuant to this paragraph entitled “*Other terms and conditions – Limitation on Periodic Distribution Payment (applicable to AT1 Sukuk Wakalah only)*”

- (13) **Contingent Settlement (applicable for AT1 Sukuk Wakalah only)** : If on any Distribution Payment Date, a Capital Disqualification Event (as defined below) of a series of AT1 Sukuk Wakalah has occurred prior to or on such date and is continuing, the Issuer shall, in respect of such series, be obliged to pay the Periodic Distribution Payment accrued and payable in respect of the distribution period which ended on that Distribution Payment Date and the terms under the sections entitled “*Other terms and conditions – Limitation on Periodic Distribution Payment (applicable for AT1 Sukuk Wakalah only)*” and “*Other terms and conditions – Distributable Reserves (applicable for AT1 Sukuk Wakalah only)*” shall cease to apply immediately thereafter. For the avoidance of doubt, after the occurrence of a Capital Disqualification Event in respect of any series of AT1 Sukuk Wakalah, the relevant Periodic Distribution Payment shall not be deferred by the Issuer.

Upon the Capital Disqualification Event and the Regulatory Redemption is not applicable, the Issuer shall pursuant to a Purchase Undertaking, purchase from the Sukuk Trustee (acting on behalf of the AT1 Sukukholders) the AT1 Sukukholders’ interest in the Issuer’s Shariah-compliant general business at the relevant Exercise Price by entering into the Sale Agreement and the AT1 Purchaser shall pay the outstanding AT1 Deferred Sale Price. The Exercise Price and the outstanding AT1 Deferred Sale Price shall be applied by the Wakeel towards investment into Issuer’s qualified Shariah-compliant financial assets by purchasing Shariah-compliant leasable assets owned by the Issuer which are currently leased to its customers under hire-purchase financing pursuant to hire-purchase financing agreements entered into between the Issuer and its customers (“**Ijarah Financing Assets**”) and if applicable, the Commodity Murabahah Investment, provided that the Ijarah Financing Assets shall represent at least 33% of the new Wakalah Portfolio. The Ijarah Financing Assets shall

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comprise of the Al-Ijarah Thumma Al-Bai portfolio of the Issuer. Based on Ijarah contract, upon the purchase of the underlying Ijarah Financing Assets from the Issuer, the Sukuk Trustee (as “**Lessor**”) will enter into an Ijarah agreement (“**Ijarah Agreement**”) with the Issuer (as “**Lessee**”). Pursuant to the Ijarah Agreement, the Sukuk Trustee will lease out the Ijarah Financing Assets to the Issuer at an agreed rental. The Shariah Adviser shall ensure that the underlying Ijarah Financing Assets to be used are Shariah-compliant assets.

The Ijarah Financing Assets may be substituted by executing an exchange agreement upon the following events (i) from time to time at the option of the Wakeel and (ii) material impact to the Ijarah Financing Assets including total loss event.

For avoidance of doubt:

- (i) the Wakeel is authorised to invest in the Ijarah Financing Assets on behalf of the AT1 Sukukholders, pursuant to the terms and conditions of the Wakalah Agreement;
- (ii) the proceeds arising from the Ijarah Financing Assets and if applicable, the AT1 Deferred Sale Price under the Commodity Murabahah Investment shall be at least equivalent to Expected Periodic Distribution Amount (as defined below) calculated from the date of the Capital Disqualification Event and the nominal value of the AT1 Sukuk Wakalah; and
- (iii) the Periodic Distribution Payment shall be satisfied by the proceeds arising from the Ijarah Financing Assets.

“**Capital Disqualification Event**” means that the whole (and not just a part) of any series of AT1 Sukuk Wakalah no longer qualify for inclusion as Additional Tier 1 capital of the Issuer for the purposes of BNM’s capital adequacy requirements under any applicable regulations and such disqualification has been confirmed by BNM in writing.

“**Expected Periodic Distribution Amount**” refers to the expected periodic distribution amount based on the Distribution Rate payable on the Distribution Payment Date.

- (14) **No equity conversion** : The Sukuk shall not entitle the Sukukholders to receive any form of equity interest in the Issuer at any point in time and the Issuer is not obliged to allot or issue any shares to or for the account of the Sukukholders upon the occurrence of a Non-Viability Event or otherwise. The Sukukholders shall not be entitled to participate in any distributions or entitlements to the Issuer’s shareholders or to attend or vote at any general meeting of the Issuer.
- (15) **Listing status and types of listing, where applicable** : The Sukuk may be listed on Bursa Malaysia Securities Berhad (under the Exempt Regime).

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(16) Status : **Senior Sukuk Murabahah**

The Senior Sukuk Murabahah will constitute direct, unconditional, unsecured and unsubordinated obligations of the Issuer ranking pari passu without any preference amongst themselves and pari passu with all other present and future unsecured and unsubordinated obligations of the Issuer, except those preferred by law.

**T2 Sukuk Murabahah**

The T2 Sukuk Murabahah will constitute direct, unconditional, unsecured and subordinated obligations of the Issuer ranking pari passu without any preference amongst themselves.

In the event of the Winding-Up (as defined below) or liquidation of the Issuer, the claims of the T2 Sukukholders against the Issuer in respect of the T2 Sukuk Murabahah will be subordinated in right of payment to the claims of depositors and all other unsubordinated financiers/creditors of the Issuer and will rank at least pari passu in right of payment with all other Subordinated Indebtedness (as defined below), present and future, of the Issuer. Claims in respect of the T2 Sukuk Murabahah will rank in priority to the rights and claims of holders of subordinated liabilities which by their terms rank or expressed to rank in right of payment junior to the T2 Sukuk Murabahah and all classes of equity securities of the Issuer, including holders of preference shares.

“**Winding-Up**” means a final and effective order or resolution for the winding up, liquidation, dissolution or similar proceedings in respect of the Issuer.

“**Subordinated Indebtedness**” means all indebtedness which is subordinated, in the event of the winding-up or liquidation of the Issuer, in right of payment to the claims of depositors and other unsubordinated financiers/creditors of the Issuer, and for this purpose indebtedness shall include all liabilities, whether actual or contingent.

**AT1 Sukuk Wakalah**

The AT1 Sukuk Wakalah (after taking into account the nature and exercise of the Purchase Undertaking or Sale Undertaking (as the case may be) and the execution of Sale Agreement) constitute direct, unconditional, unsecured and subordinated obligations of the Issuer and shall at all times rank pari passu and without any preference among themselves. The rights and claims of the AT1 Sukukholders are subordinated in the manner described below.

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Subject to the laws of Malaysia, in the event of a Winding-Up of the Issuer, the rights of the AT1 Sukukholders to payment of principal and Periodic Distribution Payment on the AT1 Sukuk Wakalah and any other obligations in respect of the AT1 Sukuk Wakalah are expressly subordinated and subject in right of payment to the prior payment in full of all claims of Senior Creditors (as defined below, which includes, but is not limited to, holders of Tier 2 Capital Instruments (as defined below)) and will rank senior to all Junior Obligations (as defined below). The AT1 Sukuk Wakalah will rank pari passu with Parity Obligations.

“**Senior Creditors**” mean (i) financiers/creditors of the Issuer (including holders of any security or other similar obligations issued, entered into or guaranteed by the Issuer that constitutes Tier 2 Capital Instruments) other than those whose claims rank or are expressed to rank, by its terms or by operation of law, pari passu or junior to the claims of the AT1 Sukukholders; and (ii) any class of the Issuer’s share capital (excluding the most junior class of preference shares and ordinary shares).

“**Tier 2 Capital Instruments**” means (i) any capital instrument issued by the Issuer; or (ii) any other similar obligation issued by any subsidiary of the Issuer that is guaranteed by the Issuer that, in each case, constitutes Tier 2 capital of the Issuer on an unconsolidated or consolidated basis, pursuant to the relevant requirements set out in the CAFIB.

“**Junior Obligations**” mean any ordinary share of the Issuer.

“**Parity Obligations**” mean the most junior class of preference shares and any security or other similar obligations issued, entered into or guaranteed by the Issuer that constitutes or could qualify as Additional Tier 1 capital of the Issuer on an unconsolidated or consolidated basis, pursuant to the relevant requirements set out in the CAFIB, or otherwise ranks or is expressed to rank, by its terms or by operation of law, pari passu with the AT1 Sukuk Wakalah.

**(17) Setting off**

: No Sukukholder may exercise, claim or plead any right of set-off, deduction, withholding or retention in respect of any amount owed to it by the Issuer in respect of, or arising under or in connection with, the Sukuk, and the Sukukholder shall, by virtue of his holding of any Sukuk, be deemed to have waived all such rights of set-off, deduction, withholding or retention against the Issuer in relation to the Sukuk to the fullest extent permitted by law. If at any time the Sukukholder receives payment or benefit of any sum in respect of the Sukuk (including any benefit received pursuant to any such set-off, deduction, withholding or retention) other than in accordance with the terms of the Sukuk, the payment of such sum or receipt of such benefit shall, to the fullest extent permitted by law, be deemed void for all purposes and the Sukukholder by virtue of his holding of any Sukuk, shall, agree as a separate and independent obligation to immediately pay an amount equal to the amount of such sum or benefit so received to the Issuer (or, in the event of its winding-up or

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administration, the liquidator or, as appropriate, administrator of the Issuer) and, until such time as payment is made, shall hold such amount in trust for the Issuer (or the liquidator or, as appropriate, administrator of the Issuer) and accordingly any payment of such sum or receipt of such benefit shall be deemed not to have discharged any of the obligations under the Sukuk.

- (18) Transaction Documents** : Such documentation shall include, but are not be limited to, the following:

**In respect of the Senior Sukuk Murabahah:**

- (i) the Programme Agreement;
- (ii) the Senior Sukuk Murabahah Trust Deed;
- (iii) the Senior Sukuk Murabahah represented by the Global Certificates or the Definitive Certificates;
- (iv) the Securities Lodgement Form;
- (v) relevant Islamic documents; and
- (vi) all other agreements executed or to be executed by the Issuer in connection with the Senior Sukuk Murabahah and agreed by the Issuer and the Sukuk Trustee to be designated as a Senior Sukuk Murabahah Transaction Document, and includes any amendments, variations and/or supplementals made or entered into from time to time and references to “**Senior Sukuk Murabahah Transaction Documents**” shall mean any one of them.

**In respect of the T2 Sukuk Murabahah:**

- (i) the Programme Agreement;
- (ii) the T2 Sukuk Murabahah Trust Deed;
- (iii) the T2 Sukuk Murabahah represented by the Global Certificates or the Definitive Certificates;
- (iv) the Securities Lodgement Form;
- (v) relevant Islamic documents; and
- (vi) all other agreements executed or to be executed by the Issuer in connection with the T2 Sukuk Murabahah and agreed by the Issuer and the Sukuk Trustee to be designated as a T2 Sukuk Murabahah Transaction Document, and includes any amendments, variations and/or supplementals made or entered into from time to time and references to “**T2 Sukuk Murabahah Transaction Documents**” shall mean any one of them.

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**In respect of AT1 Sukuk Wakalah:**

- (i) the Programme Agreement;
- (ii) the AT1 Sukuk Wakalah Trust Deed;
- (iii) the AT1 Sukuk Wakalah represented by the Global Certificates or the Definitive Certificates;
- (iv) the Securities Lodgement Form;
- (v) relevant Islamic documents; and
- (vi) all other agreements executed or to be executed by the Issuer in connection with the AT1 Sukuk Wakalah and agreed by the Issuer and the Sukuk Trustee to be designated as an AT1 Sukuk Wakalah Transaction Document, and includes any amendments, variations and/or supplementals made or entered into from time to time and references to “**AT1 Sukuk Wakalah Transaction Documents**” mean any one of them.

The Senior Sukuk Murabahah Trust Deed, T2 Sukuk Murabahah Trust Deed and AT1 Sukuk Wakalah Trust Deed shall collectively be referred to as the “**Trust Deed**”.

The Senior Sukuk Murabahah Transaction Documents, T2 Sukuk Murabahah Transaction Documents and AT1 Sukuk Wakalah Transaction Documents shall collectively be referred to as the “**Transaction Documents**”.

- (19) Taxation** : All payments in respect of the Sukuk and the Transaction Documents on behalf or by the Issuer shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of any authority having power to tax, unless such withholding or deduction is required by law in which case the Issuer shall pay additional amounts so that the full amount which otherwise would have been due and payable under the Sukuk is received by parties entitled thereto.
- (20) Form and Denomination** : Issuance of the Sukuk shall be in accordance with:
- (i) the “Participation and Operation Rules for Payments and Securities Services” issued by PayNet;
  - (ii) the “Operational Procedures for Securities Services” issued by PayNet; and
  - (iii) any other procedures/guidelines/rules issued by the relevant authorities from time to time (as the same may be amended and/or substituted from time to time).

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Each series of the Sukuk shall be represented by a global certificate to be deposited with BNM, and is exchangeable for definitive bearer certificates only in certain limited circumstances. The denomination of the Sukuk shall be RM1,000 or in multiples of RM1,000 at the time of issuance.

(21) **Issue Price** : The Sukuk shall be issued at par to nominal value. The issue price shall be calculated in accordance with the “Participation and Operation Rules for Payments and Securities Services” and the “Operational Procedures for Securities Services” issued by PayNet.

(22) **Jurisdiction** : The Issuer shall submit to the exclusive jurisdiction of the courts of Malaysia.

(23) **Trustees’ Reimbursement Account** : **In respect of Senior Sukuk Murabahah:**  
The Issuer shall, or the Sukuk Trustee shall on behalf of the Issuer, open and maintain a Shariah compliant account (as required under the SC’s Trust Deeds Guidelines) (“**Senior Sukuk Murabahah Trustees’ Reimbursement Account**”) in which a sum of RM30,000.00 is to be deposited therein.

The Senior Sukuk Murabahah Trustees’ Reimbursement Account shall be operated by the Sukuk Trustee and the monies shall only be used strictly by the Sukuk Trustee in carrying out its duties in relation to the occurrence of an Event of Default as provided in the Senior Sukuk Murabahah Trust Deed. The sum of RM30,000.00 in the Senior Sukuk Murabahah Trustees’ Reimbursement Account shall be maintained at all times as long as there is any amount outstanding under the Senior Sukuk Murabahah.

The monies in the Senior Sukuk Murabahah Trustees’ Reimbursement Account may be invested in the manner provided in the Senior Sukuk Murabahah Trust Deed, with profit from the investment to accrue to the Issuer. The monies in the Senior Sukuk Murabahah Trustee’s Reimbursement Account shall be returned to the Issuer upon full redemption of the Senior Sukuk Murabahah in the event there is no declaration of any Event of Default.

**In respect of T2 Sukuk Murabahah:**

The Issuer shall, or the Sukuk Trustee shall on behalf of the Issuer, open and maintain a Shariah compliant account (as required under the SC’s Trust Deeds Guidelines) (“**T2 Sukuk Murabahah Trustees’ Reimbursement Account**”) in which a sum of RM30,000.00 is to be deposited therein.

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The T2 Sukuk Murabahah Trustees' Reimbursement Account shall be operated by the Sukuk Trustee and the monies shall only be used strictly by the Sukuk Trustee in carrying out its duties in relation to the occurrence of an Enforcement Event as provided in the T2 Sukuk Murabahah Trust Deed. The sum of RM30,000.00 in the T2 Sukuk Murabahah Trustees' Reimbursement Account shall be maintained at all times as long as there is any amount outstanding under the T2 Sukuk Murabahah.

The monies in the T2 Sukuk Murabahah Trustees' Reimbursement Account may be invested in the manner provided in the T2 Sukuk Murabahah Trust Deed, with profit from the investment to accrue to the Issuer. The monies in the T2 Sukuk Murabahah Trustee's Reimbursement Account shall be returned to the Issuer upon full redemption of the T2 Sukuk Murabahah in the event there is no declaration of any Enforcement Event.

**In respect of AT1 Sukuk Wakalah:**

The Issuer shall, or the Sukuk Trustee shall on behalf of the Issuer, open and maintain a Shariah compliant account (as required under the SC's Trust Deeds Guidelines) (“**AT1 Sukuk Wakalah Trustees' Reimbursement Account**”) in which a sum of RM30,000.00 is to be deposited therein.

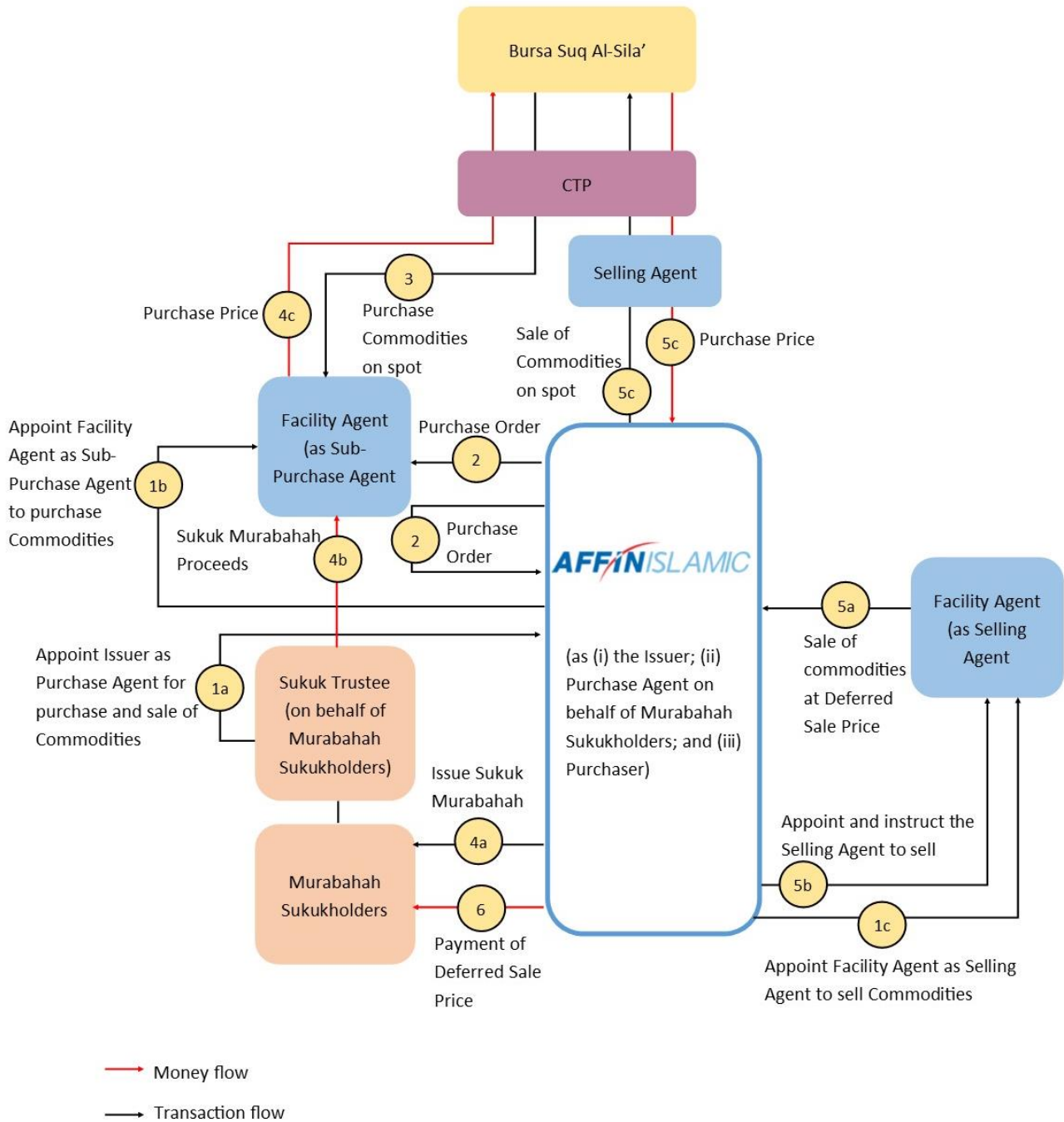
The AT1 Sukuk Wakalah Trustees' Reimbursement Account shall be operated by the Sukuk Trustee and the monies shall only be used strictly by the Sukuk Trustee in carrying out its duties in relation to the occurrence of an Enforcement Event as provided in the Sukuk Wakalah Trust Deed. The sum of RM30,000.00 in the AT1 Sukuk Wakalah Trustees' Reimbursement Account shall be maintained at all times as long as there is any amount outstanding under the AT1 Sukuk Wakalah.

The monies in the AT1 Sukuk Wakalah Trustees' Reimbursement Account may be invested in the manner provided in the Sukuk Wakalah Trust Deed, with profit from the investment to accrue to the Issuer. The monies in the AT1 Sukuk Wakalah Trustee's Reimbursement Account shall be returned to the Issuer upon full redemption of the AT1 Sukuk Wakalah in the event there is no declaration of any Enforcement Event.

- (24) **Other Conditions** : The Sukuk shall at all times be governed by the guidelines issued and to be issued from time to time by the SC, BNM and/or PayNet.



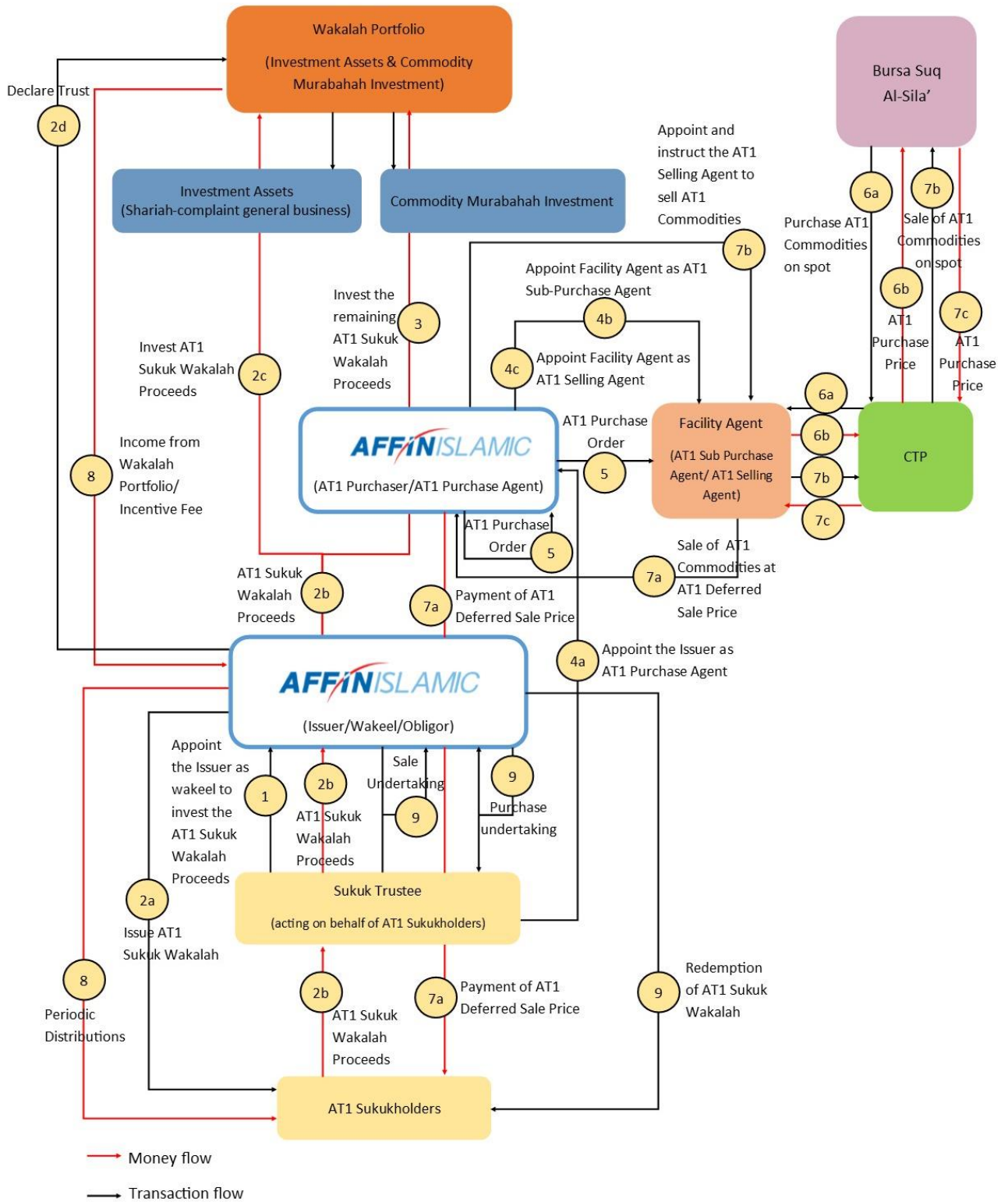
# ANNEXURE A – ILLUSTRATIVE DIAGRAM OF THE SUKUK MURABAHAH TRANSACTION



<b>Steps</b>	<b>Description of the Sukuk Murabahah Structure</b>
<b>1a</b>	The Sukuk Trustee (on behalf of the Murabahah Sukukholders) and the Issuer shall enter into a Purchase Agency Agreement, pursuant to which the Sukuk Trustee will appoint the Issuer as Purchase Agent (wakeel) of the Murabahah Sukukholders for the purchase and sale of Commodities.
<b>1b</b>	The Purchase Agent will then enter into a Sub-Agency Agreement to appoint the Facility Agent as Sub-Purchase Agent of the Purchase Agent to purchase the Commodities.
<b>1c</b>	The Purchase Agent will also enter into a Sale Agency Agreement to appoint the Facility Agent as Selling Agent of the Purchase Agent to sell the Commodities to the Issuer on behalf of the Purchase Agent
<b>2</b>	Pursuant to the Commodities Murabahah Master Agreement to be entered into between the Issuer (as Purchaser), the Purchase Agent, the Selling Agent and the Sub-Purchase Agent, the Purchaser shall, from time to time, issue a Purchase Order to the Purchase Agent and the Sub-Purchase Agent. In the Purchase Order, the Purchaser will request the Purchase Agent and the Sub-Purchase Agent to purchase the Commodities and will irrevocably and unconditionally undertake based on unilateral promise to purchase the Commodities from the Murabahah Sukukholders via the Selling Agent at the Deferred Sale Price.
<b>3</b>	Upon receipt of the Purchase Order from the Issuer (as Purchaser), the Sub-Purchase Agent will purchase the Commodities from commodity vendor(s) in the Bursa Suq Al-Sila commodity market (through a CTP), or other trading platforms acceptable to the Lead Arranger and Shariah Adviser pursuant to a CTP Purchase Agreement entered into between the Sub-Purchase Agent and the CTP, on a spot basis at the Purchase Price. The Purchase Price shall be in accordance with the asset pricing requirements stipulated under the LOLA Guidelines.
<b>4a &amp; 4b</b>	Subsequently, the Issuer shall then issue the Sukuk Murabahah to the Murabahah Sukukholders to evidence the Murabahah Sukukholders' ownership of the Commodities and all such rights thereto (including all rights against the Issuer (as Purchaser) under the Purchase Order) and subsequently once the Commodities are sold to the Issuer (as Purchaser), the Sukuk Murabahah shall represent the Murabahah Sukukholders' entitlement to receive the Deferred Sale Price.
<b>4c</b>	The proceeds raised from the issuance of the Sukuk Murabahah shall be used to pay the Purchase Price of the Commodities by the Sub-Purchase Agent.
<b>5a</b>	Thereafter, pursuant to the undertaking to purchase under the Purchase Order, the Selling Agent (acting on behalf of the Purchase Agent who in turn acts on behalf of the Murabahah Sukukholders) shall sell the Commodities to the Issuer (as Purchaser) at the Deferred Sale Price under the Sale and Purchase Agreement.
<b>5b &amp; 5c</b>	Upon completion of such sale, the Issuer (as Purchaser) shall appoint and instruct the Selling Agent as agent (wakeel) of the Purchaser to sell the Commodities to the Bursa Suq Al-Sila commodity market (through a CTP), or other trading platforms acceptable to the Lead Arranger and Shariah Adviser pursuant to a CTP Sale Agreement entered into between the Selling Agent and the CTP, on a spot basis for cash consideration for an amount equivalent to the Purchase Price. Proceeds realised from such sale shall be utilised by the Issuer for purposes that are Shariah-compliant.

Steps	Description of the Sukuk Murabahah Structure
6	<p>During the tenure of the Sukuk Murabahah, the Issuer (as Purchaser), as part of its obligation to pay the Deferred Sale Price, shall make Periodic Profit Payments to the Murabahah Sukukholders. Each such payment shall pro tanto reduce the obligation of the Issuer (as Purchaser) on the Deferred Sale Price payable for the purchase of the Commodities from the Selling Agent (acting on behalf of the Purchase Agent who in turn acts on behalf of the Murabahah Sukukholders).</p> <p>On the occurrence of the following, whichever is earlier:</p> <ul style="list-style-type: none"> <li>(a) the maturity date of the relevant Sukuk Murabahah; or</li> <li>(b) upon the declaration of an Event of Default (in the case of the Senior Sukuk Murabahah); or</li> <li>(c) upon the declaration of an Enforcement Event (in the case of the T2 Sukuk Murabahah); or</li> <li>(d) upon the early redemption pursuant to the exercise of Call Option, Regulatory Redemption (in the case of the T2 Sukuk Murabahah) or Tax Redemption (in the case of the T2 Sukuk Murabahah) (as the case may be),</li> </ul> <p>the Issuer (as Purchaser), as part of its obligation to pay the Deferred Sale Price, shall pay the relevant Murabahah Sukukholders all amounts then outstanding on the Deferred Sale Price (subject to any Ibra', if applicable) as final settlement of the same, upon which the relevant Sukuk Murabahah shall be cancelled.</p> <p>Upon the occurrence of a Non-Viability Event (in the case of the T2 Sukuk Murabahah), the T2 Sukukholders shall waive all their rights (Ibra') to the payment of up to the outstanding Deferred Sale Price due from the Purchaser, and such amount is equivalent to the aggregate outstanding principal amount and the accrued and unpaid periodic profits of the T2 Sukuk Murabahah required to be written off.</p>

## ANNEXURE B – ILLUSTRATIVE DIAGRAM OF THE AT1 SUKUK WAKALAH TRANSACTION



Steps	Description of the AT1 Sukuk Wakalah Structure
1	<p>Pursuant to a Wakalah Agreement entered into between the Sukuk Trustee (acting on behalf of the AT1 Sukukholders) and the Issuer, the Sukuk Trustee shall appoint the Issuer as its Wakeel to perform duties in respect of the Wakalah Portfolio, including management of the Wakalah Portfolio, for a nominal fee, in accordance with the Wakalah Agreement.</p> <p>The Wakeel shall manage the Wakalah Portfolio, including investment in the Wakalah Portfolio, collection and distribution of income generated from the Wakalah Portfolio and monitoring of compliance of the Wakalah Portfolio with the Assets Minimum Requirements.</p> <p>The Wakalah Portfolio shall comprise a combination of:</p> <ul style="list-style-type: none"> <li>(i) Investment Assets; and</li> <li>(ii) Commodity Murabahah Investment.</li> </ul>
2a & 2b	<p>The Issuer shall issue AT1 Sukuk Wakalah from time to time to the AT1 Sukukholders and the AT1 Sukukholders shall subscribe to the AT1 Sukuk Wakalah by paying the AT1 Sukuk Wakalah Proceeds. Under the Wakalah Agreement, the Wakeel shall be authorised to utilise the AT1 Sukuk Wakalah Proceeds arising from the issuance of the AT1 Sukuk Wakalah for investment in the Wakalah Portfolio on behalf of the Sukuk Trustee (for the benefit of the AT1 Sukukholders).</p>
2c	<p>The Wakeel shall pursuant to an Investment Agreement, utilise part of the AT1 Sukuk Wakalah Proceeds as investment in the Investment Assets, subject to the valuation principles set out in the Wakalah Agreement, under the principle of musharakah. The contract of musharakah entered into by the parties in this issuance, shall always follow all the requirements of Shariah in respect of contract of musharakah. The contribution of the AT1 Sukukholders shall be the proceeds from the issuance of the AT1 Sukuk Wakalah (the portion of the proceeds to be used for investment in the Investment Assets), whilst the contribution of the Issuer shall be in-kind contribution in the form of its existing general business. The value of the Issuer's existing general business shall be the consolidated net assets of the Issuer based on the Issuer's latest audited financial statements. The parties shall also agree on the ratio of profit distribution and the loss shall be borne by the parties in accordance to their capital contribution to the musharakah. The capital contribution ratio between the Issuer and the AT1 Sukukholders under the musharakah venture shall be the ratio of the portion of the AT1 Sukuk Wakalah proceeds from the issuance of the AT1 Sukuk Wakalah used for investment in the Investment Assets to the value of the Issuer's existing general business. The exact capital contribution ratio will be determined at the point of issuance. The musharakah venture shall be the investment in the existing general business of the Issuer. The Musharik in the musharakah venture shall be the Wakeel (on behalf of the AT1 Sukukholders) and the Issuer. The Musharik agree that the musharakah venture shall be managed by the Issuer and there are no further fees payable to the Issuer in managing the musharakah venture except the profit sharing ratio agreed by the Musharik in the musharakah.</p> <p>The value of the Wakalah Portfolio in respect of the Issuer's Shariah-compliant general business should be at least 33% of the Wakalah Portfolio.</p> <p>For the avoidance of doubt, (i) the above ratio of at least 33% of the value of the Wakalah Portfolio is only applicable at the point of initial investment for each series of the respective AT1 Sukuk Wakalah, subject to the valuation principles set out in the Wakalah Agreement, and does not need to be maintained throughout the tenure of the AT1 Sukuk Wakalah. However, the Wakeel shall ensure that the Issuer's Shariah-compliant general business shall at all times be a component of the Wakalah Portfolio,</p>

Steps	Description of the AT1 Sukuk Wakalah Structure
	and (ii) the AT1 Sukukholders shall, via the AT1 Sukuk Wakalah Trust Deed provide their upfront consent to the Issuer to create Future Trusts over the Issuer's Shariah-compliant general business to facilitate any transactions undertaken by the Issuer in connection with any proposed Islamic financing facility to be obtained by the Issuer, so long as the interest of the relevant parties in the Future Trusts does not overlap with the interest of the AT1 Sukukholders in the Issuer's Shariah-compliant general business under the Wakalah Portfolio.
<b>2d</b>	The Wakeel shall hold the Wakalah Portfolio on trust for the benefit of the AT1 Sukukholders. The AT1 Sukuk Wakalah shall represent the AT1 Sukukholders' proportionate undivided beneficial ownership and interest in the Trust Assets. The Issuer shall declare a trust over the Trust Assets for the benefit of the AT1 Sukukholders.
<b>3</b>	In respect of the Commodity Murabahah Investment, the Wakeel shall utilise the remaining balance of the AT1 Sukuk Wakalah Proceeds to invest in Commodity Murabahah Investment. The Commodity Murabahah Investment shall be effected as follows:
<b>4a</b>	The Sukuk Trustee (on behalf of the AT1 Sukukholders) and the Issuer shall enter into an AT1 Purchase Agency Agreement, pursuant to which the Sukuk Trustee will appoint the Issuer as the AT1 Purchase Agent of the AT1 Sukukholders for the purchase and sale of AT1 Commodities to be identified prior to the issuance of the AT1 Sukuk Wakalah.
<b>4b</b>	The AT1 Purchase Agent will then enter into an AT1 Sub-Agency Agreement to appoint the Facility Agent as the AT1 Sub-Purchase Agent of the AT1 Purchase Agent to purchase the AT1 Commodities.
<b>4c</b>	The AT1 Purchase Agent will also enter into an AT1 Sale Agency Agreement to appoint the Facility Agent as AT1 Selling Agent of the AT1 Purchase Agent to sell the AT1 Commodities to the Issuer on behalf of the AT1 Purchase Agent.
<b>5</b>	Pursuant to an AT1 Commodities Murabahah Master Agreement to be entered into between the Issuer (as AT1 Purchaser), the AT1 Purchase Agent, the AT1 Selling Agent and the AT1 Sub-Purchase Agent, the AT1 Purchaser shall, from time to time, issue an AT1 Purchase Order to the AT1 Purchase Agent and the AT1 Sub-Purchase Agent. In the AT1 Purchase Order, the AT1 Purchaser will request the AT1 Purchase Agent and the AT1 Sub-Purchase Agent to purchase the AT1 Commodities and will irrevocably and unconditionally undertake based on unilateral promise to purchase the AT1 Commodities from the AT1 Sukukholders via the AT1 Selling Agent at the AT1 Deferred Sale Price which shall be equivalent to the nominal value of the AT1 Sukuk Wakalah.
<b>6a &amp; 6b</b>	Upon receipt of the AT1 Purchase Order from the Issuer (as AT1 Purchaser), the AT1 Sub-Purchase Agent will purchase the AT1 Commodities from commodity vendor(s) in the Bursa Suq Al-Sila commodity market (through a CTP), or other trading platforms acceptable to the Lead Arranger and Shariah Adviser pursuant to an AT1 CTP Purchase Agreement entered into between the AT1 Sub-Purchase Agent and the CTP, on a spot basis at the AT1 Purchase Price which shall be equivalent to the proceeds raised from the issuance of the AT1 Sukuk Wakalah less the amount invested in the Investment Assets. The AT1 Purchase Price shall be in accordance with the asset pricing requirements stipulated under the LOLA Guidelines.

Steps	Description of the AT1 Sukuk Wakalah Structure
7a	<p>Thereafter, pursuant to the undertaking to purchase under the AT1 Purchase Order, the AT1 Selling Agent (acting on behalf of the AT1 Purchase Agent who in turn acts on behalf of the AT1 Sukukholders) shall sell the AT1 Commodities to the Issuer (as AT1 Purchaser) at the AT1 Deferred Sale Price under the AT1 Sale and Purchase Agreement.</p> <p>For the avoidance of doubt, the AT1 Deferred Sale Price shall be equivalent to the nominal value of the AT1 Sukuk Wakalah. The AT1 Deferred Sale Price shall be payable for a period of 99 years, and the Issuer shall be given the right to defer the payment further upon request made by the Issuer or if required by BNM. The Issuer will send a notice of deferment if the deferment is required.</p>
7b & 7c	<p>Upon completion of such sale, the Issuer (as AT1 Purchaser) shall appoint and instruct the AT1 Selling Agent as agent (wakeel) of the AT1 Purchaser to sell the AT1 Commodities to the Bursa Suq Al-Sila commodity market (through a CTP), or other trading platforms acceptable to the Lead Arranger and Shariah Adviser pursuant to the AT1 CTP Sale Agreement entered into between the AT1 Selling Agent and the CTP, on a spot basis for cash consideration for an amount equivalent to the AT1 Purchase Price. Proceeds realised from such sale shall be utilised by the Issuer for purposes that are Shariah-compliant.</p>
8	<p>During the tenure of the AT1 Sukuk Wakalah, on each Distribution Payment Date, the Wakeel shall distribute any income generated from the Wakalah Portfolio up to the Periodic Distribution Amount in the form of Periodic Distribution Payment. Any amount over and above the Periodic Distribution Amount shall be retained by the Wakeel as incentive fee.</p> <p>In the event that the income generated from the Wakalah Portfolio is insufficient to pay the Periodic Distribution Amount, the Wakeel may provide <i>hibah</i> (but without obligation) to the Sukuk Trustee (on behalf of the AT1 Sukukholders).</p>
9	<p>The Issuer (as Obligor) shall grant a Purchase Undertaking to the Wakeel and the Sukuk Trustee, under which the Obligor shall purchase the Investment Assets at the Exercise Price by entering into a Sale Agreement upon an Enforcement Event or the occurrence of the Capital Disqualification Event (as the case may be).</p> <p>The Wakeel and the Sukuk Trustee shall grant a Sale Undertaking to the Issuer, under which the Wakeel shall sell the Investment Assets at the Exercise Price by entering into a Sale Agreement upon the Issuer exercising its rights to redeem the AT1 Sukuk Wakalah pursuant to the Call Option, Regulatory Redemption or Tax Redemption.</p> <p>Pursuant to Purchase Undertaking or the Sale Undertaking, and subject to no disqualification of the AT1 Sukuk Wakalah as Additional Tier 1 capital of the Issuer, the proceeds from the Wakalah Portfolio including the AT1 Deferred Sale Price, the Exercise Price and any returns generated from the Wakalah Portfolio shall be utilised to redeem the AT1 Sukuk Wakalah at the Redemption Amount. Upon full payment of all amounts due and payable under the AT1 Sukuk Wakalah or write-off pursuant to the terms of the AT1 Sukuk Wakalah, the relevant trust in respect of the Trust Assets will be dissolved and the relevant AT1 Sukuk Wakalah held by the AT1 Sukukholders will be cancelled. Any excess over and above the Redemption Amount shall be retained by the Wakeel as incentive fees.</p>