

Other terms and conditions

- (1) **Tenure of AT1CS** : Perpetual.
- (2) **Details on utilisation of proceeds by Issuer** : The proceeds to be raised from the issuance of the AT1CS shall be utilised for the general banking working capital requirements and business purposes of the Issuer.
- (3) **Interest/ coupon payment rate** : Subject to the section entitled “*Other terms and conditions*” – “*Limitation on Payment*”, the AT1CS confer a right to receive coupon (“**Distributions**”) from (and including) the issue date at the applicable coupon rate (“**Distribution Rate**”).

The Distribution Rate applicable to each series of the AT1CS shall be:

- (i) a fixed rate applicable throughout the tenure of the AT1CS; 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 AT1CS.

The Distribution Rate herein shall be applicable throughout the tenure of relevant AT1CS.

For the avoidance of doubt, there is no step-up distribution rate after the Call Date of the AT1CS, in the event the Call Option is not exercised by the Issuer.

- (4) **Interest/ coupon payment frequency** : Subject to the section entitled “*Other terms and conditions*” – “*Limitation on Payment*”, Distribution will be payable on a date falling semi-annually or such other frequency to be determined prior to issuance in arrears (the “**Distribution Payment Date**”).
- (5) **Interest/ coupon payment basis** : Actual / 365 days.
- (6) **Limitation on Payment** : The Issuer may, at its sole discretion and without prior notice to the Noteholders, taking into account its specific financial and solvency condition, elect to cancel any payment of Distribution, in whole or in part, on a non-cumulative basis. Any Distribution 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 Distribution shall not constitute an Enforcement Event and does not entitle the Noteholders to petition for the insolvency or winding-up of the Issuer. If the Issuer does not make a 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 Distribution payment), such non-payment or partial payment shall serve as evidence of the Issuer’s exercise of its discretion to cancel such Distribution payment (or portion of such Distribution payment

not paid), and accordingly such Distribution payment (or the portion thereof not paid) shall not be due and payable.

If practicable, the Issuer shall provide notice of any cancellation of Distribution (in whole or in part) to the Noteholders on or prior to the relevant Distribution Payment Date. If practicable, the Issuer shall endeavor to provide such notice 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 Distribution, or give the Noteholders any rights as a result of such failure.

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

(8) Distributable Reserves : 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 Distributions 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*”) 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 Noteholders 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 Distribution 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.

(9) Distribution Stopper : If, on any Distribution Payment Date, payment of Distributions scheduled to be made on such date is not made by reason under the section entitled “*Other terms and conditions – Limitation on Payment*”, the Issuer shall not:

- (i) declare or pay, or permit any subsidiary of the Issuer to declare or pay, any dividends or other distributions in respect of Junior Obligations (as defined in the section entitled “*Other terms and conditions - Status*”) (or contribute any moneys to a sinking fund for the payment of any dividends or other distributions in respect of any such Junior Obligations);
- (ii) declare or pay, or permit any subsidiary of the Issuer to declare or pay, any dividends or other distributions

in respect of Parity Obligations (as defined in the section entitled “*Other terms and conditions - Status*”) the terms of which provide that the Issuer is not required to make payments of such dividends or other distributions in respect thereof (or contribute any moneys to a sinking fund for the payment of any dividends or other distributions in respect of any such Parity Obligations);

- (iii) redeem, reduce, cancel, buy-back or acquire, or permit any subsidiary of the Issuer to redeem, reduce, cancel, buy-back or acquire, any Junior Obligations (or contribute any moneys to a sinking fund for the redemption, capital reduction, buy-back or acquisition of any such Junior Obligations); or
- (iv) redeem, reduce, cancel, buy-back or acquire, or permit any subsidiary of the Issuer to redeem, reduce, cancel, buy-back or acquire, any Parity Obligations the terms of which provide that the Issuer is not required to redeem, reduce, cancel, buy-back or acquire such Parity Obligations (or contribute any moneys to a sinking fund for the redemption, capital reduction, buy-back or acquisition of any such Parity Obligations,

in each case, until (a) the next scheduled Distributions to be paid in respect of such number of consecutive distribution periods as shall be equal to or exceeding twelve (12) calendar months have been paid in full (or an amount equivalent thereto has been paid, or irrevocably set aside in a separate designated trust account for payment to the Noteholders); or (b) the Issuer is permitted to do so by an extraordinary resolution of the Noteholders.

(10) Non-Viability Event

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.

(11) Non Viability Loss Absorption

: Upon occurrence of a Non-Viability Event, the Issuer shall irrevocably, without the need for the consent of the Trustee or the Noteholders, write-off the AT1CS (in whole or in part), if so required by BNM and/or PIDM at their full discretion.

Upon the occurrence of a Non-Viability Event, the Issuer is required to give notice to the Noteholders (via the Trustee) and the Credit Rating Agency in accordance with the terms of the AT1CS, then as of the relevant write-off date:

- (i) the write-off shall reduce:
 - (a) the claim of the AT1CS in liquidation. The Noteholders will be automatically deemed to irrevocably waive their right to receive, and no longer have any rights against the Issuer with respect to, any repayment of the aggregate principal amount of the AT1CS written-off;
 - (b) the amount repaid when a Call Option, Regulatory Redemption or Tax Redemption is exercised; and
 - (c) AT1CS Distribution;
- (ii) the write-off shall be permanent and the full or part (as the case may be) of the principal amount of the AT1CS will automatically be written-off to zero and the whole or part (as the case may be) of the AT1CS will be cancelled; and
- (iii) the write-off of the AT1CS shall not constitute an Enforcement Event or trigger cross-default clauses.

For the avoidance of doubt, the loss absorption feature in this section entitled "*Non-Viability Loss Absorption*" will cease to be effective or shall be amended accordingly if BNM's capital adequacy rules no longer apply or have materially changed.

- (12) **Loss Absorption at the point of breach of CET1 Capital Ratio** : If the Common Equity Tier 1 ("**CET1**") Ratio (as determined by the CA Framework) of the Issuer, at the consolidated or entity level, falls below 5.125%, the Issuer shall, without the need for the consent of the Trustee or Noteholders, write-off the AT1CS (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 Ratio to at least 5.75%. If this is not possible, then the full principal value of the AT1CS will be written-off. Such write off of the AT1CS, 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*" will cease to be effective or shall be amended accordingly if BNM's capital adequacy rules no longer apply or have materially changed.

- (13) **Contingent Settlement** : If on any Distribution Payment Date, a Capital Disqualification Event (as defined below) of a series of AT1CS has occurred prior to or on such date and is continuing, the Issuer shall, in respect of such series, be obliged to pay the Distribution 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 Payment*" and "*Other terms and conditions – Distributable Reserves*" shall cease to apply immediately thereafter.

"**Capital Disqualification Event**" means that the whole (and not just a part) or any series of AT1CS 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.

- (14) **No equity conversion** : The AT1CS shall not entitle the Noteholders 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 Noteholders upon the occurrence of a Non-Viability Event or otherwise. The Noteholders 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 AT1CS may be listed on Bursa Malaysia Securities Berhad (under the Exempt Regime).
- (16) **Status** : The AT1CS constitute direct, 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 Noteholders are subordinated in the manner described below.

Subject to the laws of Malaysia, in the event of a Winding-Up (as defined below) of the Issuer, the rights of the Noteholders to payment of principal and Distributions on the AT1CS and any other obligations in respect of the AT1CS 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 AT1CS will rank pari passu with Parity Obligations.

"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 CA Framework, or otherwise ranks or is expressed to rank, by its terms or by operation of law, pari passu with the AT1CS.

"Senior Creditors" mean (i) 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 Noteholders; 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 CA Framework.

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

- (17) **Setting off** : No Noteholder 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 AT1CS, and the Noteholder shall, by virtue of his holding of any AT1CS, be deemed to have waived all such rights of set-off, deduction, withholding or retention against the Issuer in relation to the AT1CS to the fullest extent permitted by law. If at any time the Noteholder receives payment or benefit of any sum in respect of the AT1CS (including any benefit received pursuant to any such set-off, deduction, withholding or retention) other than in accordance with the terms of the AT1CS, 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 Noteholder by virtue of his holding of any AT1CS, 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 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 AT1CS.
- (18) **Transaction Documents** : Such documentation shall include, but are not be limited to, the following:
- (i) the Programme Agreement;
 - (ii) the Trust Deed;
 - (iii) the AT1CS represented by the Global Certificates or the Definitive Certificates;
 - (iv) the Securities Lodgement Form; and
 - (v) all other agreements executed or to be executed by the Issuer in connection with the AT1CS and agreed by the Issuer and the Trustee to be designated as a Transaction Document, and includes any amendments, variations and/or supplementals made or entered into from time to time and references to “**Transaction Document**” shall mean any one of them.
- (19) **Taxation** : All payments of principal and Distributions by or on behalf of the Issuer in respect of the AT1CS 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 AT1CS is received by parties entitled thereto.

- (20) **Form and Denomination** : Issuance of the AT1CS shall be in accordance with:-
- (i) the “Participation Rules for Payments and Securities Services” issued by Payments Network Malaysia Sdn Bhd (formerly known as Malaysian Electronic Clearing Corporation Sdn Bhd) (“**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).

Each series of the AT1CS 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 AT1CS shall be RM1,000 or in multiples of RM1,000 at the time of issuance.

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

- (22) **Trustees’ Reimbursement Account** : The Issuer shall open and maintain an account designated as “Trustees’ Reimbursement Account for Noteholders’ Actions” (as required under the SC’s Trust Deeds Guidelines) in which a sum of RM30,000.00 is to be deposited therein. The Trustees’ Reimbursement Account shall be operated by the Trustee and the monies shall only be used strictly by the Trustee in carrying out its duties in relation to the occurrence of an Enforcement Event as provided in the Trust Deed. The sum of RM30,000.00 in the Trustees’ Reimbursement Account shall be maintained at all times as long as there is any amount outstanding under the AT1CS.

The monies in the Trustees’ Reimbursement Account may be invested in the manner provided in the Trust Deed, with profits from the investment to accrue to the Issuer. The monies in the Trustees’ Reimbursement Account shall be returned to the Issuer upon full redemption of the AT1CS in the event there is no declaration of any Enforcement Event.

- (23) **Other Conditions** : The AT1CS shall at all times be governed by the guidelines issued and to be issued from time to time by the SC and BNM and/or PayNet.