

## **1.01 Background Information**

### **(a) Issuer**

- (i) Name : AmBank (M) Berhad (“**AmBank**” or the “**Bank**” or the “**Issuer**”)
- (ii) Address : 22<sup>nd</sup> Floor, Bangunan AmBank Group  
No. 55, Jalan Raja Chulan  
50200 Kuala Lumpur
- (iii) Business registration no. : 8515-D
- (iv) Date/place of incorporation : 25 March 1969, Malaysia
- (v) Date of listing : Not listed on any exchange
- (vi) Status
  - Resident/non-resident controlled company (where applicable) : Resident controlled company. Although foreign shareholders may hold more than 50% equity in AMMB Holdings Berhad (“**AHB**”), AmBank is deemed resident controlled company by virtue of AmBank's Board of Directors and management composition. This shareholding structure is a reflection of AHB's shareholding being a listed company.
  - Bumiputera/non-Bumiputera controlled company (where applicable) : Non-Bumiputera controlled company
- (vii) Principal activities : AmBank and its subsidiaries (“**AmBank Group**”) provide banking and financial services which include loans, advances and financing, deposit services, credit cards, remittance services, foreign exchange and (through its wholly-owned subsidiary AmIslamic Bank Berhad) Islamic banking services.
- (viii) Board of directors as at 30 April 2009 :
 

1.	Tan Sri Dato' Azman Hashim (“ <b>TSDAH</b> ”) ( <i>Chairman, Non-Independent Non-Executive Director</i> )
2.	Tun Mohammed Hanif bin Omar ( <i>Independent Non-Executive Director</i> )
3.	Tan Sri Datuk Clifford Francis Herbert ( <i>Independent Non-Executive Director</i> )

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4.	Dato' Gan Nyap Liou @ Gan Nyap Liow ( <i>Independent Non-Executive Director</i> )
5.	Tan Kheng Soon ( <i>Independent Non-Executive Director</i> )
6.	Cheah Tek Kuang ( <i>Chief Executive Officer</i> )
7.	Ashok Ramamurthy ( <i>Non-Independent Non-Executive Director</i> )

(ix) Structure of shareholdings and names of shareholders as at 30 April 2009

: AmBank is a wholly-owned subsidiary of AMFB Holdings Berhad ("**AMFB**") which in turn is a wholly-owned subsidiary of AHB.

The substantial shareholders of AmBank as at 30 April 2009 are as follows:-

Name	No. of AmBank shares / %	
	Direct	Indirect
AMFB	670,363,762 <sup>^</sup> / 100%	-
AHB	-	670,363,762 <sup>#^</sup> / 100%
TSDAH	-	670,363,762 <sup>*^</sup> / 100%
AmcorpGroup Berhad	-	670,363,762 <sup>*^</sup> / 100%
Clear Goal Sdn Bhd	-	670,363,762 <sup>*^</sup> / 100%
ANZ Funds Pty Ltd	-	670,363,762 <sup>*^</sup> / 100%
Australia and New Zealand Banking Group Limited	-	670,363,762 <sup>*^</sup> / 100%
Employees Provident Fund Board	-	670,363,762 <sup>*^</sup> / 100%

Notes:

# Deemed interested by virtue of its interests in AMFB

\* Deemed interested by virtue of his/its interests in AMFB via his/its substantial interests in AHB.

<sup>^</sup> Excluding 150,000,000 6% irredeemable non-cumulative convertible preference shares of RM1.00 each

- (ix) Authorised and paid-up capital

Authorised share capital as at 30 April 2009 : RM3,886,250,002 comprising:-

- (a) 1,386,250,002 ordinary shares of RM1.00 each ("**Ordinary Shares**"); and  
 (b) 2,500,000,000 6% irredeemable non-cumulative convertible preference shares of RM1.00 each ("**IPS**").

Paid-up capital as at 30 April 2009 : 670,363,762 Ordinary Shares and 150,000,000 IPS.

## **1.02 Principal Terms and Conditions:**

- (a) Names of parties involved in the proposed transaction

- |   |   |  |
|---|---|--|
| (i) Principal Adviser/<br>Lead Arranger         | : | AmInvestment Bank Berhad (a member of AmInvestment Group) (" <b>AmInvestment Bank</b> ")   |
| (ii) Arranger(s)                                | : | Not applicable   |
| (iii) Valuer                                    | : | Not applicable   |
| (iv) Solicitors                                 | : | Messrs. Adnan Sundra & Low   |
| (v) Financial adviser                           | : | Not applicable   |
| (vi) Technical adviser                          | : | Not applicable   |
| (vii) Guarantor                                 | : | Not applicable   |
| (viii) Trustee                                  | : | Pacific Trustees Berhad  |
| (ix) Facility Agent                             | : | AmInvestment Bank  |
| (x) Primary subscriber(s) and amount subscribed | : | To be determined prior to the issuance in respect of issuance via bought deal basis only. Not applicable for issuance via book building or direct placement. |
| (xi) Underwriter(s) and amount underwritten     | : | Not applicable   |
| (xii) Central Depository                        | : | Bank Negara Malaysia (" <b>BNM</b> ")  |
| (xiii) Paying Agent                             | : | BNM  |
| (xiv) Reporting Accountant                      | : | Ernst & Young  |
| (xv) Others                                     | : | <u>Lead Manager</u><br>AmInvestment Bank and any other parties as may be   |

appointed by AmBank at its discretion.

Rating Agency

RAM Rating Services Berhad (Company No. 763588-T)  
("RAM Ratings")

Joint Lead Manager

To be appointed (if applicable).

Tax Adviser

Deloitte KassimChan Tax Services Sdn Bhd

- (b) Facility description : Innovative Tier 1 Capital Securities Programme ("RMIT1 Programme") for the issuance of the Innovative Tier 1 Capital Securities ("RMIT1"). The RMIT1 will qualify as Tier 1 capital of BNM's capital adequacy regulations.
- (c) Issue size (RM) : Up to RM500 million in nominal value.
- The total outstanding RMIT1 shall not at any time exceed RM500 million in nominal value.
- (d) Issue price (RM) : At par or at a premium. Where applicable, the Issue Price is calculated in accordance with the Rules on Fully Automated System for Issuing/Tendering ("FAST Rules")
- (e) Tenor of the facility/issue : Facility
- Up to 60 years from date of first issue of the RMIT1 with an availability period of 30 years from the date of first issuance provided that the first issue is within 2 years from the date of Securities Commission's ("SC") approval on the establishment of the RMIT1 Programme.

Issue

Every RMIT1 issue shall have a permanent tenor with replacement via Principal Stock Settlement (defined in "Principal Stock Settlement" below), after up to 30 years from the issue date of the relevant tranche ("Final Maturity Date").

- (f) Interest/coupon (%) : At a fixed rate per annum (to be determined prior to issuance) ("Initial Rate") for the period from (and including) the issue date up to (but excluding) the First Call Date; and

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- Thereafter, at a fixed rate, at the Initial Rate plus a step up of 100 basis points.
- (g) Interest/coupon payment frequency : Subject always to the provisions on “**Optional Deferral Payments**” as stated below; interest on the RMIT1 will be payable semi-annually in arrears from the issue date.
- (h) Interest/coupon payment basis : Actual number of days in the relevant period elapsed on a 365-day basis.
- (i) Yield to maturity (%) : To be determined prior to issuance of each tranche.
- (j) Security/collateral : Nil.
- (k) Details on utilisation of proceeds : The proceeds from the RMIT1 shall be made immediately available to the Issuer, without limitation, for the Issuer’s working capital, general banking and other corporate purposes.
- (l) Sinking fund : Nil.
- (m) Rating : A final long-term rating of A3 assigned by RAM Ratings.
- (n) Form and denomination : The RMIT1 shall be issued in accordance with:
1. the Code of Conduct and Market Practices for the Malaysian Corporate Bond Market issued by Institut Peniaga Bon Malaysia and approved by BNM (“**IPBM Code**”);
  2. the Rules on Scripless Securities under the Real Time Electronic Transfer of Funds and Securities (“**RENTAS**”) System issued by BNM (“**RENTAS Rules**”); and
  3. the FAST Rules
- or their replacement thereof (collectively the “**Codes of Conduct**”) applicable from time to time.
- The RENTAS Rules shall prevail to the extent of any inconsistency between the RENTAS Rules and the IPBM Code. The RMIT1 shall be in minimum denomination of RM1,000 each or such other denomination as determined or allowed by BNM and in multiples of RM1,000 and will be represented at all times by a “Global Certificate” to be deposited with BNM, and is exchangeable for definitive bearer form only in certain limited circumstances.
- (o) Mode of issue : The RMIT1 may be issued via private placement on a

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best effort basis (via direct placement or bought deal) or book building on a best effort basis without prospectus.

(p) Selling restriction : At Issuance

The RMIT1 may not be offered, sold or delivered, directly or indirectly, nor may any document or other material in connection therewith be distributed in Malaysia other than to persons falling within Schedule 6 or section 229(1)(b) or Schedule 7 or section 230(1)(b), and Schedule 9 or section 257(3) of the Capital Markets and Services Act, 2007 (“**CMSA**”).

After Issuance

The RMIT1 may not be offered, sold or delivered, directly or indirectly, nor may any document or other material in connection therewith be distributed in Malaysia other than to persons falling within Schedule 6 or section 229(1)(b) and Schedule 9 or section 257(3) of the CMSA.

(q) Listing status : The RMIT1 will not be listed on Bursa Malaysia Securities Berhad or any other stock exchange.

(r) Minimum level of subscription :

- 50% of the value of each issuance of the RMIT1 to be issued if the issuance is via book-building or private placement.
- 100% of the value of each issuance of the RMIT1 to be issued if the issuance is via bought deal.

(s) Other regulatory approvals required in relation to the issue, offer or invitation and whether or not obtained :

The RMIT1 is subject to the following approvals being obtained:

(i) BNM’s approval for the issuance of the RMIT1 Programme and for the RMIT1 to be classified as Tier 1 capital of the Issuer for inclusion in the computation of the Issuer’s risk weighted capital ratio. The BNM approval has not been obtained as at the date of this submission. A waiver has been requested from the SC to allow AmInvestment Bank, on behalf of AmBank to make this submission pending obtaining the said BNM’s approval; and

(ii) Approval from the Securities Commission (“**SC**”) on the waiver from having to comply with any restrictive covenants as set out in the SC’s Guidelines on the Minimum Contents Requirements for Trust Deeds in respect of the

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RMIT1. The SC's approval was obtained via its letter dated 28 May 2009.

- (t) Conditions precedent : Conditions precedent customary for a programme of this nature which shall include but is not limited to the following (in form and substance acceptable to the Facility Agent):

**(a) Main Documentation**

The Transaction Documents have been signed and, where applicable stamped.

**(b) The Issuer**

- (i) A certified and true copy of a board of directors' resolution authorising, amongst others, the execution of the Transaction Documents;
- (ii) A list of the authorised signatories and their respective specimen signatures; and
- (iii) A report of the relevant winding-up search or the relevant statutory declaration in relation thereto.

**(c) General**

- (i) Approval from BNM for the issuance of the RMIT1 under the RMIT1 Programme;
- (ii) Approval from the SC for the RMIT1 Programme;
- (iii) The Lead Arranger/Facility Agent has received a legal opinion addressed to them with respect to, amongst others, the legality, validity and enforceability of the Transaction Documents and a confirmation addressed to the Lead Arranger/Facility Agent that all conditions precedent have been fulfilled;
- (iv) the RMIT1 have been accorded a minimum rating of A3 by RAM Ratings; and
- (v) such other conditions precedent as advised by the Solicitors.

- (u) Representation and warranties : Representation and warranties typical and customary for a programme of this nature, which shall include but is not limited to the following:

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- (i) The Issuer is a company duly incorporated and validly existing under the laws of Malaysia;
- (ii) The Issuer has the power to enter into, exercise its rights under and perform its obligations under the RMIT1 and 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 Transaction Documents create valid and binding obligations which are enforceable on and against the Issuer;
- (v) All necessary actions, authorisations and consents required under the Transaction Documents have been taken, fulfilled and obtained and remain in full force and effect;
- (vi) Save as disclosed by the Issuer, no event has occurred which, if the RMIT1 had already been issued, would constitute an Enforcement Event under the Transaction Documents;
- (vii) The audited accounts of the Issuer are prepared in accordance with generally accepted accounting principles and standards and they fairly represent its financial position;
- (viii) No litigation or arbitration is current or, to the Issuer's knowledge, is threatened, which if adversely determined would have a material adverse effect on the ability of the Issuer to comply with its obligations under the Transaction Documents;
- (ix) 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 or threatened under Section 176 of the Companies Act 1965;
- (x) There has been no change in the business or 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



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- (xi) Such other representation and warranties as may be advised by the Solicitors.
- (v) Events of default : There is no event of default under the RMIT1 programme. Please refer to Clause (x)(1), Enforcement Events; Limited Rights to Acceleration.
- (w) Principal terms and conditions for warrants (where applicable) : Not applicable
- (x) Other principal terms and conditions for the issue
- (1) Enforcement Events: Limited Rights to Accelerate : Enforcement Event means the occurrence of any of the following:
  - a) a default is made in the payment of any amount of principal of the RMIT1 on the due date for payment thereof (other than non-payment of principal in accordance with Loss Absorption and/or Principal Stock Settlement); or
  - b) a default in the payment of interest on the RMIT1 Capital Securities within 14 days of the due payment thereof (other than non-payment of interest in accordance with Optional Deferral of Payments);

For avoidance of doubt, a default in the payment of principal and/or interest to the extent that such default is due to, the cancellation of the Issuer's obligation to pay any Optional Deferred Payments in excess of the Deferral Limit in the manner contemplated by Optional Deferral of Payments does not give rise to an Enforcement Event.

If an Enforcement Event occurs, subject to the terms of the Trust Deed, the Trustee may, and if so directed by an extraordinary resolution shall, institute for and on behalf of the holders of the RMIT1 such proceedings to enforce the payment obligations of the Issuer under the RMIT1 and may, if so directed by an extraordinary resolution shall institute proceedings in Malaysia for the Winding Up of the Issuer but may take no other action in respect of such default, provided that the Trustee shall have no right to accelerate payment of such RMIT1 in the case of default in the payment of interest on, or other amounts owing under such RMIT1 or any default in the performance of any other covenant of the Issuer under the RMIT1 or the Trust Deed.

If a Winding-Up proceeding commences in respect of the Issuer or an effective resolution of the shareholders

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of the Issuer is passed for a Winding-Up Proceeding in respect of the Issuer, subject to the terms of the Trust Deed, the Trustee may for and on behalf of the holders of the RMIT1, and if so directed by an extraordinary resolution shall, by written notice to the Issuer declare the principal of, and interest on, such RMIT1 to be due and immediately payable, whereupon the principal of, and interest on, such RMIT1 shall become and be immediately due and payable.

For the avoidance of doubt, "Winding-Up Proceeding" or "Winding-Up" in relation to AmBank in this PTC means the occurrence of any of the following:

- (a) an agency or supervisory authority in Malaysia having jurisdiction in respect thereof shall have instituted a proceeding or a proceeding instituted in court or a court, agency or supervisory authority in Malaysia having jurisdiction in respect thereof entered a decree or order for the appointment of a receiver or liquidator in any insolvency, rehabilitation, readjustment of debt, marshalling of assets and liabilities, or similar arrangements involving AmBank or all or substantially all of its properties, or for the winding up of or liquidation of its affairs and such proceeding, decree or order shall not have been vacated or shall have remained in force undischarged or unstayed for a period of 30 days; or
- (b) AmBank files a petition in accordance with any insolvency statute.

- (2) Principal Stock Settlement : If the RMIT1 are still outstanding on the 15th business day before the Final Maturity Date and the Issuer has not given notice that it will redeem the RMIT1 prior to the Final Maturity Date, the Issuer shall, subject to the prior approval of BNM, the SC and other regulatory governmental approvals and/or approval of the shareholder(s) of the Issuer if such approval is required, issue sufficient number of the Bank's ordinary shares or such other sufficient number of the eligible securities, the cash proceeds of which shall be used to redeem the relevant RMIT1 Issue in cash at the Redemption Amount.
- (3) Optional Deferral of Payments : If during the 12-month period immediately preceding any interest payment date, the Bank did not declare any dividends, or make any interest payments on any securities or instruments ranking pari passu with or junior to the RMIT1 and the Bank did not redeem, purchase, reduce or return any capital or otherwise

acquire any of its shares or securities or instruments issued or guaranteed by the Issuer ranking pari passu with or junior to the RMIT1 ("**Payment Limitation Event**"), the Bank may at its option and with prior written notice to the Trustee, defer paying interest on the RMIT1 otherwise payable on any payment dates ("**Optional Deferred Payments**") up to 50% of the aggregate outstanding principal amount of the RMIT1 ("**Deferral Limit**"). Any Optional Deferred Payments beyond the Deferral Limit is subject to the prior approval of BNM.

To the extent that BNM does not approve such further deferrals, the Bank's obligation to make payment of such additional Optional Deferred Payments above the Deferral Limit shall be cancelled and such interest payments shall no longer be due and payable. Any such cancellation will not constitute a default by the Bank for any purpose whatsoever.

While any interest amount, whether deferred or not remains unpaid, the Issuer shall not:

- (i) pay any dividend to its shareholders or make interest payment on any securities or instruments that rank pari passu with or junior to the RMIT1; and
- (ii) redeem, purchase, reduce or return any capital or otherwise acquire any of its shares or any securities or instruments issued or guaranteed by the Issuer, ranking pari passu with or junior to the RMIT1.

Upon cessation of the Payment Limitation Event and subject to prior approval of BNM for the cancellation of any Optional Deferred Payments above the Deferral Limit, the Issuer shall pay the Optional Deferred Payments in full on the next interest payment date via the Alternative Payment Mechanism provided that no Payment Limitation Event occurs or continues to occur on such subsequent interest payment date(s). No interest shall accrue on any Optional Deferred Payments.

Any payment of dividends to shareholders of the Issuer and/or payments to holders of securities or instruments ranking pari passu with or junior to the RMIT1, in connection with the cessation of the Payment Limitation Event, may only be made simultaneously with or immediately following the payment of all Optional Deferred Payments in accordance with this clause.

Notwithstanding the above, on any interest payment date with respect to which (i) a Regulatory Event has occurred and is continuing and (ii) the Issuer is not in breach of BNM minimum capital adequacy ratio

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requirements, the Issuer shall be obliged to pay the interest payment.

A “**Regulatory Event**” means any time there is more than an insubstantial risk, as determined by the Issuer, that the RMIT1 will no longer qualify as Innovative Tier 1 Capital of the Issuer for the purposes of BNM’s capital adequacy requirements under any applicable regulations.

For the avoidance of doubt, no interest payment will be made if the payment will result in the Issuer breaching BNM’s minimum capital adequacy ratio requirements. Such amounts will be deemed to be Optional Deferred Payments up to the Deferral Limit. Any Optional Deferred Payments beyond the Deferral Limit is subject to the prior approval of BNM.

- (4) Loss Absorption : If any of the following events (“**Replacement Event**”) exist prior to an interest payment date, and continues to exist on or during such date, or the payment of interest under the RMIT1 would result in the occurrence of a Replacement Event, the Bank may after consultation with BNM and subject to the prior approval of the BNM, SC and/or approval of the shareholder(s) of the Issuer, if such approval is needed, be required to redeem the RMIT1 on such interest payment date at the Redemption Amount via the Alternative Payment Mechanism:
- a. the Bank is in breach of BNM’s minimum capital adequacy ratio requirements;
  - b. commencement of a Winding Up proceeding against the Bank; or
  - c. appointment of an administrator in connection with a restructuring of the Bank.

If the Bank is unable to redeem the RMIT1 accordingly for a period of 12 months immediately following such interest payment date and the Replacement Event continues to exist, the Bank may be required by BNM to cancel the payment of such Redemption Amount but only to the extent required to remedy such Replacement Event. Such amount so cancelled shall no longer be due and payable by the Bank. Non-payment of such amount will not constitute a default or Enforcement Event by the Bank for any purpose whatsoever.

- (5) Alternative Payment Mechanism : Subject to the prior approval of BNM, the Bank shall satisfy the payment of any (i) Optional Deferred Payments and/or any (ii) Redemption Amount payable

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under the Principal Stock Settlement or Loss Absorption clauses through the issuance of sufficient number of the Bank's ordinary shares or such other sufficient number of eligible securities. The cash proceeds from the aforesaid issuance shall be no less than the amount required to pay the Optional Deferred Payments and/or Redemption Amount and shall be paid by the Bank to the Trustee to the holders of the RMIT1 as verified by the Facility Agent

If the Bank is unable to raise a sufficient amount of cash proceeds from the issuance of such ordinary shares or eligible securities to pay the Optional Deferred Payments and/or any Redemption Amount on the due date for payment and a shortfall exists, the Bank will continue to use its best endeavours to issue a sufficient number of such ordinary shares or such other eligible securities until the Trustee shall have received funds equal to the full amount of such shortfall.

The Bank shall use its best endeavours to:

1. keep available for issue, a sufficient number of ordinary shares as is reasonably required to satisfy payment of the Optional Deferred Payments and/or Redemption Amount;
2. procure subscribers for its ordinary shares or eligible securities; and
3. obtain such consents, approvals and authorisations required from its shareholders, SC, BNM or other regulatory authorities to allow it to carry out the matters stated in this clause.

If the Bank is unable to fully pay the Optional Deferred Payments and/or Redemption Amount in accordance with the above provisions (except in the case of cancellation of the Bank's obligations to pay the Optional Deferred Payments in excess of the Deferral Limit) then, until such amount has been paid in full by the Bank, the Bank shall not:

- (i) pay any dividend to its shareholders or make any interest payment on any securities or instruments ranking pari passu with or junior to the RMIT1; and
- (ii) redeem, purchase, reduce or return any capital or otherwise acquire any of its shares or any securities or instruments issued or guaranteed by the Bank, ranking pari passu with or junior

to the RMIT1.

Any such non-settlement of the Optional Deferred Payments and/or the Redemption Amount will not constitute or be deemed a default by the Bank for any purpose whatsoever nor will it be an Enforcement Event. For avoidance of doubt, such non-settlement will not affect any of the other features of the RMIT1.

(6) Covenants : These shall include but not limited to the following:

The Issuer shall:

1. At all times perform all its obligations and promptly comply with all provisions of the Transaction Documents and the terms and conditions of the RMIT1 (including but not limited to redeeming the RMIT1 on the relevant maturity dates or any other dates on which the RMIT1 are due and payable);
2. Deliver to the Trustee a copy of its annual audited accounts within 180 days after the end of each financial year and any other accounts, report, notice, statement or circular or other documents issued by the Issuer to its shareholders;
3. Deliver to the Trustee annually a certificate stating that the Issuer has complied with its obligations under the Trust Deed and the terms and conditions of the RMIT1 and that there did not exist or had not existed, from the issue date, any Enforcement Event and if such is not the case, to specify the same;
4. Provide to the Trustee such information which the Trustee may reasonably require for the purpose of the discharge of its duties, powers, trusts, authorities and discretions vested in it to the extent permitted by law;
5. Immediately notify the Trustee in the event that the Issuer becomes aware of the following:
  - a) the occurrence of any Enforcement Event or Winding Up Proceedings and the Issuer shall take reasonable steps and/or such other steps as may be reasonably requested by the Trustee to remedy and/or mitigate the Enforcement Events or the Winding Up Proceedings;
  - b) any circumstance that has occurred or

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- any other matter that may materially prejudice the ability of the Issuer to perform its obligations under the RMIT1 or any security included in or created by the RMIT1 or the Trust Deed;
  - c) any substantial change in the nature of the business of the Issuer;
  - d) any change in the utilisation of the proceeds from the RMIT1 other than for the purpose stipulated;
  - e) any change in the Issuer's withholding tax position or taxing jurisdiction; and
  - f) any other matters that may materially prejudice the interests of the RMIT1 holders.
6. At all times keep proper books and accounts on a basis consistently applied in accordance with the laws of Malaysia and generally accepted accounting principles and standards in Malaysia;
  7. At all times maintain its corporate legal existence and exercise reasonable diligence in carrying out its business in a proper and efficient manner which should ensure, amongst others, that all necessary approvals or relevant licences are obtained;
  8. At all times maintain a Paying Agent with a specified office in Malaysia;
  9. Procure that the Paying Agent shall notify the Trustee in the event that the Paying Agent does not receive payment from the Issuer on the due dates as required under the Trust Deed and the terms and conditions of the RMIT1; and
  10. Such other covenants deemed necessary or as may be advised by the Solicitors.
- (7) Status : The RMIT1 are not guaranteed and will constitute unsecured and subordinated obligations of the Issuer.
- (8) Subordination : The RMIT1 will rank pari passu and without preference among themselves, and will rank pari passu with other Tier 1 securities and with the most junior class of preference shares (if any) of the Issuer, but in priority to the rights and claims of holders of the ordinary equity shares of the Issuer. The principal of, and interest and any additional amounts payable on the RMIT1 will be

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- subordinated in right of payment upon the occurrence of any Winding-Up Proceeding to the prior payment in full of all deposit liabilities and all other liabilities of the Issuer and any debt securities (whether subordinated or unsubordinated) of the Issuer that rank senior to the RMIT1, except in each case to those liabilities which by their terms rank equally in right of payment with or which are subordinated to the RMIT1.
- (9) Redemption Amount : 100% of the outstanding nominal value of the RMIT1 together with accrued but unpaid interest and any other amounts outstanding up to (and excluding) the date of redemption but shall not include all those interest that is not payable and cancelled under the Optional Deferred Payments.
- (10) Optional redemption : Subject to the Issuer being and remaining solvent and subject to BNM's approval, the Issuer shall be entitled to redeem in whole but not in part the relevant tranche of the RMIT1 at the Redemption Amount at any time on the 10<sup>th</sup> anniversary of the issue date of that tranche (the "**First Call Date**") or on any Interest Payment Date thereafter.
- (11) Redemption due to Abortment of Merger or Acquisition : If an RMIT1 tranche was issued for the purpose of funding a merger or acquisition which is subsequently aborted, the Issuer may, at its option, and subject to BNM's approval, redeem the relevant tranche of the RMIT1 (in whole, but not in part) at the Redemption Amount.
- (12) Tax Redemption : Subject to the Issuer being and remaining solvent and subject to the prior approval of BNM, it may redeem the RMIT1 in whole but not in part at the Redemption Amount if the Issuer may no longer be able to fully deduct the interest payments under the RMIT1 for taxation purposes as a result of a change in any applicable law or regulation.
- (13) Regulatory Redemption : Subject to the Issuer being and remaining solvent and subject to the prior approval of BNM, it may redeem the RMIT1 in whole but not in part at the Redemption Amount if a Regulatory Event occurs.
- (14) Purchase and Cancellation : The Bank or any of its subsidiaries may at any time purchase, subject to the prior approval of BNM, the RMIT1 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 holders equally. The RMIT1 purchased by the Issuer or a subsidiary may not be used for voting purposes or for directing or requesting the Trustee to take any action in relation to the RMIT1.



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All the RMIT1 which are redeemed or purchased by the Bank will forthwith, subject to the prior approval of BNM, be cancelled and accordingly may not be reissued or resold.

- (15) Transaction Documents : The RMIT1 shall be evidenced inter-alia, by the following documents:
1. Programme Agreement;
  2. Depository and Paying Agency Agreement;
  3. Trust Deed; and
  4. Any other legal documentation as advised by the Solicitors.
- (16) Voting Rights : Holders of any of the RMIT1 will not be entitled to receive notice of or attend or vote at any meeting of the ordinary shareholders of the Issuer or to participate in the management of the Issuer. No company-shareholder relationship is intended or has been contemplated between the Bank and the holders of the RMIT1, and as such, the relationship between the Bank and the holders of the RMIT1 shall not be governed by the Memorandum and Articles of Association of the Bank.
- (17) Taxation : All payments shall be made free and clear of all present and future taxes, duties, withholdings or other deductions whatsoever imposed by the government or any political sub-division or tax authority thereof. In the event that any such taxes are in future imposed or if such withholding or deduction is required by law, the Issuer must make such additional payments as are necessary to cause the holders of the RMIT1 to receive the net amount that they would otherwise have received, except that no such additional amounts shall be payable in respect of any RMIT1 presented for payment by or on behalf of a holder of the RMIT1 who would not be liable or subject to such withholding or deduction by making a declaration of residence in Malaysia or other similar claim for exemption to the relevant tax authority
- (18) Transferability : Transferable, but subject to the Selling Restrictions stated herein.
- (19) Other Conditions : The RMIT1 shall at all times be governed by the guidelines issued and to be issued from time to time by the SC, BNM and/or any other authority in Malaysia having jurisdiction over matters pertaining to the RMIT1, and the Codes of Conduct.
- (20) Amendments : No provision of the RMIT1 may be amended without the

**Principal terms and conditions of the RMIT1 Programme**

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prior written consent of BNM if such amendment would or may result in the RMIT1 not being treated as Innovative Tier 1 Capital of the Bank on a consolidated or unconsolidated basis.

- (21) Governing Law : The laws of Malaysia.
- (22) Jurisdiction : The Issuer shall unconditionally and irrevocably submit to the exclusive jurisdiction of the courts of Malaysia.