

CIMB THAI BANK PUBLIC COMPANY LIMITED

Proposed issue of, offer for subscription for or purchase of
Tier 2 subordinated debt pursuant to the Tier 2 Subordinated Debt Programme
of up to RM2 billion in nominal value

Principal Terms and Conditions of the Proposal

2.01	<u>BACKGROUND INFORMATION</u>			
	(i)	<i>Name</i>	:	CIMB Thai Bank Public Company Limited (“ CIMB Thai ” of the “ Issuer ”).
	(ii)	<i>Address</i>	:	44 Langsuan Road, Kwang Lumpini, Khet Patumwan, Bangkok, Thailand.
	(iii)	<i>Business Registration Number</i>	:	0107537002338.
	(iv)	<i>Date and place of incorporation</i>	:	24 June 1994 / Thailand.
	(v)	<i>Date of listing, where applicable</i>	:	22 November 1978 on the Stock Exchange of Thailand
	(vi)	<i>Status on residence, i.e. whether it is a resident controlled company or non-resident controlled company</i>	:	Resident-controlled company.
	(vii)	<i>Principal activities</i>	:	Provision of commercial banking.
	(viii)	<i>Board of Directors</i>	:	<p>As at 31 March 2014, the Board of Directors of the Issuer are:</p> <ol style="list-style-type: none"> 1. Chakramon Phasukavanich 2. Dato’ Robert Cheim Dau Meng 3. Sukont Kanjana-Huttakit 4. Watanan Petersik 5. Dato’ Shaarani bin Ibrahim 6. Kenny Kim 7. Subhak Siwaraksa <p>The shareholders have agreed to appoint Mr. Chitrapongse Kwangsukstith, Ms.Sopowadee Lertmanaschai and Ms. Serena Tan Mei Shwen as the new directors of the Issuer at the shareholders meeting held on 11 April 2014. As at 20 May 2014, the Bank of Thailand (“BOT”) has approved the appointment of Mr. Chitrapongse Kwangsukstith, Ms.Sopowadee</p>

				Lertmanaschai and Ms. Serena Tan Mei Shwen.																								
	(ix)	Structure of shareholdings and names of shareholders or, in the case of a public company, names of all substantial shareholders; (as at 31 March 2014 is as follows)	:	<div>The substantial shareholders of the Issuer are:<table><tr><th>No.</th><th>Name</th><th>No. Of Shares</th><th>% of total</th></tr><tr><td>1</td><td>CIMB Bank Berhad</td><td>19,757,994,173</td><td>93.71%</td></tr><tr><td>2.</td><td>Societe Generale Bank & Trust, Singapore Branch</td><td>647,452,040</td><td>3.07%</td></tr><tr><td>3.</td><td>Thai NVDR Company Limited</td><td>149,233,662</td><td>0.71%</td></tr><tr><td>4.</td><td>Others*</td><td>530,208,150</td><td>2.51%</td></tr><tr><td></td><td>Total</td><td></td><td>100.00%</td></tr></table></div> <div>*the “Others” are individual retail investors.</div>	No.	Name	No. Of Shares	% of total	1	CIMB Bank Berhad	19,757,994,173	93.71%	2.	Societe Generale Bank & Trust, Singapore Branch	647,452,040	3.07%	3.	Thai NVDR Company Limited	149,233,662	0.71%	4.	Others*	530,208,150	2.51%		Total		100.00%
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	(x)	Authorised, issued and paid-up capital	:	<div>The authorised capital as at 31 March 2014 THB13,052,747,804.00 divided into 26,105,495,608 ordinary shares of THB0.50 each</div> <div>The issued and paid-up capital as at 31 March 2014 THB10,542,439,012.50 divided into 21,084,878,025 ordinary shares of THB0.50 each</div>																								
	(xi)	Disclosure of the following	:																									
		If the Issuer or its board members have been convicted or charged with any offence under the securities laws, corporation laws of other laws involving fraud or dishonesty in a court of law, for the past five years prior to the date of application; and		None.																								
		If the Issuer has been subjected to any action by the		None.																								

		<i>stock exchange for any breach of the listing requirements or rules issued by the stock exchange, for the past five years prior to the date of application.</i>		
2.02	<u>PRINCIPAL TERMS AND CONDITIONS</u>			
(a)	<i>Names of parties involved in the proposed transaction (where applicable)</i>			
	<i>(i)</i>	<i>Principal Adviser</i>	:	CIMB Investment Bank Berhad (“ CIMB ”)
	<i>(ii)</i>	<i>Lead Arranger</i>	:	CIMB
	<i>(iii)</i>	<i>Co-Arranger</i>	:	Not applicable
	<i>(iv)</i>	<i>Solicitors</i>	:	(i) Messrs Zaid Ibrahim & Co. as counsel for CIMB (for Malaysian law & regulations), acting as Principal Adviser, Lead Arranger and Lead Manager; and (ii) Baker & Mckenzie as counsel for CIMB (Thailand law and regulations)
	<i>(v)</i>	<i>Financial Adviser</i>	:	Not applicable
	<i>(vi)</i>	<i>Technical Adviser</i>	:	Not applicable
	<i>(vii)</i>	<i>Bond Trustee</i>	:	Pacific Trustees Berhad
	<i>(viii)</i>	<i>Guarantor</i>	:	Not applicable
	<i>(ix)</i>	<i>Valuer</i>	:	Not applicable
	<i>(x)</i>	<i>Facility Agent</i>	:	CIMB
	<i>(xi)</i>	<i>Primary Subscriber (under a bought-deal arrangement) and Amount subscribed</i>	:	To be determined prior to each issuance in respect of issuance via bought deal basis only. Not applicable for issuance via private placement and book building.

	(xii)	<i>Underwriter and amount underwritten</i>	:	Not applicable
	(xiii)	<i>Central Depository</i>	:	Bank Negara Malaysia (“ BNM ”)
	(xiv)	<i>Paying Agent</i>	:	BNM
	(xv)	<i>Reporting Accountant</i>	:	Not applicable
	(xvi)	<i>Calculation Agent</i>	:	Not applicable
	(xvii)	<i>Others (please specify)</i>	:	<u>Lead Manager</u> CIMB and such other party(ies) as may be selected by the Issuer for any particular issuance.
(b)	Facility Description		:	The Tier 2 subordinated debt (“ Subordinated Debt ”) programme (“ Subordinated Debt Programme ”), of which the Subordinated Debt issued under the Subordinated Debt Programme will qualify as Tier 2 capital of CIMB Thai pursuant to the notification of the BOT No. SorNorSor 13/2555 regarding the capital adequacy for a commercial bank incorporated in Thailand.
(c)	Issue/ DebtProgramme Size (RM)		:	The Subordinated Debt Programme will have a total limit of RM2 billion in nominal value. The total outstanding Subordinated Debt issued under the Subordinated Debt Programme shall not at any time exceed the nominal value of RM2 billion.
(d)	Tenure of issue/debt programme		:	<u>Tenure of the Subordinated Debt</u> Each issuance of Subordinated Debt under the Subordinated Debt Programme shall have a tenure of not less than five (5) years and up to fifteen (15) years from the issue date of each Subordinated Debt. In respect of each issuance of Subordinated Debt, the maturity of the Subordinated Debt shall not exceed the tenure

			<p>of the Subordinated Debt Programme.</p> <p><u>Tenure of the Subordinated Debt Programme</u></p> <p>The tenure of the Subordinated Debt Programme shall expire thirty (30) years from the date of the first issuance of the Subordinated Debts under the Subordinated Debt Programme (the "Expiry Date").</p> <p><u>Call Option</u></p> <p>Each issuance of Subordinated Debt under the Subordinated Debt Programme may have a callable option ("Call Option") (to be determined prior to each issuance). Under the Call Option, if applicable for the relevant tranche, the Issuer shall have the option to redeem the Subordinated Debt on the Call Date subject to the requirements set out in paragraph (u) below.</p> <p>Call Date is defined as the Coupon Payment Date falling on or after the 5th anniversary of the Issue Date, and each subsequent coupon payment date thereafter, of a particular issuance of Subordinated Debt.</p> <p>The relevant Call Date shall be determined prior to the issuance of such Subordinated Debt.</p>
(e)	<i>Availability period of debt programme</i>	:	<p>The Subordinated Debt Programme shall have an availability period of fifteen (15) years from the date the conditions precedent are met or waived accordingly under the Subordinated Debt Programme provided that each issuance of Subordinated Debt shall mature on or prior to the Expiry Date of the Subordinated Debt Programme.</p>
(f)	<i>Interest/Coupon rate</i>	:	<p>The coupon rate of each issuance of Subordinated Debt under the Subordinated Debt Programme shall be determined prior to the issue date of each issuance.</p>

			<p>The coupon rate for each tranche (“Applicable Coupon Rate”) will be calculated based on the aggregate of (i) a reference rate prevailing at the date of determination of the Applicable Coupon Rate, for a tenure equivalent to the period from issue date until (but excluding) the first Call Date (the reference rate may be reset on the respective first Call Date based on the then prevailing reference rate on the Call Date provided that the basis for determining the reference rate shall be the same throughout the tenor of each tranche) plus (ii) a margin which shall be fixed throughout the tenure of the Subordinated Debt (both the reference rate and the margin shall be determined prior to the issue date of each issuance).</p> <p>For each tranche of the Subordinated Debt where Call Option is not applicable, the Applicable Coupon Rate will remain unchanged throughout the tenor of the tranche.</p> <p>The coupon rate will not have a credit-sensitive coupon feature, that is, the coupon rate will not be adjusted based on change in the Issuer's credit risk.</p>
(g)	Interest/Coupon Payment Frequency	:	<p>The interest / coupon under the Subordinated Debt shall be payable semi-annually in arrears from the issue date (“Coupon Payment Date”) or such other period as may be agreed to between Issuer and Lead Arranger prior to the issuance of any Subordinated Debt with the last coupon payment to be made on the maturity date or upon Early Redemption, whichever is the earlier.</p>
(h)	Interest/Coupon Payment Basis	:	<p>Interest / coupon shall be calculated based on the actual number of days in the relevant period divided by 365.</p>
(i)	Security/Collateral , where applicable	:	<p>None</p>
(j)	Details on utilization of	:	<p>The proceeds of the Subordinated Debt shall be</p>

	<i>proceeds by issuer</i>		made available to the Issuer, without limitation, for its working capital, general banking and other corporate purposes and/or if required, the refinancing of any existing subordinated debts previously issued and/or any future subordinated debts to be issued by the Issuer.
(k)	<i>Sinking fund and designated accounts, where applicable</i>	:	Not applicable
(l)	<i>Rating</i>		
	<ul style="list-style-type: none"> • Credit ratings assigned and whether the rating is final or indicative. In the case of a debt programme where the credit rating is not assigned for the full amount, disclosures set out in paragraph 4.04 of these guidelines must be made 	:	An indicative credit rating of AA3 has been assigned to the Subordinated Debt Programme.
	<ul style="list-style-type: none"> • Name of Rating Agency 	:	RAM Rating Services Berhad (“ RAM ”)
(m)	<i>Mode of Issue</i>	:	<p>The Subordinated Debt may be issued via direct placement on a best effort basis or a bought deal basis or book running on a best effort basis without prospectus.</p> <p>Issuance of the Subordinated Debt shall be in accordance with the (1) the Participation and Operation Rules for Payment Securities Services (“MyClear Rules”) issued by Malaysian Electronic Clearing Corporation Sdn Bhd (“MyClear”) and (2) the Operational Procedures for Securities Services issued by MyClear (“MyClear Procedures”), as amended or substituted from time to time (collectively, “MyClear Rules and Procedures”), subject to such variation, amendments or exemptions (if any) from time to time.</p>
(n)	<i>Selling Restriction,</i>	:	The Subordinated Debt may only be offered,

	<i>including tradability, i.e. whether tradable or non-tradable</i>		<p>sold, transferred or otherwise disposed directly or indirectly, to a person to whom an offer for subscription or purchase of, or invitation to subscribe for or purchase the Subordinated Debt and to whom the Subordinated Debt are issued would fall within:</p> <ol style="list-style-type: none"> 1. Schedule 6 (or Section 229(1)(b)) and Schedule 7 (or Section 230(1)(b)); and 2. read together with Schedule 9 (or Section 257(3)) <p>of the Capital Markets and Services Act, 2007, as amended from time to time, and such other selling restrictions as may be applicable outside Malaysia.</p> <p><u>Selling Restrictions after Issuance</u></p> <p>The Subordinated Debt may only be offered, sold, transferred or otherwise disposed directly or indirectly, to a person to whom an offer for subscription or purchase of, or invitation to subscribe for or purchase the Subordinated Debt and to whom the Subordinated Debt are issued would fall within:</p> <ol style="list-style-type: none"> 1. Schedule 6 (or Section 229(1)(b)); and 2. read together with Schedule 9 (or Section 257(3)) <p>of the Capital Markets and Services Act, 2007, as amended from time to time, and such other selling restrictions as may be applicable outside Malaysia.</p>
(o)	<i>Listing Status and Types of Listing, where applicable</i>	:	The Subordinated Debt may be listed under the Exempt Regime of Bursa Malaysia Securities Berhad or any other stock exchange for profiling purpose or otherwise, subject to any exchange control restrictions, where applicable.
(p)	<i>Other regulatory approvals required in relation to the issue, offer or invitation to subscribe or purchase PDS, and</i>	:	<ol style="list-style-type: none"> a) Approval-in-principle has been received from BOT for permission to count the Subordinated Debt as Tier 2 capital. As of the date of this document, there are no written requirements under Thai law for the Issuer to obtain approval-in-principle nor

	<i>whether or not obtained</i>		<p>approval from BOT prior to an issuance and offer of the Subordinated Debt to be counted as Tier 2 capital.</p> <p>b) Approval from BNM for the establishment of the Subordinated Debt Programme by a non-resident Issuer pursuant to Notice 2 of the Foreign Exchange Rules dated 20 June 2013 and the Joint Information Note dated 1 July 2013.</p> <p>c) Approval from the Office of the Securities and Exchange Commission of Thailand (“SEC”) on the offer and sale of the Subordinated Debt. The approval will be given on a per issue basis as opposed to a programme basis. It will be a condition precedent for each issuance under the Subordinated Debt Programme to obtain such approval from SEC in respect of the relevant tranche of the Subordinated Debt to be issued.</p>
(q)	<i>Conditions Precedent</i>	:	<p>To include but not limited to the following (all of which shall be in form and substance acceptable to the Lead Arranger):</p> <p>A <u>Main Documentation</u></p> <p>The Financing Documents have been signed and, where applicable, stamped and presented for registration.</p> <p>B <u>The Issuer</u></p> <ol style="list-style-type: none"> 1. Certified copies of: (i) Certification Document (Affidavit), (ii) Memorandum of Association, (iii) Articles of Association, issued by the Ministry of Commerce of Thailand. 2. A certified true copy of a board resolution and a shareholders' resolution of the Issuer authorising, among others, the execution of the transaction documents. 3. A list of the Issuer's authorised signatories and their respective specimen signatures.

			<p>4. Confirmation or the relevant statutory declaration of the Issuer (in form and substance acceptable to the Lead Arranger) signed by a director of the Issuer declaring that the Issuer is not wound up and that no winding up petition has been presented against the Issuer.</p> <p>C <u>General</u></p> <p>1. The authorisation from the SC and, where applicable, all other regulatory authorities.</p> <p>2. The approval from SEC for the first issuance of the Subordinated Debt.</p> <p>3. Approval from BNM for the establishment of the Subordinated Debt Programme.</p> <p>4. The Lead Arranger has received from Baker & McKenzie in relation to the laws of Thailand a legal opinion in form and substance acceptable to the Lead Arranger to confirm the validity and enforceability of the relevant documents against the Issuer from a Thai law perspective and a confirmation that all Thai law conditions precedent have been fulfilled (or waived).</p> <p>5. The Lead Arranger has received from Messrs. Zaid Ibrahim & Co. a legal opinion advising with respect to, amongst others, the legality, validity and enforceability of the transaction documents under the laws of Malaysia and a confirmation that all conditions precedent have been fulfilled (or waived).</p> <p><u>Condition Precedent for each issuance</u></p> <p>Receipt of the approval from SEC for the relevant issuance of the Subordinated Debt.</p>
(r)	<i>Representations and Warranties</i>	:	Representation and warranties will include such representation and warranties customary and standard for a facility of this nature and shall

			<p>include, but not limited to the following:</p> <ul style="list-style-type: none"> (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 Financing Documents (as defined in paragraph (v)(E) below) and exercise its rights or perform its obligations under the Financing Documents; (iii) Entry into and the exercise of the Issuer's rights and obligations under the Financing Documents do not violate any existing law or regulation; (iv) The Financing Documents are valid, binding and enforceable; (v) All necessary actions, authorisations and consents required under the Financing Documents and the Subordinated Debt have been obtained and remain in full force and effect; (vi) The audited accounts of the Issuer are prepared in accordance with generally accepted accounting principles and standards and represent true and fair view; (vii) Save as disclosed in the Information Memorandum, there is no litigation which would have a material adverse effect on the Issuer's ability to perform its obligations under the Financing Documents; and (viii) Any other representation and warranties as may be advised by the Solicitors.
(s)	<i>Events of default and Enforcement Events, where applicable</i>	:	<p>An “Enforcement Event” means the occurrence of any of the following:</p> <ul style="list-style-type: none"> (i) a default is made in the payment of any principal amount of the Subordinated Debt on the due date for payment thereof; or

		<p>(ii) a default is made in the payment of any Coupon and such default is not remedied within seven (7) business days of the date due for payment thereof.</p> <p>If an Enforcement Event occurs, the Trustee may institute such proceedings as it chooses to enforce the obligations of the Issuer under the Trust Deed and/or institute proceedings for the winding up of the Issuer, provided that the Trustee shall have no right to accelerate payment of the indebtedness in the case of a default in the performance of any covenant of the Issuer under the Trust Deed.</p> <p>If a Winding-Up Proceeding occurs in respect of the Issuer or an effective resolution of the shareholders of the Issuer is passed for a Winding-Up Proceeding in respect of the Issuer, the Trustee may, by notice in writing to the Issuer, declare that notwithstanding the maturity date of the Subordinated Debt, all outstanding amounts of principal, interest and any other amounts due from the Issuer on the Subordinated Debt to be due and immediately payable, whereupon such amounts shall become and be immediately due and payable.</p> <p>“Winding Up Proceeding” shall mean a proceeding shall have been instituted in respect of the Issuer for the bankruptcy, rehabilitation, winding up, liquidation, receivership or other similar proceeding of the Issuer and such proceeding shall not have been vacated or shall have remained in force undischarged or unstayed for a period of sixty (60) days.</p>
(t)	Covenants	<p>The Issuer shall comply with such applicable positive covenants as may be advised by the Solicitors and / or which are required in order to comply with the SC’s guidelines on Trust Deeds Guidelines including, but not limited to the following;</p> <p>a) Exercise diligence in carrying on its business and keep in force and effect all</p>

			<p>licenses, consents and rights necessary for the conduct of its business;</p> <p>b) Comply with all relevant laws and regulations;</p> <p>c) Maintain a paying agent in Malaysia;</p> <p>d) Maintain proper books and accounts and deliver financial statements to the Trustee on a timely manner;</p> <p>e) Inform the Trustee any actual or potential Enforcement Event or commencement of Winding Up Proceeding; and</p> <p>f) Deliver to the Trustee a periodic certificate of compliance.</p>
(u)	<i>Provisions on buy-back and early redemption of PDS</i>		<p><u>Buy-back</u></p> <p>The Issuer may at any time purchase and cancel any part or all of the Subordinated Debt 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 of the relevant issuance equally. This is subject to:</p> <p>(i) prior approval of BOT; and</p> <p>(ii) submission to the BOT, redemption and substitution plans prior to the buy-back.</p> <p>For the avoidance of doubt, the buy-back may or may not be on a pro-rata basis.</p> <p><u>Early Redemption</u></p> <p>For each tranche of the Subordinated Debt where Call Option is applicable, the Issuer may, at its sole discretion, and subject to:</p> <p>(i) prior approval of BOT; and</p> <p>(ii) submission to the BOT, redemption and substitution plans at least thirty (30) days prior to the Call Date;</p> <p>redeem and cancel the Subordinated Debt in whole but not in part on the Call Date at its principal amount (together with all deferred and accrued but unpaid interest (if any), under the Subordinated Debt). The optional redemption by</p>

			<p>the Issuer of the Subordinated Debt of one tranche does not trigger the redemption of the Subordinated Debt in other tranches.</p> <p>This is provided that, if required by the BOT, (i) the redemption and substitution plans will include the issuance, either immediately or before the redemption, of financial instruments of equivalent or superior quality in substitution for the Subordinated Debt to be redeemed; and (ii) the issuance of these substitute instruments will not affect the Issuer's ability to perform its business operation.</p>
(v)	<i>Other principal terms and conditions for the proposal</i>		
A.	<i>Redemption at maturity</i>	:	Unless previously redeemed on the Call Date, or purchased from the market and cancelled, the Subordinated Debt will be redeemed at its principal amount (together with all deferred and accrued but unpaid interest (if any), under the Subordinated Debt) on the maturity date.
B	<i>Regulatory Redemption</i>	:	If the Subordinated Debt no longer fully qualifies as Tier 2 capital of the Issuer for the purposes of BOT's capital adequacy requirements under any regulations applicable to the Issuer or at any time there is more than an insubstantial risk that the Subordinated Debt will no longer qualify as such, the Issuer, may at its option, to the extent allowed by applicable laws and subject to the approval from BOT, redeem the Subordinated Debt (in whole but not in part) at its principal amount (together with all deferred and accrued but unpaid interest (if any), under the Subordinated Debt).
C	<i>Tax Redemption</i>		<p>If there is more than an insubstantial risk that:</p> <p>i) the Issuer will be obliged to pay any additional taxes, duties, assessments or government charges or whatever nature in relation to the Subordinated Debt; or</p>

			<p>ii) the Issuer would no longer obtain tax deductions on the interest amount under the Subordinated Debt for the purpose of Thailand corporation tax;</p> <p>as a result of a change in, or amendment to, the laws of regulations of Thailand or any political subdivision or any authority thereof having power to tax, or change in the application or official interpretation of such laws or regulation, which such change or amendment becomes effective on or after the date of the issuance and the Issuer cannot, by taking reasonable measures available to it, avoid such obligations, then the Issuer, may at its option, subject to the approval from BOT, redeem the Subordinated Debt (in whole but not in part) at its principal amount (together with all deferred and accrued but unpaid interest (if any), under the Subordinated Debt), regardless of whether the Call Date has occurred or not.</p>
D.	<i>Status of Subordinated Debt</i>	:	<p>The Subordinated Debt constitutes direct, unsecured and subordinated obligations of the Issuer. The principal of, and interest and any additional amounts payable on, the Subordinated Debt upon the occurrence of any winding-up will be subordinated and subject in right of payment to the prior payment in full of all claims of senior creditors, will rank senior to (1) all classes of equity securities of the Issuer, including holders of preference shares, if any, (2) Tier 1 Instruments and (3) such instruments which by their terms rank junior to the Subordinated Debt, and will rank <i>paripassu</i> without any preference among themselves and with all other outstanding unsecured and subordinated debt issued by the Issuer that qualifies as Tier 2 capital, present and future.</p>
E.	<i>Financing Documents</i>	:	<p>The Subordinated Debt shall be evidenced by, inter alia, the following:</p> <ol style="list-style-type: none"> 1. Programme Agreement; 2. Securities Lodgment Form;

			<p>3. Trust Deed; and</p> <p>4. Any other relevant agreements as advised by the Solicitors.</p>
<i>F.</i>	<i>Taxation</i>	:	<p>All payments by the Issuer shall be made subject to withholding or deductions for or on account of any present or future tax, duty, or charge of whatsoever nature imposed or levied by or on behalf of Malaysia and Thailand, or any authority thereof having power to tax, unless such withholding or deduction is required by law, in which event the Issuer shall be required to make payment of such additional amount so that the payee would receive the full amount which the payee would have received if no such withholding or deductions are made.</p>
<i>G.</i>	<i>Voting Rights</i>	:	<p>The holders of the Subordinated Debt shall have no voting rights in CIMB Thai.</p>
<i>H.</i>	<i>Governing Laws</i>	:	<p>Laws of Malaysia, except for the subordination which shall be governed under the Law of Thailand.</p>
<i>I.</i>	<i>Other Conditions</i>	:	<p>The Subordinated Debt shall at all times be governed by the guidelines issued and to be issued from time to time by the SC, BNM, BOT and/or any other authority having jurisdiction over matters pertaining to the Subordinated Debt.</p>
<i>J.</i>	<i>Non Viability Loss Absorption</i>	:	<p><u>Non-Viability Event for CIMB Thai</u></p> <p>Upon the occurrence of a Non-Viability Event for CIMB Thai (as defined below), the Issuer must require the entire principal outstanding or such portion thereof and all other amount owing under the Subordinated Debt be written off and as of the occurrence of a Non-Viability Event for CIMB Thai (as defined below), each of the holders of the Subordinated Debt hereby irrevocably waives its right to receive repayment of the principal amount written off under the Subordinated Debt and also irrevocably waives its right to any interest (including interest accrued but unpaid up to the Non-Viability</p>

		<p>Event for CIMB Thai).</p> <p>For the avoidance of doubt, upon the occurrence of a Non-Viability Event for CIMB Thai where the Issuer is to write off the Subordinated Debt the Issuer shall first convert into ordinary shares or write-off (i) all Tier 1 Instruments issued by the Issuer and (ii) instruments ranked junior to the Subordinated Debt which, pursuant to their terms or by operation of law are capable of being converted into equity or written off at that time, before the write-off or conversion of the Subordinated Debt and any Tier 2 Instruments.</p> <p>For avoidance of doubt, the write-off of the Subordinated Debt will be done (i) on the basis that such write-off will have an effect that will not be more prejudicial to the rights of the holders of Subordinated Debt than the rights of the holders of Tier 1 Instruments issued by the Issuer; and (ii) on a <i>paripassu</i> basis among the holders of Subordinated Debt and the holders of all other Tier 2 Instruments of the Issuer.</p> <p>Non-Viability Event for CIMB Thai means the occurrence of:</p> <p>(1) the Issuer cannot continue its business in any manner such as having insufficient assets to make repayment to its depositors and creditors, its capital funds having dropped to the extent that its depositors and creditors will be adversely affected, or not being able to increase capital by themselves, etc; and</p> <p>(2) The BOT and/or any other empowered government agency decide to grant financial assistance to the commercial banks such as in the form of capital injection.</p> <p>“Tier 1 Instruments” mean, at any time, any instrument issued directly or indirectly by the Issuer, other than the ordinary shares, which (a) are eligible to qualify as Tier 1 capital or Additional Tier 1 capital pursuant to the rules</p>
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		<p>and regulations of the BOT; and (b) contains provisions relating to a write-off or conversion into ordinary shares of the principal amount of such instrument on the occurrence, or as a result, of a Non-Viability Event for CIMB Thai and in respect of which the conditions (if any) to the operation of such provisions are (or with the giving of any certificate or notice which is capable of being given by the Issuer, would be) satisfied.</p> <p>“Tier 2 Instruments” mean, at any time, any instrument issued directly or indirectly by the Issuer, other than the Subordinated Notes, which (a) are eligible to qualify as Tier 2 capital pursuant to the rules and regulations of the BOT; and (b) contains provisions relating to a write-off or conversion into ordinary shares of the principal amount of such instrument on the occurrence, or as a result, of a Non-Viability Event for CIMB Thai and in respect of which the conditions (if any) to the operation of such provisions are (or with the giving of any certificate or notice which is capable of being given by the Issuer, would be) satisfied.</p> <p><u>Non-Viability Event for CIMB Bank Berhad (“CIMB Bank”)</u></p> <p>Following the occurrence of the following trigger events (each a “Non-Viability Event for CIMB Bank”), whichever is the earlier:</p> <ul style="list-style-type: none"> (i) BNM and the Malaysia Deposit Insurance Corporation (“PIDM”) have notified CIMB Bank in writing that they are of the view that the principal write off of the Subordinated Debt, is an essential requirement to prevent CIMB Bank from becoming non-viable; or (ii) BNM and PIDM 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 CIMB Bank, without which CIMB Bank would cease to be
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			<p>viable.</p> <p>BNM shall have the option to require the entire principal outstanding under the Subordinated Debt, or such portion thereof, and all other amount owing under the Subordinated Debt be written off, and if BNM elects to exercise such option, subject to and as of the date of the occurrence of the Non-Viability Event for CIMB Bank (as defined above), each of the holders of the Subordinated Debt hereby irrevocably waives its right to the principal amount of the Subordinated Debt and also irrevocably waives its right to any returns (including any amount owing due but unpaid up to the date of the occurrence of a Non-Viability Event for CIMB Bank).</p> <p>Non-Viability Event for CIMB Thai and Non-Viability Event for CIMB Bank are collectively known as “Non-Viability Event(s)”.</p> <p>The Issuer shall immediately inform the Trustee and Rating Agencies upon the occurrence of a Non-Viability Event.</p> <p>For avoidance of doubt, such write off as set out above shall not constitute an event of default or enforcement event, nor would it trigger a cross-default under the Subordinated Debt.</p>
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