

Alliance Bank Malaysia Berhad (ABMB or the Issuer or the Bank).

Subordinated Medium Term Notes Programme of up to RM2.0 billion in nominal value (Subordinated MTN Programme).

## Principal Terms and Conditions

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### (A) CORPORATE INFORMATION OF ISSUER

- (1) Name : Alliance Bank Malaysia Berhad (“ABMB” or the “Issuer” or the “Bank”).
- (2) Address : 3rd Floor, Menara Multi-Purpose,  
Capital Square,  
No. 8 Jalan Munshi Abdullah,  
50100 Kuala Lumpur.
- (3) Date of incorporation: 3 August 1982
- (4) Place of incorporation : Malaysia
- (5) Business registration: 198201008390 (88103-W)  
number
- (6) Residence status : Resident Controlled Company
- (7) Place of listing : Bursa Malaysia
- (8) Date of listing : 26 September 2017
- (9) Principal activities : ABMB is principally engaged in banking business and the provision of related financial services.
- (10) Issued and paid-up : The authorised, issued and paid-up capital of the Issuer as at 1 September 2020  
share capital are as follows:

	No. of shares	Amount (RM)
Issued and fully paid up:	327,922,332 (cash)	1,548,105,929.00
Ordinary Shares	1,220,183,597 (otherwise than cash)	

- (11) Structure of : The shareholders and structure of shareholding of the Issuer as at 1 September

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shareholdings and names of shareholders or, in the case of a public company, names of all substantial shareholders

2020 are as follows:

<b>Name of Substantial Shareholder</b>	<b>D i r e c t Interest</b>	<b>% of Issued Shares</b>	<b>I n d i r e c t Interest</b>	<b>% of Issued Shares</b>
Vertical Theme Sdn Bhd	449,857,775	29.06		
Langkah Bahagia Sdn Bhd			449,857,775(a)	29.06
Duxton Investments Pte Ltd			449,857,775(a)	29.06
Ong Beng Seng			449,857,775(b)	29.06
Ong Tiong Sin			449,857,775(b)	29.06
Seow Lun Hoo			449,857,775(b)	29.06
Fullerton Financial Holdings Pte Ltd			449,857,775(c)	29.06
Fullerton Mangement Pte Ltd			449,857,775(d)	29.06
Temasek Holdings (Private) Limited			449,857,775(e)	29.06
Singapore Minister for Finance			449,857,775(f)	29.06
Employees Provident Fund Board	209,190,340	13.51		

**Notes:**

- (a) Deemed interested by virtue of Section 8 of the Companies Act, 2016 held through Vertical Theme Sdn Bhd.
- (b) Deemed interested by virtue of Section 8 of the Companies Act, 2016 held through Langkah Bahagia Sdn Bhd.
- (c) Deemed interested by virtue of Section 8 of the Companies Act, 2016 held through Duxton Investments Pte Ltd.
- (d) Deemed interested by virtue of Section 8 of the Companies Act, 2016 held through Fullerton Financial Holdings Pte Ltd.
- (e) Deemed interested by virtue of Section 8 of the Companies Act, 2016 held through Fullerton Management Pte Ltd.
- (f) Deemed interested by virtue of Section 8 of the Companies Act, 2016 held through Temasek Holdings (Private) Limited.

(12) Board of directors :

No.	Name
1	Tan Sri Dato' Ahmad Bin Mohd Don
2	Lee Ah Boon
3	Datuk Wan Azhar Bin Wan Ahmad

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4	Lee Boon Huat
5	Ho Hon Cheong
6	Tan Chian Khong
7	Susan Yuen Su Min
8	Lum Piew

(13) Disclosure of the following :

(i) If the issuer or its board members have been convicted or charged with any offence under any securities laws, corporation laws or other laws involving fraud or dishonesty in a court of law, or if any action has been initiated against the issuer or its board members for breaches of the same, for the past ten years prior to the lodgement/ since incorporation (for issuer incorporated less than ten years) : No.

(ii) If the issuer has been subjected to any action by : No.

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the stock  
exchange for  
any breach of  
the listing  
requirements or  
rules issued by  
the stock  
exchange, for  
the past five  
years prior to  
the lodgement

### (B) PARTIES TO THE TRANSACTION

#### (a) Origination

No.	Roles	Name of parties
1	Principal Adviser	Alliance Investment Bank Berhad
2	Lead Arranger	Alliance Investment Bank Berhad ("AIBB")
3	Solicitors	Messrs Adnan Sundra & Low ("ASL")

#### (b) At the point of distribution

No.	Roles	Name of parties
1	Lead Manager	To be identified.

#### (c) After distribution

No.	Roles	Name of parties
1	Trustee	Malaysian Trustees Berhad (the "Trustee").
2	Facility Agent	Alliance Investment Bank Berhad ("AIBB").
3	Central Depository	Bank Negara Malaysia ("BNM").

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4	Paying Agent	Bank Negara Malaysia ("BNM").
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#### (C) DETAILS OF FACILITY/PROGRAMME

- (1) Name of facility : Subordinated Medium Term Notes Programme of up to RM2.0 billion in nominal value ("Subordinated MTN Programme").
- (2) One-time issue or programme : Programme
- (3) Shariah principles (for sukuk) : Not applicable
- (4) Facility description (for ringgit-denominated sukuk, to provide description as cleared by the SC) : Issuance of Subordinated Medium Term Notes ("**Subordinated MTNs**") under the Subordinated MTN Programme of up to RM2.0 billion in nominal value. The Subordinated MTNs are intended to qualify as Basel III compliant Tier 2 regulatory capital of Alliance Bank Malaysia Berhad ("**ABMB**") in accordance with the Capital Adequacy Framework (Capital Components) ("**Capital Adequacy Framework**") issued by BNM on 5 February 2020 and as amended from time to time.
- (5) Currency : Ringgit
- (6) Expected facility/ programme size : Up to MYR 2,000,000,000.00
- (7) Option to upsize (for programme) : No
- (8) Tenure of facility/ programme : 30 year(s)
- (9) Availability period for: debt/ sukuk programme : The period from completion of the Transaction Documents and, unless waived by the Lead Arranger, compliance of all conditions precedent and other applicable conditions to the satisfaction of the Lead Arranger up to the expiry of the Subordinated MTN Programme provided that each issuance of the Subordinated MTNs shall mature on or prior to the expiry of the Subordinated MTN Programme. The first issuance of the Subordinated MTNs shall be within sixty (60) business days from the date of lodgement with the SC.

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(10) Clearing and settlement platform : PayNet

(11) Mode of issue :  Private/direct placement  
 Bought deal  
 Book building

(12) Selling restrictions : (i) At issuance:  
 Part I of Schedule 6 of the Capital Markets & Services Act, 2007 (CMSA)  
 Part I of Schedule 7 of the CMSA  
 Read together with Schedule 9 of CMSA  
(ii) After issuance:  
 Part I of Schedule 6 of the CMSA  
 Read together with Schedule 9 of CMSA

**Additional Notes:**

Selling Restrictions at Issuance

The Subordinated MTNs 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 MTNs and to whom the Subordinated MTNs are issued would fall within:

- (i) Schedule 6 (or Section 229(1)(b)) and Schedule 7 (or Section 230(1)(b)); and
- (ii) read together with Schedule 9 (or Section 257(3))

of the Capital Markets and Services Act, 2007 (the "CMSA"), as amended from time to time, and such other selling restrictions as may be applicable outside Malaysia.

Selling Restrictions after Issuance

The Subordinated MTNs 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 MTNs and to whom the Subordinated MTNs are issued would fall within:

- (i) Schedule 6 (or Section 229(1)(b)); and
- (ii) read together with Schedule 9 (or Section 257(3))

of the CMSA, as amended from time to time, and such other selling restrictions as may be applicable outside Malaysia.

(13) Tradability and transferability : Size in Ringgit which are tradable and transferable:  
MYR 2,000,000,000.00

Size in Ringgit which are non-tradable and non-transferable:  
Not applicable

**Additional Notes:**

The Subordinated MTNs are transferable (subject to the Selling Restrictions

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described above) and tradable under the Rules on Scripless Securities under the RENTAS operated by MyClear.

- (14) Secured/combinatio : Unsecured  
n of unsecured and  
secured, if  
applicable
- (15) Details of guarantee,: Not guaranteed  
if applicable
- (16) Convertibility of : Non-convertible  
issuance and details  
of the convertability
- (17) Exchangeability of : Non-exchangeable  
issuance and details  
of the  
exchangeability
- (18) Call option and : For each tranche of the Subordinated MTNs where Call Option is applicable, the  
details, if applicable Issuer may, at its option, and subject to the Redemption Conditions (as defined in the paragraph entitled "Other terms and conditions – (i) Redemption Conditions) being satisfied, redeem that tranche of the Subordinated MTNs (in whole or in part) prior to maturity on the Call Date (as defined in the paragraph entitled "Other terms and conditions - (e) Tenure of the Subordinated MTNs) of that tranche at its nominal value (together with any accrued but unpaid interest, under the relevant Subordinated MTNs).
- (19) Put option and : No put option  
details, if applicable
- (20) Details of covenants : Positive Covenants

The following positive covenants shall include but not limited to the following:

- (i) The Issuer shall, at all times perform all its obligations and promptly comply with all provisions of the Trust Deed and the Transaction Documents and the terms and conditions of the Subordinated MTNs (including but not limited to redeeming the Subordinated MTNs on the relevant maturity dates or any other dates on which the Subordinated MTNs are due and payable) and immediately notify the Trustee in the event that the Issuer is unable to fulfil or comply with any of the provisions of the Trust Deed or any of the other Transaction Documents;
- (ii) The Issuer shall keep proper books and accounts at all times on a basis consistently applied in accordance with the laws of Malaysia and

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- generally accepted accounting principles and standards in Malaysia;
- (iii) The Issuer shall comply at all times 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) The Issuer shall at all times maintain its corporate legal existence and exercise reasonable due diligence in carrying out its business and affairs in a proper and efficient manner and in accordance with sound financial and commercial standards and practices and will ensure, amongst others, that all necessary approvals and relevant licenses required for it to carry on its business are obtained other than where the failure to obtain such licenses or approvals, would not have a material adverse effect on the ability of the Issuer to comply with its obligations under the Transaction Documents;
  - (v) The Issuer shall at all times maintain a paying agent with a specified office in Malaysia;
  - (vi) The Issuer shall procure that the paying agent shall notify the Trustee, through a Facility Agent, in the event that the paying agent does not receive payment of principal or coupon in respect of the Subordinated MTNs from the Issuer on the due dates and in the manner as required under the Trust Deed and the terms and conditions of the Subordinated MTNs; and
  - (vii) Such other covenants deemed necessary or as may be advised by the Solicitors, including but not limited to the covenants which are required in order to comply with the Trust Deeds Guidelines issued by the SC ("**Trust Deeds Guidelines**").

### Negative covenants

No negative covenant

### Financial Covenants

No financial covenant

### Information Covenants

#### Information Covenants

- (i) The Issuer shall deliver to the Trustee:
  - (a) a copy of its annual audited financial statements within one hundred and eighty (180) days after the end of its financial year; and
  - (b) any other accounts, balance sheet, report, notice, statement, circular or other documents issued by the Issuer to its shareholders;
- (ii) The Issuer shall no later than one hundred eighty (180) days after the end of each financial year, deliver to the Trustee a certificate signed by an authorised signatory of the Issuer, certifying that the Issuer has complied with and performed its obligations under the Trust Deed and the terms and conditions of the Subordinated MTNs and the other Transaction Documents and that there did not exist and there had not at any time existed, from the issue date of the Subordinated MTNs or the date of the previous certificate, as the case may be, any Enforcement Event (as defined in the paragraph entitled "Events of defaults or enforcement events, where applicable, including recourse available to investors") and if such is not the case, the certificate



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- should specify the same;
- (iii) The Issuer shall promptly provide to the Trustee any information relating to its affairs to the extent permitted by law or as stipulated in the Trust Deed as the case may be, as the Trustee may from time to time require in order to discharge its duties and obligations as Trustee under the Trust Deed and the other Transaction Documents;
  - (iv) The Issuer shall immediately notify the Trustee in writing in the event that the Issuer becomes aware of the following:
    - (a) upon the occurrence of any Enforcement Event, 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 Event;
    - (b) any circumstance that has occurred or any other matter that may materially prejudice the ability of the Issuer to perform its obligations under the Transaction Documents or in respect of the Subordinated MTNs;
    - (c) any substantial change in the nature of the business of the Issuer;
    - (d) any change in the utilisation of the proceeds from the Subordinated MTNs from that set out in the documents lodged to the SC, the Information Memorandum or any of the Transaction Documents which sets out the purpose for which proceeds are to be utilised;
    - (e) any change in the Issuer's withholding tax position or tax jurisdiction; and
    - (f) any other matter that may materially prejudice the interests of the holders of the Subordinated MTNs.
  - (v) Such other covenants deemed necessary or as may be advised by the Solicitors, including but not limited to the covenants which are required in order to comply with the Trust Deeds Guidelines.

(21) Details of designated account, if applicable : No designated account

(22) Name of credit rating agency, credit rating and amount rated, if applicable

No.	Credit rating agency	Credit rating	Final/ indicative rating	Name of Class/ Series/ Tranche	Amount rated
1	RAM Rating Services Bhd (RAM)	A2	Final rating		MYR 2,000,000,000.00

(23) Conditions precedent : To include but not limited to the following (all of which shall be in form and substance acceptable to the Lead Arranger):

**A. Main Documentation**

- (i) The Transaction Documents have been signed and, where applicable, stamped

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and presented for registration.

**B. The Issuer**

- (i) Certified true copies of the Certificate of Incorporation, and the Memorandum and Articles of Association of the Issuer.
- (ii) Certified true copies of the latest Forms 24, and the latest Forms 44 and 49 of the Issuer.
- (iii) A certified true copy of a board resolution of the Issuer authorising, among others, the execution of the Transaction Documents.
- (iv) A certified true copy of the shareholders' resolution of the Issuer, authorising, amongst others, the issuance of the Subordinated MTNs under the Subordinated MTN Programme by the Issuer and such resolution shall be delivered to the Lead Arranger, prior to the first issuance of the Subordinated MTNs under the Subordinated MTN Programme.
- (v) A list of the Issuer's authorised signatories and their respective specimen signatures.
- (vi) A report of the relevant company search of the Issuer.
- (vii) A report of the relevant winding up search 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.

**C. General**

- (i) The requirements relating to the lodgement of the documents and information relating to the Subordinated MTN Programme in accordance with the Lodge and Launch Framework as specified by the SC have been complied with;
- (ii) The approval from BNM for the establishment of the Subordinated MTN Programme. Further, it is a condition precedent for each issuance under the Subordinated MTN Programme to obtain BNM's prior approval for the issuance of the relevant tranche of Subordinated MTNs and for the classification of such Subordinated MTNs to be issued under the relevant tranche as Tier 2 regulatory capital.
- (iii) The Lead Arranger has received from its legal counsel a favourable legal opinion addressed to it and the Trustee advising with respect to, among others, the legality, validity and enforceability of the Transaction Documents and a confirmation addressed to the Lead Arranger that all the conditions precedent have been fulfilled.
- (iv) Evidence that the Subordinated MTNs under the Subordinated MTN Programme have been assigned a final long term rating of A2 by RAM Rating Services Berhad.

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(v) Such other conditions precedent as may be advised by the Solicitors.

(24) Representations and warranties

Representation and warranties will include such representation and warranties customary and standard for a facility of this nature and shall include, but 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) Entry into and the exercise of the Issuer's rights and obligations under the Transaction Documents do not violate any existing law or regulation;
- (iv) The Issuer has all licenses, 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 licenses, franchises, permits, authorisations, approvals, orders and other concessions would not have Material Adverse Effect (as defined below) on the ability of the Issuer to comply with its obligations under the Transaction Documents;
- (v) The Transaction Documents are valid, binding and enforceable;
- (vi) All necessary actions, authorisations and consents required under the Transaction Documents and the Subordinated MTNs have been obtained and remain in full force and effect;
- (vii) The audited accounts of the Issuer are prepared in accordance with generally accepted accounting principles and standards and represent true and fair view;
- (viii) 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 Transaction Documents; and
- (ix) Any other representation and warranties as may be advised by the Solicitors. **"Material Adverse Effect"** shall mean 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 operating results of the Issuer.

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- (25) Events of defaults or enforcement events, where applicable, including recourse available to investors : There are no events of default which is applicable for the Subordinated MTNs. However, there are enforcement events ("**Enforcement Event**"), which shall encompass the following:
- (i) the Issuer defaults in payment of any principal or coupon payment under the Subordinated MTNs on the relevant due date and Issuer does not remedy such default within a period of seven (7) business days from such relevant due date; or
  - (ii) an order is made for the winding-up of the Issuer and such order is not stayed or set aside within sixty (60) days of such order being made or, where so stayed, such stay lapses, or an effective resolution is passed for winding-up of the Issuer except where such order is made or such resolution is passed for the purpose of a reconstruction or amalgamation and the terms of which have been approved by the holders of the Subordinated MTNs by way of special resolution.
- Upon the occurrence of item (i) above, subject to the terms of the Trust Deed, the Trustee may or shall (if directed to do so by a special resolution of the holders of the Subordinated MTNs) institute proceedings to enforce the payment obligations under the Subordinated MTNs and may institute proceedings in Malaysia for the winding-up of the Issuer, provided that neither the Trustee nor any of the holders of the Subordinated MTNs shall have the right to accelerate payment of the Subordinated MTNs in the case of default in the payment of amount owing under the Subordinated MTNs or any non-performance of any condition, provision, or covenant under the Trust Deed.
- Upon the occurrence of item (ii) above, subject to the terms of the Trust Deed, the Trustee may or shall (if directed to do so by a special resolution of the holders of the Subordinated MTNs) declare (by giving notice to the Issuer) that the Subordinated MTNs together with all sums payable under the Subordinated MTNs shall immediately become due and payable at its nominal value together with any accrued but unpaid interest notwithstanding the stated maturity of the Subordinated MTNs.
- For the avoidance of doubt, the occurrence of item (i) above for any tranche of the Subordinated MTNs will not trigger an enforcement event for other tranches of the Subordinated MTNs outstanding. However, the occurrence of item (ii) above will trigger an enforcement event for all tranches of the Subordinated MTNs outstanding.
- (26) Governing laws : Laws of Malaysia.
- (27) Provisions on buy-back, if applicable : Buy-back of the Subordinated MTNs  
Subject to the approval from BNM, the Issuer or any of its subsidiaries or agents of the Issuer may at any time purchase and cancel the Subordinated MTNs at any price in the open market or by private treaty, provided no Trigger Event (as defined in the paragraph entitled "Other terms and conditions – (q) Trigger Events) has occurred prior to the date of purchase, but approval from BNM shall not be required for a purchase done in the ordinary course of business. If purchases are made by tender, such tender must (subject to any applicable rules and regulations) be made available to all holders of the Subordinated MTNs.  
The Subordinated MTNs purchased by the Issuer or its subsidiaries or agents of the Issuer (other than in the ordinary course of business) shall be cancelled. The

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Subordinated MTNs purchased by related corporations (other than its subsidiaries) or any interested person of the Issuer, which includes the directors, major shareholders and chief executive officer (the “**Interested Persons**”) need not be cancelled but they will not entitle such related corporations or Interested Persons of the Issuer to vote under the terms of the Subordinated MTNs subject to any exceptions in the Trust Deeds Guidelines.

For the avoidance of doubt, the Subordinated MTNs held by related corporations and the Interested Persons of the Issuer shall not be counted for the purposes of voting subject to any exceptions in the Trust Deeds Guidelines. The Subordinated MTNs purchased and cancelled shall not be available for reissuance by the Issuer.

For the avoidance of doubt, the term “ordinary course of business” shall include those activities performed by the Issuer or related corporation of the Issuer for third parties but excludes those performed for the funds of the Issuer or such related corporation. Third parties herein refer to clients of the Issuer, its subsidiaries and related corporations.

For the avoidance of doubt, subject always to the requirement of the Trust Deeds Guidelines where the purchase of the Subordinated MTNs 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 Subordinated MTNs, nor can the Issuer directly or indirectly have financed its purchase, failing which the regulatory adjustments as set out in the Capital Adequacy Framework shall apply.

(28) Provisions on early redemption, if applicable :

Call Option

For each tranche of the Subordinated MTNs where Call Option is applicable, the Issuer may, at its option, and subject to the Redemption Conditions (as defined in the paragraph entitled “Other terms and conditions – (i) Redemption Conditions”) being satisfied, redeem that tranche of the Subordinated MTNs (in whole or in part) prior to maturity on the Call Date of that tranche at its nominal value (together with any accrued but unpaid interest, under the relevant Subordinated MTNs).

Regulatory Redemption

The Issuer may, at its option, redeem the Subordinated MTNs (in whole or in part) at its nominal value (together with any accrued but unpaid interest, under the relevant Subordinated MTNs), subject to the Redemption Conditions being satisfied if a Regulatory Event occurs.

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

- (i) the Subordinated MTNs (in whole or in part) will, either immediately or with the passage of time or upon the giving of notice or the fulfilment of a condition, no longer qualify as Tier 2 capital of the Issuer for the purposes of BNM’s capital adequacy requirements under any applicable regulations; or
- (ii) changes in law will make it unlawful to continue performing its obligations under the Subordinated MTNs.

Tax Redemption

If there is more than an insubstantial risk as determined by the Issuer that:-

- (i) the Issuer has or will be obliged to pay any additional taxes, duties, assessments or government charges of whatever nature in relation to the

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Subordinated MTNs; or

(ii) the Issuer would no longer obtain tax deductions on the interest in respect of the Subordinated MTNs for the purposes of Malaysian corporation tax; as a result of a change in, or amendment to, the laws of regulations of Malaysia 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 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 (**'Tax Event'**), then the Issuer, may at its option, subject to the approval from BNM, redeem the Subordinated MTNs (in whole or in part) at its nominal value (together with any accrued but unpaid interest, under the Subordinated MTNs), subject to the Redemption Conditions being satisfied.

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

- (29) Voting : The holders of the Subordinated MTNs shall have no voting rights in ABMB.
- (30) Permitted investments, if applicable : No permitted investments
- (31) Ta'widh (for ringgit-denominated sukuk) : Not applicable
- (32) Ibra' (for ringgit-denominated sukuk) : Not applicable
- (33) Kafalah (for ringgit-denominated sukuk) : Not applicable
- (34) Waivers from complying with Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework and other relevant guidelines of the SC obtained for the facility/programme, if any : No waiver has been sought.