

**Alliance Islamic Bank Berhad ("Alliance Islamic" or the "Issuer")**

**Perpetual sukuk programme of up to a global limit of RM2.5 billion in nominal value ("Sukuk Programme") for the issuance of senior Islamic medium term notes ("Senior Sukuk Murabahah"), Islamic Tier 2 subordinated sukuk murabahah ("T2 Sukuk Murabahah") and Islamic Additional Tier 1 sukuk wakalah ("AT1 Sukuk Wakalah").**

**Principal Terms and Conditions**

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**(A) CORPORATE INFORMATION OF ISSUER**

- (1) Name : Alliance Islamic Bank Berhad ("Alliance Islamic" or the "Issuer")
- (2) Address : 3rd Floor, Menara Multi-Purpose, Capital Square, 8 Jalan Munshi Abdullah, 50100 Kuala Lumpur, Malaysia.
- (3) Date of incorporation: 13 June 2007
- (4) Place of incorporation : Malaysia
- (5) Business registration number: 776882-V.
- (6) Residence status : Resident Controlled Company
- (7) Place of listing : Not Listed
- (8) Date of listing : Not Listed
- (9) Principal activities : Islamic banking and the provision of related financial services.

- (10) Issued and paid-up share capital : The issued and paid-up capital of the Issuer as at 28 February 2019 are as follows:

No. of shares	Share capital (RM)
345,045,045 ordinary shares	345,045,045.00

- (11) Structure of shareholdings and names of shareholders or, in the case of a public company, names of all substantial : The shareholders and structure of shareholding of the Issuer as at 28 February 2019 are as follows:

Name of shareholder	No. of ordinary shares held	%
Alliance Bank Malaysia Berhad	345,045,045	100

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shareholders

(12) Board of directors :

No.	Name
1	Datuk Wan Azhar Bin Wan Ahmad
2	Ibrahim Bin Hassan
3	Md Ali Bin Md Sarif
4	Dato' Ahmad Hisham Bin Kamaruddin
5	Joel Kornreich

(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 : None.

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(for issuer  
incorporated  
less than ten  
years)

- (ii) If the issuer has: Not applicable.  
been subjected  
to any action by  
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	Issuer	Alliance Islamic Bank Berhad
2	Principal Adviser	Alliance Investment Bank Berhad
3	Lead Arranger	Alliance Investment Bank Berhad
4	Solicitors	Messrs Adnan Sundra & Low ("ASL")
5	Sukuk Trustee	Malaysian Trustees Berhad ("Sukuk Trustee")
6	Shariah Adviser	Alliance Islamic Bank Berhad
7	Credit Rating Agency	RAM Rating Services Berhad

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

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No.	Roles	Name of parties
1	Issuer	Alliance Islamic Bank Berhad
2	Lead Manager	Alliance Investment Bank Berhad
3	Central Depository	Bank Negara Malaysia
4	Paying Agent	Bank Negara Malaysia
5	Facility Agent	Alliance Investment Bank Berhad

**(c) After distribution**

No.	Roles	Name of parties
1	Issuer	Alliance Islamic Bank Berhad
2	Principal Adviser	Alliance Investment Bank Berhad
3	Shariah Adviser	Alliance Islamic Bank Berhad
4	Facility Agent	Alliance Investment Bank Berhad
5	Sukuk Trustee	Malaysian Trustees Berhad
6	Central Depository	Bank Negara Malaysia
7	Paying Agent	Bank Negara Malaysia
8	Credit Rating Agency	RAM Ratings Services Berhad

**(C) DETAILS OF FACILITY/PROGRAMME**

(1) Name of facility : Perpetual sukuk programme of up to a global limit of RM2.5 billion in nominal value

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("Sukuk Programme") for the issuance of senior Islamic medium term notes ("Senior Sukuk Murabahah"), Islamic Tier 2 subordinated sukuk murabahah ("T2 Sukuk Murabahah") and Islamic Additional Tier 1 sukuk wakalah ("AT1 Sukuk Wakalah").

- (2) One-time issue or programme : Programme
- (3) Shariah principles (for sukuk) : 1. Wakalah bi al-Istithmar  
2. Mudharabah (Profit sharing)  
3. Murabahah (via Tawarruq arrangement)
- (4) Facility description (for ringgit-denominated sukuk, to provide description as cleared by the SC) : A Sukuk Programme for the issuance of Senior Sukuk Murabahah, T2 Sukuk Murabahah and AT1 Sukuk Wakalah. Collectively, the Senior Sukuk Murabahah, T2 Sukuk Murabahah, and AT1 Sukuk Wakalah shall be referred to as "**Sukuk**" and the Senior Sukukholders (as defined below), T2 Sukukholders (as defined below) and the AT1 Sukukholders (as defined below) are collectively known as "**Sukukholders**".

The T2 Sukuk Murabahah and AT1 Sukuk Wakalah under the Sukuk Programme are Basel III-compliant and are intended to qualify as Tier 2 regulatory capital and Additional Tier 1 regulatory capital respectively of Alliance Islamic Bank Berhad ("**Alliance Islamic**" or the "**Issuer**") pursuant to the Capital Adequacy Framework for Islamic Banks (Capital Components) issued by Bank Negara Malaysia ("**BNM**") on 2 February 2018 and as amended from time to time ("**CAFIB**"), and to qualify as the consolidated Tier 2 regulatory capital and consolidated Additional Tier 1 regulatory capital respectively of Alliance Bank Malaysia Berhad ("**ABMB**") pursuant to the Capital Adequacy Framework (Capital Components) issued by BNM on 2 February 2018 and as amended from time to time ("**CAF**").

#### Senior Sukuk Murabahah and T2 Sukuk Murabahah

The Senior Sukuk Murabahah and T2 Sukuk Murabahah shall be issued under the Shariah principle of Murabahah (via Tawarruq arrangement) which is one of the Shariah principles and concepts approved by the Securities Commission Malaysia ("**SC**")'s Shariah Advisory Council ("**SAC**").

#### Underlying Transaction

Murabahah (via Tawarruq arrangement)

(i) Pursuant to a service agency agreement between Alliance Islamic and the Sukuk Trustee ("**Service Agency Agreement**"), Alliance Islamic will be appointed by the Sukuk Trustee (acting on behalf of the holders of Senior Sukuk Murabahah ("**Senior Sukukholders**") or holders of T2 Sukuk Murabahah ("**T2 Sukukholders**") (as the case may be)), as the purchase agent ("**Purchase Agent**") to purchase and sell the Shariah compliant commodities, which shall include but not limited to crude palm oil or such other acceptable commodities (excluding ribawi items in the category of medium of exchange such as currency, gold and silver) which are provided through the commodity trading platform, Bursa Suq Al-Sila' or other

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trading platforms acceptable to the Lead Arranger and to be approved by the Shariah Adviser ("**Commodities**");

(ii) Pursuant to a commodities murabahah master agreement between Alliance Islamic (as the "**Purchaser**") and the Purchase Agent, Alliance Islamic (as the Purchaser) will issue a purchase order to Alliance Islamic (as the Purchase Agent) to irrevocably undertake to buy the Commodities from the Sukuk Trustee (acting on behalf of the Senior Sukukholders or T2 Sukukholders, as the case may be) at the Deferred Sale Price (as defined below);

(iii) The Purchase Agent will purchase the Commodities from a commodity supplier in Bursa Suq Al-Sila' or other trading platforms acceptable to the Lead Arranger and to be approved by the Shariah Adviser on a spot basis at a purchase price equivalent to the proceeds of the Senior Sukuk Murabahah or the T2 Sukuk Murabahah (as the case may be) ("**Commodity Purchase Price**"). The Commodity Purchase Price shall be in accordance with the asset pricing requirements stipulated under the Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework issued by the SC on 9 March 2015 and revised on 11 October 2018 (as amended from time to time) ("**Guidelines on LOLA Framework**");

(iv) Alliance Islamic (as the Issuer) will, from time to time, issue Senior Sukuk Murabahah or T2 Sukuk Murabahah which evidences the ownership of the Senior Sukukholders or the T2 Sukukholders (as the case may be) in the Commodities and the rights and entitlement of the Senior Sukukholders or the T2 Sukukholders (as the case may be) to the Deferred Sale Price upon the sale of the Commodities to the Purchaser. The proceeds received from the Senior Sukukholders or the T2 Sukukholders shall be used by the Purchase Agent to pay the Commodity Purchase Price;

(v) Subsequently, the Purchase Agent will, pursuant to the appointment by the Sukuk Trustee (on behalf of the Senior Sukukholders or T2 Sukukholders, as the case may be) under the Service Agency Agreement, sell the Commodities to the Purchaser at a selling price equivalent to 100% of the nominal value of the relevant tranche of the Senior Sukuk Murabahah or the relevant tranche of the T2 Sukuk Murabahah plus the aggregate periodic profits ("**Periodic Profits**") on deferred payment terms ("**Deferred Sale Price**");

(vi) The Purchaser shall sell, on a spot basis, the Commodities to a commodity buyer in Bursa Suq Al-Sila' or other trading platforms acceptable to the Lead Arranger and to be approved by the Shariah Adviser ("**Commodity Buyer**") for a cash consideration equal to the Commodity Purchase Price; and

(vii) The Purchaser shall make periodic payments on each Periodic Profit Payment Date (as defined in the paragraph entitled "**Other terms and conditions - Profit / coupon payment frequency**") and final payment of the Deferred Sale Price on the maturity date of the Senior Sukuk Murabahah to the Senior Sukukholders or on the maturity date of the T2 Sukuk Murabahah to the T2 Sukukholders.

In the case of the Senior Sukuk Murabahah, upon declaration of an Event of Default (as defined in the paragraph entitled "**Events of Default or Enforcement Events, where applicable, including recourse available to investors**") the Purchaser shall pay the outstanding Deferred Sale Price (subject to Ibra', where

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applicable) as final settlement of the same to the Senior Sukukholders for the redemption of the Senior Sukuk Murabahah.

In the case of the T2 Sukuk Murabahah, upon declaration of Enforcement Event (as defined in the paragraph entitled "**Events of Default or Enforcement Events, where applicable, including recourse available to investors**") or upon early settlement pursuant to Early Redemption Event (as defined in the paragraph entitled "**Call option and details, if applicable**"), the Purchaser shall pay the outstanding Deferred Sale Price (subject to Ibra', where applicable) as final settlement of the same to the T2 Sukukholders for the redemption of the T2 Sukuk Murabahah.

The transaction diagrams for the Senior Sukuk Murabahah and T2 Sukuk Murabahah are depicted in Annexure A.

#### **AT1 Sukuk Wakalah**

The AT1 Sukuk Wakalah shall be issued under the Shariah principle of Wakalah bi al-istithmar which is one of the Shariah principles and concepts approved by the SC's SAC.

#### **Underlying Transaction**

Wakalah bi al-istithmar

Pursuant to a Wakalah agreement entered between the Sukuk Trustee (acting on behalf of the holders of the AT1 Sukuk Wakalah (the "**AT1 Sukukholders**")) and Alliance Islamic ("**Wakalah Agreement**"), the Sukuk Trustee shall appoint Alliance Islamic as its agent ("**Wakeel**") to perform duties in respect of the Wakalah Portfolio (as defined below), to manage the Wakalah Portfolio, for a nominal fee, in accordance with the Wakalah Agreement.

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

The Shariah-compliant Wakalah portfolio ("**Wakalah Portfolio**") shall comprise a combination of:-

- (i) Investment assets which shall be invested in Alliance Islamic's Shariah-compliant general business under the Shariah principle of Mudharabah ("**Investment Assets**"); and
- (ii) Shariah-compliant commodities purchased and sold under the Shariah principle of Murabahah (via tawarruq arrangement) ("**Commodity Murabahah Investment**").

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

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#### **Commodities**").

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

In respect of the Investment Assets, the Wakeel shall invest part of the Sukuk Wakalah Proceeds into Alliance Islamic's Shariah-compliant general business on Mudharabah basis. The value of the Wakalah Portfolio in respect of Alliance Islamic's Shariah-compliant general business should be at least 33% of the Wakalah Portfolio ("**Assets Minimum Requirements**").

For the avoidance of doubt, the above ratio of at least 33% of the value of the Wakalah Portfolio is only applicable at the point of initial investment for each tranche of the respective AT1 Sukuk Wakalah, subject to the valuation principles set out in the Wakalah Agreement, and does not need to be maintained throughout the tenure of the AT1 Sukuk Wakalah. However, the Wakeel shall ensure that the Alliance Islamic's Shariah-compliant general business shall at all times be a component of the Wakalah Portfolio.

The Wakeel shall hold the Wakalah Portfolio on trust for the benefit of the AT1 Sukukholders.

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

"**Trust Assets**" shall comprise of the Sukuk Wakalah Proceeds, the Wakalah Portfolio and the rights, title, interest, entitlement and benefit in, to and under the transaction documents in respect of the Sukuk Programme ("**Transaction Documents**").

In respect of the Investment Assets, the Wakeel, acting as agent of the Sukuk Trustee (as "**Rabb al-mal**"), shall enter into a Mudharabah contract with Alliance Islamic (as "**Mudharib**"). Pursuant to the Mudharabah contract, the Wakeel shall from time to time provide capital to Alliance Islamic for the purpose of the AT1 Sukukholders' investment in the Investment Assets. Profits generated from the Investment Assets will be shared and distributed between the Rabb al-mal and the Mudharib according to a pre-agreed profit sharing ratio to be determined. The loss shall be borne solely by the Rabb al-mal.

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

(i) Pursuant to a service agency agreement between Alliance Islamic and the Sukuk Trustee ("**AT1 Service Agency Agreement**"), Alliance Islamic will be

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appointed by the Sukuk Trustee (acting on behalf of the holders of AT1 Sukuk Wakalah ("**AT1 Sukukholders**"), as agent (wakeel) of the AT1 Sukukholders (in such capacity, the "**AT1 Purchase Agent**") to purchase and sell the Shariah compliant commodities, which shall include but not limited to crude palm oil or such other acceptable commodities (excluding ribawi items in the category of medium of exchange such as currency, gold and silver) which are provided through the commodity trading platform, Bursa Suq Al-Sila' or other trading platforms acceptable to the Lead Arranger and to be approved by the Shariah Adviser ("**AT1 Commodities**");

(ii) Pursuant to a commodities murabahah master agreement between Alliance Islamic (as the "**AT1 Purchaser**") and the AT1 Purchase Agent, Alliance Islamic (as the AT1 Purchaser) will issue a purchase order ("**AT1 Purchase Order**") to Alliance Islamic (as the AT1 Purchase Agent) to irrevocably undertake to buy the AT1 Commodities from the Sukuk Trustee (acting on behalf of the AT1 Sukukholders) at the Deferred Sale Price (as defined below);

(iii) The AT1 Purchase Agent will purchase the AT1 Commodities from a commodity supplier in Bursa Suq Al-Sila' or other trading platforms acceptable to the Lead Arranger and to be approved by the Shariah Adviser on a spot basis at a purchase price equivalent to the proceeds of the AT1 Sukuk Wakalah less the amount invested in the Investment Assets ("**AT1 Purchase Price**"). The AT1 Purchase Price shall be in accordance with the asset pricing requirements stipulated under Guidelines on LOLA Framework;

(iv) Subsequently, the AT1 Purchase Agent will, pursuant to the appointment by the Sukuk Trustee (on behalf of the AT1 Sukukholders) under the AT1 Service Agency Agreement, sell the Commodities to the AT1 Purchaser at a selling price equivalent to 100% of the nominal value of the relevant tranche of the AT1 Sukuk Wakalah ("**AT1 Deferred Sale Price**") which shall form part of the Commodity Murabahah Investment;

For the avoidance of doubt, the AT1 Deferred Sale Price shall be equivalent to the nominal value of the AT1 Sukuk Wakalah. The AT1 Deferred Sale Price shall be payable for a period of 99 years, and Alliance Islamic (as the AT1 Purchaser) shall be given the right to defer the payment further upon request made by Alliance Islamic or if required by BNM;

(v) The AT1 Purchaser shall sell, on a spot basis, the AT1 Commodities to a commodity buyer in Bursa Suq Al-Sila' or other trading platforms acceptable to the Lead Arranger and to be approved by the Shariah Adviser ("**Commodity Buyer**") for a cash consideration for an amount equivalent to the AT1 Purchase Price. Proceeds realised from such sale shall be utilised by the Issuer for purposes that are Shariah compliant; and

During the tenure of the AT1 Sukuk Wakalah, on each Distribution Payment Date (as defined in the paragraph entitled "**Other terms and conditions – Profit / coupon payment frequency**"), the Wakeel shall distribute any income generated from the Wakalah Portfolio up to the Periodic Distribution Amount (as defined in the paragraph entitled "**Other terms and conditions – Profit / coupon or equivalent rate (%)**") in the form of Periodic Distribution (as defined in the paragraph entitled "**Other terms and conditions – Profit / coupon or equivalent rate (%)**"). Any

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amount over and above the Periodic Distribution Amount shall be retained by the Wakeel as an incentive fee.

In the event that the income generated from the Wakalah Portfolio is insufficient to pay the Periodic Distribution Amount, the Wakeel may provide hibah to the Sukuk Trustee (for the benefit of the AT1 Sukukholders).

Alliance Islamic (as "**Obligor**") shall grant a purchase undertaking ("**Purchase Undertaking**") to the Wakeel and the Sukuk Trustee, under which the Obligor shall purchase the Investment Assets at the Exercise Price (as defined below) by entering into a sale agreement upon an Enforcement Event ("**Enforcement Event Purchase Undertaking**").

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

"**Exercise Price**" pursuant to Enforcement Event Purchase Undertaking or the Call Option Sale Undertaking shall be equal to the fair market value of the Investment Assets.

Pursuant to Enforcement Event Purchase Undertaking or the Call Option Sale Undertaking, and subject to no disqualification of the AT1 Sukuk Wakalah as Additional Tier 1 regulatory capital of the Issuer, the proceeds from the Wakalah Portfolio including the AT1 Deferred Sale Price, the Exercise Price and any returns generated from the Wakalah Portfolio shall be utilised to redeem the AT1 Sukuk Wakalah at a redemption amount which equals to 100% of the nominal value of the AT1 Sukuk Wakalah together with accrued but unpaid and uncanceled Periodic Distribution. Upon full payment of all amounts due and payable under the AT1 Sukuk Wakalah, the relevant trust in respect of the Trust Assets will be dissolved and the relevant AT1 Sukuk Wakalah held by the AT1 Sukukholders will be cancelled. Any excess over and above the redemption amount shall be retained by the Wakeel as incentive fees.

The transaction diagram for the AT1 Sukuk Wakalah is depicted in Annexure B.

- (5) Currency : Ringgit
- (6) Expected facility/  
programme size : Up to MYR 2,500,000,000.00
- (7) Option to upsize (for : No  
programme)
- (8) Tenure of facility/  
programme : Perpetual

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- (9) Availability period for: debt/ sukuk programme : The Sukuk Programme is available upon completion of the Transaction Documents (as defined in the paragraph entitled "**Other terms and conditions – Transaction Documents**" below) and compliance of all relevant condition precedents to the satisfaction of Lead Arranger.
- The first issuance of the Sukuk shall be within sixty (60) business days from the date of lodgement with SC.
- (10) Clearing and settlement platform : PayNet.
- (11) Mode of issue :  Private/direct placement  
 Bought deal  
 Book building
- (12) Selling restrictions : (i) At issuance:  
 Part 1 of Schedule 6 of the Capital Markets & Services Act, 2007 (CMSA)  
 Part 1 of Schedule 7 of the CMSA  
 Read together with Schedule 9 of CMSA  
 Other-Selling Restrictions at Issuance The Sukuk 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 Sukuk and to whom the Sukuk are issued would fall within: (i) Part 1 of Schedule 6 (or Section 229(1)(b)) and Part 1 of Schedule 7 (or Section 230(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.
- (ii) After issuance:  
 Read together with Schedule 9 of CMSA  
 Part 1 of Schedule 6 of the CMSA  
 Other-Selling Restrictions after Issuance The Sukuk 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 Sukuk and to whom the Sukuk are issued would fall within: (i) Part 1 of 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 2,500,000,000.00  
Size in Ringgit which are non-tradable and non-transferable:  
Not applicable

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- (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 : **Senior Sukuk Murabahah**  
details, if applicable  
No call option.

#### **T2 Sukuk Murabahah and AT1 Sukuk Wakalah**

Subject to the Redemption Conditions (as defined below) being satisfied, the Issuer may exercise its option to redeem the T2 Sukuk Murabahah and/or the AT1 Sukuk Wakalah pursuant to Optional Redemption, Regulatory Redemption and Tax Redemption (as described below) (each an "**Early Redemption Event**").

#### **Optional Redemption**

The Issuer may, at its option and subject to the Redemption Conditions being satisfied, redeem the T2 Sukuk Murabahah and/or AT1 Sukuk Wakalah (in whole or in part) at the Redemption Amount (as defined below) on any Optional Redemption Date (as defined below).

"**Optional Redemption Date**" means a date to be determined prior to the issuance, which shall be a date falling no earlier than the fifth anniversary of the relevant issue date, and thereafter any Periodic Profit Payment Date (for T2 Sukuk Murabahah) or Distribution Payment Date (for AT1 Sukuk Wakalah) (as the case may be).

#### **Regulatory Redemption**

The Issuer may, at its option and subject to the Redemption Conditions being satisfied, redeem the T2 Sukuk Murabahah and/or AT1 Sukuk Wakalah (in whole or in part) at the Redemption Amount if a Regulatory Event occurs.

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

(i) the T2 Sukuk Murabahah and/or AT1 Sukuk Wakalah (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 (for T2 Sukuk Murabahah) or Additional Tier 1 capital (for AT1 Sukuk Wakalah) of the Issuer or on a consolidated basis, ABMB, 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 T2 Sukuk Murabahah and/or AT1 Sukuk Wakalah.

### **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 Additional Amounts (as defined in the paragraph entitled "**Other terms and conditions – Taxation**") or any taxes other than the Additional Amounts (if any), in relation to the T2 Sukuk Murabahah or AT1 Sukuk Wakalah (as the case may be); or

(ii) the Issuer is not able to obtain tax deductions on the profit payment (for T2 Sukuk Murabahah) or distribution payment (for AT1 Sukuk Wakalah) made in respect of the T2 Sukuk Murabahah or AT1 Sukuk Wakalah (as the case may be) for the purposes of Malaysian corporation tax;

as a result of a change in, or amendment to, the laws or 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, then the Issuer, may at its option, subject to the Redemption Conditions being satisfied, redeem the T2 Sukuk Murabahah and/or AT1 Sukuk Wakalah (in whole or in part) at the Redemption Amount.

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

**"Redemption Amount"** means in the case of an Early Redemption Event:-

(i) For T2 Sukuk Murabahah, an amount equal to 100% of the nominal value of the T2 Sukuk Murabahah together with accrued but unpaid Periodic Profits (if any) up to (and excluding) the date on which the T2 Sukuk Murabahah are redeemed; or

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(ii) For AT1 Sukuk Wakalah, an amount equal to 100% of the nominal value of the AT1 Sukuk Wakalah together with accrued but unpaid and uncanceled Periodic Distribution (if any and subject to the provisions contained in the paragraph entitled "**Other terms and conditions – Limitation on Payment of Distribution**") up to (and excluding) the date on which the AT1 Sukuk Wakalah are redeemed.

"**Redemption Conditions**" means:

(i) the Issuer must have received a written approval from BNM prior to the redemption of the relevant tranche or part of the T2 Sukuk Murabahah or the AT1 Sukuk Wakalah (as the case may be);

(ii) the Issuer is solvent at the time of redemption of such tranche or part of the T2 Sukuk Murabahah or the AT1 Sukuk Wakalah (as the case may be) and immediately thereafter;

(iii) the Issuer is not in breach of BNM's minimum capital adequacy requirements and capital buffer requirements applicable to the Issuer after redemption of such tranche or part of the T2 Sukuk Murabahah or the AT1 Sukuk Wakalah (as the case may be); and

(iv) the Issuer shall:-

(A) replace the called or redeemed tranche or part of the T2 Sukuk Murabahah or the AT1 Sukuk Wakalah (as the case may be) with capital of the same or better quality and the replacement of this capital shall be done at conditions which are sustainable for the income capacity of the Issuer; or

(B) demonstrate to BNM that its capital position is well above the capital adequacy and capital buffer requirements after the redemption of such tranche of the T2 Sukuk Murabahah or AT1 Sukuk Wakalah (as the case may be).

In respect of the AT1 Sukuk Wakalah, the Call Option Sale Undertaking will be triggered pursuant to an Early Redemption Event.

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

(19) Put option and : No put option  
details, if applicable

(20) Details of covenants : Positive Covenants

The positive covenants of the Sukuk Programme shall include, but is 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 in respect of the Sukuk ("**Trust Deed**") and the Transaction Documents and the terms and conditions of the Sukuk and immediately notify the Sukuk Trustee in the event that the Issuer is unable to fulfil

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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 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 licences required for it to carry on its business are obtained other than where the failure to obtain such licences or approvals, would not have a Material Adverse Effect (as defined below) 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 Sukuk Trustee, through the Facility Agent, in the event that the paying agent does not receive any monies payable in respect of the Sukuk from the Issuer on the due dates and in the manner as required under the Trust Deed and the terms and conditions of the Sukuk; and

(vii) Such other positive covenants deemed necessary or as may be advised by the Solicitors, including but not limited to the positive covenants which are required in order to comply with the Trust Deeds Guidelines (issued on 12 July 2011 and effective on 12 August 2011) issued by the SC ("**Trust Deeds Guidelines**").

#### Negative covenants

##### **Negative covenants (Senior Sukuk Murabahah only)**

The negative covenants of the Senior Sukuk Murabahah under the Sukuk Programme shall include, but is not limited to the following:

(i) The Issuer shall not, unless it has obtained BNM's approval, reduce or alter except increase its issued and paid-up capital whether by varying the amount, structure or value thereof or the rights attached thereto or convert any of its share capital into stock, or by consolidation, dividing or sub-dividing all or any of its shares. For the avoidance of doubt, this covenant shall not restrict the Issuer from dividing or sub-dividing all or any of its shares provided that its paid-up share capital is not reduced, pursuant to such dividing or sub-dividing of its shares;

(ii) The Issuer shall not:

(a) consolidate or amalgamate with or merge with any other person or into another entity or transfer all or substantially all its assets to another entity; or

(b) enter into any de-merger, reconstruction or winding up unless the successor

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person or entity expressly assumes the Issuer's obligations under the Transaction Documents and after giving effect to such transaction, no event of default has occurred or is continuing or would occur,

unless BNM has granted its approval in respect of the relevant events set out in item (a) and (b) above;

(iii) The Issuer shall not cause itself to take steps to be voluntarily wound up or to dissolve itself and / or its respective affairs;

(iv) The Issuer shall not do or permit to occur or omit to do any act or omission, or execute or omit to execute any document which may render any of the Transaction Documents to be illegal, void, voidable or unenforceable;

(v) The Issuer shall not use the proceeds derived from the issuance of the Senior Sukuk Murabahah hereunder except for the purposes set out in the paragraph entitled "**Other terms and conditions – Details of utilisation of proceeds**" below, the Information Memorandum and Transaction Documents;

(vi) The Issuer shall not surrender, transfer, assign, relinquish or otherwise dispose any of its rights and interest under the Transaction Documents (except as permitted or required under the Transaction Documents);

(vii) The Issuer shall not add, delete, vary, supplement, amend or substitute its Constitution in a manner which may be materially prejudicial to the interest of the Senior Sukukholders;

(viii) The Issuer shall not enter into any transaction, whether directly or indirectly with any of its directors, major shareholders and chief executive (the "**Interested Persons**") unless:

(a) such transaction shall be on terms that are no less favourable to the Issuer than those which could have been obtained in a comparable transaction from persons who are not Interested Persons; and

(b) with respect to transactions involving an aggregate payment or value equal to or greater than 5% of the Issuer's consolidated net tangible assets at the relevant point in time, the Issuer obtains certification from an independent adviser that the transaction is carried out on fair and reasonable terms, provided

that the Issuer certifies to the Sukuk Trustee that the transaction complies with paragraph (a) above, where applicable, that the Issuer has received the certification referred to in paragraph (b) above, and that the transaction has been approved by the majority of its board of directors and, where applicable, shareholders at a general meeting; and

(ix) Such other negative covenants deemed necessary or as may be advised by the Solicitors, including but not limited to the negative covenants which are required in order to comply with the Trust Deeds Guidelines.

There are no negative covenants in respect of the T2 Sukuk Murabahah and AT1 Sukuk Wakalah.

### Financial Covenants

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No financial covenant

#### Information Covenants

The information covenants of the Sukuk Programme shall include, but is not limited to the following:

(i) The Issuer shall deliver to the Sukuk 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 and eighty (180) days after the end of each financial year, deliver to the Sukuk 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 Sukuk 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 Sukuk or the date of the previous certificate, as the case may be, any Event of Default and/or Enforcement Event and if such is not the case, the certificate should specify the same;

(iii) The Issuer shall promptly provide to the Sukuk 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 Sukuk Trustee may from time to time require in order to discharge its duties and obligations as Sukuk Trustee under the Trust Deed and the other Transaction Documents;

(iv) The Issuer shall provide, to the extent permitted by law, all relevant financial and other information relating to the Issuer's business and its operations on a continuous basis to the rating agency;

(v) The Issuer shall immediately notify the Sukuk Trustee in writing in the event that the Issuer becomes aware of the following:

(a) upon the occurrence of any Event of Default and/or Enforcement Event, the Issuer shall take reasonable steps and / or such other steps as may be reasonably requested by the Sukuk Trustee to remedy and / or mitigate the Event of Default and/or 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 Sukuk;

(c) any substantial change in the nature of the business of the Issuer;

(d) any change in the utilisation of the proceeds from the Sukuk from that set out in the lodgement 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 amount payable under the Sukuk or that the Sukuk becomes immediately enforceable;

(f) any change in the Issuer's withholding tax position or tax jurisdiction; and

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(g) any other matter that may materially prejudice the interests of the Sukukholders.

(vi) Such other information covenants deemed necessary or as may be advised by the Solicitors, including but not limited to the information covenants which are required in order to comply with the Trust Deeds Guidelines.

"**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.

(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)	A1	Indicative rating	Senior Sukuk Murabahah	MYR 1,200,000,000.00
2	RAM Rating Services Bhd (RAM)	A2	Indicative rating	T2 Sukuk Murabahah	MYR 800,000,000.00
3	RAM Rating Services Bhd (RAM)	BBB1	Indicative rating	AT1 Sukuk Wakalah	MYR 500,000,000.00

(23) Conditions precedent : The conditions precedent of the Sukuk Programme shall include, but is not limited to the following (all of which shall be in form and substance acceptable to the Lead Arranger):

**A. Main Documentation**

The relevant Transaction Documents have been duly executed and, where applicable, stamped and presented for registration.

**B. The Issuer**

(i) Certified true copies of the Certificate of Incorporation, and the Constitution of

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the Issuer (if any);

(ii) Certified true copies of the latest Forms 24, 44 and 49 (and/or any other equivalent forms as prescribed under the Companies Act 2016 (as amended from time to time)) 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 list of the Issuer's authorised signatories and their respective specimen signatures;

(v) A report of the relevant company search of the Issuer; and

(vi) A report of the relevant winding up search conducted on the Issuer or the relevant statutory declaration in relation thereto.

#### C. General

(i) The requirements relating to the lodgement of the documents and information relating to the Sukuk Programme in accordance with the Guidelines on LOLA Framework issued by the SC have been complied with;

(ii) Documentary evidence that the approval from BNM in respect of the establishment of the Sukuk Programme has been obtained;

(iii) The Lead Arranger has received from the Solicitors a favourable legal opinion addressed to it and the Sukuk Trustee advising with respect to, among others, the legality, validity and enforceability of the Transaction Documents and a confirmation addressed to Lead Arranger that all the conditions precedent have been fulfilled;

(iv) Confirmation from the Shariah Adviser that the structure, mechanism and Transaction Documents are in compliance with Shariah principles; and

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

It is a condition precedent for each issuance of the AT1 Sukuk Wakalah and the T2 Sukuk Murabahah under the Sukuk Programme to obtain BNM's prior approval for the issuance of the relevant tranche of the AT1 Sukuk Wakalah and/or the T2 Sukuk Murabahah (as the case may be).

(24) Representations and warranties

The representations and warranties of the Sukuk Programme shall include, but is 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

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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 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 Sukuk Programme 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) There is no litigation which would have a Material Adverse Effect on the Issuer's ability to perform its obligations under the Transaction Documents;

(ix) No event has occurred which would constitute an Event of Default and/or Enforcement Event under the Sukuk or with the giving of notice or the lapse time or other condition would constitute an Event of Default and/or Enforcement Event as the case may be;

(x) No step has been taken by the Issuer, its creditors or any of its shareholders or any other person on its behalf, nor have any legal proceedings or applications been started, under Section 366 of the Companies Act 2016 (or its equivalent under any successor laws) in respect of the Issuer;

(xi) There has been no material change in the business and condition (financial or otherwise) of the Issuer or its subsidiaries (where applicable) 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

(xii) Any other representations and warranties as may be advised by the Solicitors.

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(25) Events of defaults or enforcement events, where applicable, including recourse available to investors

### Senior Sukuk Murabahah

The events of default (each an "**Event of Default**") include but are not limited to the following and those required to comply with the Trust Deeds Guidelines:

(i) the Issuer defaults in payment of any principal or Periodic Profits under the Senior Sukuk Murabahah on the due date and the Issuer does not remedy such default within a period of seven (7) business days after the Issuer became aware or having been notified by the Sukuk Trustee of the default;

(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 the terms of which have been approved by the Senior Sukukholders by way of special resolution;

(iii) a scheme of arrangement under Section 366 of the Companies Act 2016 (or its equivalent under any successor laws) has been instituted against the Issuer;

(iv) a receiver has been appointed over the whole or a substantial part of the assets of the Issuer;

(v) there has been a breach by the Issuer of any obligation under any of the Issuer's existing obligations which may materially and adversely affect the Issuer's ability to perform its obligations under the Transaction Documents, and if in the opinion of the Sukuk Trustee is capable of being remedied, the Issuer does not remedy the breach within a period of fourteen (14) business days after the Issuer became aware or having been notified by the Sukuk Trustee of the failure;

(vi) any other indebtedness of the Issuer becomes due or payable prior to its stated maturity or where the security created for any other indebtedness becomes enforceable;

(vii) where there is a revocation, withholding or modification of any license, authorisation, approval or consent which in the opinion of the Sukuk Trustee may materially and adversely impair or prejudice the ability of the Issuer to comply with its obligations under the Transaction Documents;

(viii) the Issuer fails to observe or perform its obligation under any of the Transaction Documents and in the case of a failure which in the opinion of the Sukuk Trustee is capable of being remedied, the Issuer does not remedy the failure within a period of fourteen (14) business days after the Issuer became aware or having been notified by the Sukuk Trustee of the failure;

(ix) any representations and warranties made or given by the Issuer under the Transaction Documents proves to have been incorrect or misleading in any material respect on or as of the date made or given, and in the case of a failure which in the opinion of the Sukuk Trustee is capable of being remedied, the Issuer does not remedy the failure within a period of fourteen (14) business days after the Issuer became aware or having been notified by the Sukuk Trustee of the failure;

(x) at any time any of the provisions of the Transaction Documents is or becomes illegal, void, voidable or unenforceable; and

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(xi) such other events of default as advised by Solicitors.

Upon the occurrence of any of the above Events of Default, subject to the terms of the relevant Trust Deed, the Sukuk Trustee may or shall (if directed to do so by a special resolution of the Senior Sukukholders) declare (by giving written notice to the Issuer) that the Senior Sukuk Murabahah together with all other sums payable under the Senior Sukuk Murabahah shall immediately become due and payable at its nominal value together with the accrued but unpaid Periodic Profits (if any) notwithstanding the stated maturity of the Senior Sukuk Murabahah.

For the avoidance of doubt, the occurrence of an Event of Default above for any tranche of the Senior Sukuk Murabahah will trigger the occurrence of an Event of Default for all other tranches of the Senior Sukuk Murabahah outstanding.

#### **T2 Sukuk Murabahah and AT1 Sukuk Wakalah**

There are no events of default. However, there will be enforcement events applicable to the T2 Sukuk Murabahah and AT1 Sukuk Wakalah respectively (each an "**Enforcement Event**"):-

(i) the Issuer defaults in payment of any principal or profits payment under the T2 Sukuk Murabahah and/or AT1 Sukuk Wakalah on the relevant due date and the 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 T2 Sukukholders and/or AT1 Sukukholders (as the case may be) by way of special resolution.

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

Upon the occurrence of item (ii) above, subject to the terms of the relevant Trust Deed, the Sukuk Trustee may or shall (if directed to do so by a special resolution of the T2 Sukukholders or AT1 Sukukholders, as the case may be) declare (by giving notice to the Issuer) that the T2 Sukuk Murabahah and/or AT1 Sukuk Wakalah (as the case may be) together with all sums payable under the T2 Sukuk Murabahah and/or AT1 Sukuk Wakalah (as the case may be) shall immediately become due and payable at its nominal value together with any accrued but unpaid Periodic

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Profits and/or Periodic Distribution (as the case may be) notwithstanding the stated maturity of the T2 Sukuk Murabahah or AT1 Sukuk Wakalah (as the case may be).

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

In relation to the AT1 Sukuk Wakalah, for the avoidance of doubt, no Periodic Distribution shall be due and payable if such Periodic Distribution or part thereof has been (i) cancelled or is deemed cancelled (in each case, in whole or in part) under the paragraph entitled "**Other Terms and conditions – Limitation on Payment of Distribution**" or (ii) deferred by the Issuer pursuant to the provision on the "**Circumstances for Cumulative Distribution**" under the paragraph entitled "**Other Terms and conditions – Limitation on Payment of Distribution**".

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

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

(26) Governing laws : Laws of Malaysia.

(27) Provisions on buy-back, if applicable : **Senior Sukuk Murabahah**

The Issuer or any of its subsidiaries (if any) or agents of the Issuer may at any time purchase the Senior Sukuk Murabahah or part thereof at any price in the open market or by private treaty. If purchase is made by tender, such tender must (subject to any applicable rules and regulations) be made available to all Senior Sukukholders equally.

#### **AT1 Sukuk Wakalah and T2 Sukuk Murabahah**

Subject to the prior approval of BNM (but which approval shall not be required for a purchase done in the ordinary course of business), the Issuer or any of its subsidiaries (if any) or agents of the Issuer may at any time purchase the AT1 Sukuk Wakalah and/or the T2 Sukuk Murabahah or part thereof at any price in the open market or by private treaty, provided no Non-Viability Event (as defined in the paragraph entitled "**Other terms and conditions – Non-Viability Event**") has occurred prior to the date of such purchase. If purchase is made by tender, such tender must (subject to any applicable rules and regulations) be made available to (i) in the case of the AT1 Sukuk Wakalah, all AT1 Sukukholders equally and (ii) in the case of the T2 Sukuk Murabahah, all T2 Sukukholders equally.

For the avoidance of doubt, subject always to the requirement of the Trust Deeds Guidelines, neither the Issuer nor an affiliated party over which it exercises control or significant influence can purchase the T2 Sukuk Murabahah and/or AT1 Sukuk

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Wakalah, nor can the Issuer directly or indirectly have funded its purchase, failing which the regulatory adjustments as set out in the CAFIB shall apply.

The Sukuk purchased by the Issuer or its subsidiaries (if any) or agents of the Issuer (other than in the ordinary course of business) shall be cancelled and shall not be resold.

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

For the purpose of this clause, the term "**ordinary course of business**" includes those activities performed by the Issuer or any of its subsidiaries (if any) or related corporations or agents for third parties i.e. the clients of the Issuer, its subsidiaries (if any) and related corporations, and excludes those performed for own account of the Issuer, its subsidiaries (if any), related corporations or agents.

(28) Provisions on early redemption, if applicable :

**Senior Sukuk Murabahah**

Subject to approval of the Senior Sukukholders by way of a special resolution, the Issuer may early redeem any tranche of the Senior Sukuk Murabahah in whole, but not in part, at the redemption amount to be mutually agreed between the Issuer and the Senior Sukukholders by way of a special resolution in accordance with the Transaction Documents.

**T2 Sukuk Murabahah and AT1 Sukuk Wakalah**

Please refer to the paragraph entitled "**Call option and details, if applicable**".

(29) Voting :

Voting by the Sukukholders shall be carried out on a "per tranche" basis and not on a collective basis.

The Sukukholders shall have no voting rights in any way whatsoever that are of an equivalent nature to those of the shareholders of the Issuer.

(30) Permitted investments, if applicable :

No permitted investments

(31) Ta'widh (for ringgit-denominated sukuk) :

**Senior Sukuk Murabahah and T2 Sukuk Murabahah**

Ta'widh shall be payable to the Sukuk Trustee (acting on behalf of the Senior Sukukholders and T2 Sukukholders) by the Issuer in the event of a delay in payment of the Deferred Sale Price under the Senior Sukuk Murabahah and/or the T2 Sukuk Murabahah at the rate and manner as prescribed by SC's SAC from time to time.

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### AT1 Sukuk Wakalah

Ta'widh shall be payable to the Sukuk Trustee (acting on behalf of the Sukukholders) in the event the Wakeel breaches the fiduciary duty as an investment manager due to its failure to distribute the realised Periodic Distribution (unless all or some of the Periodic Distribution Amount has been deferred in the case when the AT1 Sukuk Wakalah is disqualified as Additional Tier 1 regulatory capital of the Issuer), or delays in the payment of the redemption amount pursuant to the exercise of the Enforcement Event Purchase Undertaking or Call Option Sale Undertaking .

The Issuer shall pay the Ta'widh on such overdue amounts at the rate and manner as prescribed by SC's SAC from time to time.

- (32) Ibra' (for ringgit-denominated sukuk) : Ibra' refers to an act of releasing absolutely or conditionally one's rights and claims on any obligation against another party which would result in the latter being discharged of his/its obligations or liabilities towards the former. The release may be either partially or in full.

### Senior Sukuk Murabahah and T2 Sukuk Murabahah

For the avoidance of doubt, the Senior Sukukholders and/or T2 Sukukholders in subscribing or purchasing the Senior Sukuk Murabahah and/or T2 Sukuk Murabahah consent to grant Ibra' (if any) in the following situations:

(i) if the Senior Sukuk Murabahah and/or T2 Sukuk Murabahah is redeemed before the maturity date, upon acceleration of the Senior Sukuk Murabahah and/or T2 Sukuk Murabahah (as the case may be) pursuant to an Event of Default and/or an Enforcement Event (as the case may be) or upon occurrence of an Early Redemption Event, Ibra' shall be the unearned profit due to the Senior Sukukholders and/or T2 Sukuk Murabahahholder (as the case may be) from the date of redemption of the Senior Sukuk Murabahah and/or T2 Sukuk Murabahah (as the case may be) up to the maturity date of the Senior Sukuk Murabahah and/or T2 Sukuk Murabahah (as the case may be).

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

### AT1 Sukuk Wakalah

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

- (i) Non-Viability Event; or
- (ii) Capital Trigger Event (as described in the paragraph entitled "**Other terms and**

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**conditions – Capital Trigger Event").**

In case of item (ii) above, the aggregate amount to be written-off must be at least the amount required to restore the consolidated or entity level Common Equity Tier 1 Ratio (as defined as defined in the paragraph entitled "**Other terms and conditions – Capital Trigger Event**") (whichever is applicable) to the required level.

(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 waivers has been sought.