

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

Subordinated Sukuk Murabahah Programme of up to RM180.0 million in nominal value ("Subordinated Sukuk Murabahah Programme").

Principal Terms and Conditions

(A) CORPORATE INFORMATION OF ISSUER

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

The issued and paid-up capital of the Issuer as at 30 August 2017 are as follows:

No. Of Shares	Share Capital (RM)
345,045,045 ordinary shares	345,045,045.00

- (10) Structure of shareholdings and names of shareholders or, in the case of a public company, names of all substantial shareholders : The shareholders and structure of shareholding of the Issuer as at 30 August 2017 are as follows:

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

- (11) Board of directors : 1. Datuk Wan Azhar Bin Wan Ahmad
2. Ibrahim Bin Hassan
3. Dato' Majid Bin Mohamad
4. Md Ali Bin Md Sarif
5. Shahrudin Bin Zainuddin (tendered his resignation on 8 September 2017)

(B) PARTIES TO THE TRANSACTION

(1) Origination :

No.	Roles	Name of parties
1	Issuer	Alliance Islamic Bank Berhad ("Alliance Islamic")

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

Subordinated Sukuk Murabahah Programme of up to RM180.0 million in nominal value ("Subordinated Sukuk Murabahah Programme").

Principal Terms and Conditions

2	Principal Adviser	Alliance Investment Bank Berhad
3	Solicitors	Messrs Adnan Sundra & Low ("ASL")
4	Trustee	Malaysian Trustees Berhad (the "Sukuk Trustee").
5	Shariah Adviser	Alliance Islamic Bank Berhad ("Alliance Islamic")
6	Lead Arranger	Alliance Investment Bank Berhad ("AIBB")

(2) At point of distribution :

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

(3) 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	Trustee	Malaysian Trustees Berhad
6	Central Depository	Bank Negara Malaysia
7	Paying Agent	Bank Negara Malaysia

(C) DETAILS OF FACILITY/PROGRAMME

(1) Name of facility : Subordinated Sukuk Murabahah Programme of up to RM180.0 million in nominal value ("Subordinated Sukuk Murabahah Programme").

(2) One-time issue or programme : Programme

(3) Shariah principles (for sukuk) :

No.	Shariah Principles
1	Murabahah (via Tawarruq arrangement)

(4) Facility description : A Subordinated Sukuk Murabahah Programme for the issuance of Tier 2 Subordinated Sukuk Murabahah ("**Subordinated Sukuk**").
The Subordinated Sukuk are intended to qualify as Tier 2 regulatory capital of Alliance Islamic Bank Berhad ("**Alliance Islamic**") in accordance with the Capital Adequacy Framework for Islamic Banks (Capital Components) ("**CAFIB**") issued by Bank Negara Malaysia ("**BNM**") on 4

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

Subordinated Sukuk Murabahah Programme of up to RM180.0 million in nominal value ("Subordinated Sukuk Murabahah Programme").

Principal Terms and Conditions

August 2017.

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

Underlying Transaction

Murabahah (via Tawarruq arrangement)

1. Pursuant to a service agency agreement between Alliance Islamic and the Sukuk Trustee, Alliance Islamic will be appointed by the Sukuk Trustee (acting on behalf of the holders of Subordinated Sukuk ("**Sukukholders**")) as the purchase agent ("**Purchase Agent**") to purchase the Shariah compliant commodities ("**Commodities**").
2. Pursuant to the Commodities Murabahah Master Agreement between Alliance Islamic and the Purchase Agent, Alliance Islamic (as the "**Purchaser**") will issue a purchase order to Alliance Islamic (as the Purchase Agent) to buy the Commodities from the Sukuk Trustee (acting on behalf of the Sukukholders) at the "**Deferred Sale Price**" (as defined in paragraph entitled "*Purchase and selling price/rental*").
3. The Purchase Agent will purchase the Commodities from a commodity supplier (via a commodity trading participant) ("**Commodity Supplier**") in the commodity market on a spot basis at a purchase price equivalent to the proceeds of the Subordinated Sukuk ("**Commodity Purchase Price**").
4. Alliance Islamic (as the Issuer) will, from time to time, issue Subordinated Sukuk which evidences the Sukukholders' ownership in the Commodities and the Purchaser's obligation to pay the Deferred Sale Price to the Sukukholders upon sale of the Commodities to the Purchaser. The proceeds received from the Sukukholders shall be used by the Purchase Agent to pay the Commodity Purchase Price.
5. Subsequently, the Sukuk Trustee (on behalf of the Sukukholders) will sell the Commodities to the Purchaser at a selling price equivalent to 100% of the nominal value of the relevant tranche of the Subordinated Sukuk plus the aggregate periodic profits ("**Periodic Profits**") on deferred payment terms ("**Deferred Sale Price**").
6. The Purchaser shall sell, on a spot basis, the Commodities to a commodity buyer ("**Commodity Buyer**") for a cash consideration equal to the Commodity Purchase Price.
7. The Purchaser shall make periodic payments on each "**Periodic Payment Date**" (as defined in paragraph entitled "*Profit / coupon payment frequency*") and final payment of the Deferred Sale Price at the maturity date of the Subordinated Sukuk to the Sukukholders. Upon declaration of an "**Enforcement Event**" (as defined in paragraph entitled "*Events of defaults or enforcement events*") or early settlement pursuant to the "**Optional Redemption**", the "**Tax Redemption**" or the "**Regulatory Redemption**" (as defined in paragraph entitled "*Call option and details*"), the Purchaser shall pay the outstanding Deferred Sale Price which is subject to "**Ibra**" (as defined in paragraph entitled "*Ibra*") as final settlement of the same to the Sukukholders.

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|---|---|---|
| (5) Currency | : | Ringgit |
| (6) Expected facility/
programme size | : | MYR180,000,000.00 |
| (7) Option to upsize
(for programme) | : | No |
| (8) Tenure of facility/
programme | : | 30 year(s) |
| (9) Availability period
for debt/ sukuk
programme | : | The Subordinated Sukuk Murabahah Programme is available upon completion of the " Transaction Documents " (as defined in paragraph entitled " <i>Transaction Documents</i> ") and compliance of all relevant condition precedents to the satisfaction of Principal Adviser/Lead Arranger, until the expiry of the tenure of the Subordinated Sukuk Murabahah Programme. |
| (10) Clearing and
settlement
platform | : | <ul style="list-style-type: none">• MyClear• PayNet |
| (11) Mode of issue | : | <ul style="list-style-type: none">• Tender |

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

Subordinated Sukuk Murabahah Programme of up to RM180.0 million in nominal value ("Subordinated Sukuk Murabahah Programme").

Principal Terms and Conditions

- Direct placement
- Private placement
- Book running
- Book building

- (12) Selling restrictions :
 - 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 Subordinated 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 Subordinated Sukuk and to whom the Subordinated Sukuk are issued would fall within: (i) Part 1 of Schedule 6 (or Section 229(1)(b)) and Part 1 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. Selling Restrictions after Issuance The Subordinated 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 Subordinated Sukuk and to whom the Subordinated 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 :
 - Tradable & transferable
- (14) Other regulatory approvals required in relation to the issue, offer or invitation to subscribe or purchase PDS/sukuk, and whether or not obtained : BNM's approval dated 24 August 2017 for the following:
 1. The establishment of the proposed Subordinated Sukuk Murabahah Programme; and
 2. The issuance of up to RM130.0 million Subordinated Sukuk under the Subordinated Sukuk Murabahah Programme.
- (15) Details of security/ collateral pledged : Unsecured
- (16) Details of guarantee : Not guaranteed
- (17) Convertibility of Issuance : Non-convertible
- (18) Exchangeability of Issuance : Non-exchangeable
- (19) Call option : **Optional Redemption**
For each tranche of the Subordinated Sukuk where an Optional Redemption is applicable, the Issuer may, at its option, and subject to the "**Redemption Conditions**" (as defined in paragraph entitled "*Redemption Conditions*") being satisfied, redeem that tranche of the Subordinated Sukuk (in whole or in part) prior to maturity on the Call Date (as defined below) of that tranche at its "**Redemption Amount**" (as defined in paragraph entitled "*Redemption Amount*").
The relevant tranche of the Subordinated Sukuk are callable on any "**Periodic Payment Date**" (as defined in paragraph entitled "*Profit / coupon payment frequency*") after a minimum period of five (5) years from the Issue Date of that tranche (hereinafter referred to as the "**Call Date**") and the Issuer shall have the option to redeem the Subordinated Sukuk (in whole or in part) at

Principal Terms and Conditions

the Redemption Amount on the Call Date.

Regulatory Redemption

The Issuer, may at its option, subject to the approval from BNM, redeem the Subordinated Sukuk (in whole or in part) at the Redemption Amount, 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:

1. the Subordinated Sukuk (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
2. changes in law will make it unlawful to continue performing its obligations under the Subordinated Sukuk.

Tax Redemption

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

1. the Issuer has or will be obliged to pay any additional taxes, duties, assessments or government charges of whatever nature in relation to the Subordinated Sukuk; or
2. the Issuer is not able to obtain tax deductions on the payments of Periodic Profits in respect of the Subordinated Sukuk 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 Sukuk (in whole or in part) at the Redemption Amount subject to the Redemption Conditions being satisfied.

In the case of a partial redemption of a tranche of Subordinated Sukuk, the selection of the Subordinated Sukuk 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.

The remaining Subordinated Sukuk not redeemed will continue to be outstanding until they are paid off at maturity, or redeemed, purchased and cancelled, or written-off in accordance with the Transaction Documents, whichever is earlier. During this period, the Issuer may continue paying periodic profit on the remaining Subordinated Sukuk to the Sukukholders in accordance with the Transaction Documents. Further, in the event the aggregate principal amount of the outstanding Subordinated Sukuk does not exceed the "**Programme Size**" (as defined in paragraph entitled "*Expected facility/programme size*"), the Subordinated Sukuk Murabahah Programme will continue to be available to the Issuer throughout its tenure unless terminated by the Issuer.

For the avoidance of doubt, the remaining Subordinated Sukuk not redeemed will continue to comply with Tier 2 regulatory capital requirements in accordance with CAFIB, provided that in the event a tranche of the Subordinated Sukuk is not fully redeemed pursuant to the Regulatory Redemption, the remaining outstanding Subordinated Sukuk of that tranche shall not meet the Tier 2 regulatory capital requirements under CAFIB, unless such remaining outstanding Subordinated Sukuk pursuant to the Regulatory Redemption meet the Tier 2 regulatory capital requirements under CAFIB and/or pursuant to the directions and/or approval of BNM.

(20) Put option : No put option

(21) Details of covenants : a. **Positive covenants**

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

Principal Terms and Conditions

1. 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 Sukuk (including but not limited to redeeming the Subordinated Sukuk on the relevant maturity dates or any other dates on which the Subordinated Sukuk are due and payable) and immediately notify the Sukuk 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;
2. 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;
3. 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;
4. 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;
5. The Issuer shall at all times maintain a paying agent with a specified office in Malaysia;
6. The Issuer shall procure that the paying agent shall notify the Sukuk Trustee, through a Facility Agent, in the event that the paying agent does not receive any monies payable in respect of the Subordinated 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 Subordinated Sukuk; and
7. 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**").

b. **Negative covenants**

No negative covenant

c. **Financial covenants**

No financial covenant

d. **Information covenants**

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

1. The Issuer shall deliver to the Sukuk Trustee:
 - a copy of its annual audited financial statements within one hundred and eighty (180) days after the end of its financial year; and
 - any other accounts, balance sheet, report, notice, statement, circular or other documents issued by the Issuer to its shareholders;
2. 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 Subordinated 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 Subordinated Sukuk or the date of the previous certificate, as the case may be, any Enforcement Event and if such is not the case, the certificate should specify the same;
3. 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;
4. 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 (if applicable);
5. The Issuer shall immediately notify the Sukuk Trustee in writing in the event that the Issuer becomes aware of the following:
 - 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 Sukuk Trustee to

Principal Terms and Conditions

remedy and / or mitigate the Enforcement Event;

- 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 Sukuk;
 - any substantial change in the nature of the business of the Issuer;
 - any change in the utilisation of the proceeds from the Subordinated Sukuk other than that set out in the Transaction Documents;
 - any amount payable under the Subordinated Sukuk or that the Subordinated Sukuk becomes immediately enforceable;
 - any change in the Issuer's withholding tax position or tax jurisdiction; and
 - any other matter that may materially prejudice the interests of the Sukukholders.
6. 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.

(22) Details of designated account(s) : No designated account

(23) Name of credit rating agency and credit rating : Not Rated

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

1. **Main Documentation**

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

2. **The Issuer**

- Certified true copies of the Certificate of Incorporation, and the Constitution of the Issuer (if any).
- Certified true copies of the latest Forms 24, and the latest Forms 44 and 49 (or any other equivalent forms as prescribed under the Companies Act 2016) of the Issuer.
- A certified true copy of a board resolution of the Issuer authorising, among others, the execution of the Transaction Documents.
- A list of the Issuer's authorised signatories and their respective specimen signatures.
- A report of the relevant company search of the Issuer.
- A report of the relevant winding up search conducted on the Issuer or the relevant statutory declaration in relation thereto.

3. **General**

- Documentary evidence that the approval from BNM in respect of the establishment of the Subordinated Sukuk Murabahah Programme has been obtained;
- The requirements relating to the lodgement of the documents and information relating to the Subordinated Sukuk Murabahah Programme in accordance with the Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework ("**Guidelines on LOLA Framework**") issued by the SC have been complied with;
- The Principal Adviser/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 the Principal Adviser/Lead Arranger that all the conditions precedent have been fulfilled;
- Confirmation from the Shariah Adviser that the structure, mechanism and Transaction Documents are in compliance with Shariah principles; and
- Such other conditions precedent as may be advised by the Solicitors.

Subordinated Sukuk Murabahah Programme of up to RM180.0 million in nominal value ("Subordinated Sukuk Murabahah Programme").

Principal Terms and Conditions

It is a condition precedent for each issuance under the Subordinated Sukuk Murabahah Programme to obtain BNM's prior approval for the issuance of the relevant tranche of Subordinated Sukuk.

- (25) Representations and warranties : The representations and warranties of the Subordinated Sukuk Murabahah Programme shall include, but is not limited to the following:
1. The Issuer is duly established and validly in existence and has the power and authority to carry out its business;
 2. The Issuer has the power to enter into the Transaction Documents and exercise its rights to perform its obligations under the Transaction Documents;
 3. Entry into and the exercise of the Issuer's rights and obligations under the Transaction Documents do not violate any existing law or regulation;
 4. 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 on the ability of the Issuer to comply with its obligations under the Transaction Documents;
 5. The Transaction Documents are valid, binding and enforceable;
 6. All necessary actions, authorisations and consents required under the Transaction Documents and the Subordinated Sukuk have been obtained and remain in full force and effect;
 7. The audited accounts of the Issuer are prepared in accordance with generally accepted accounting principles and standards and represent true and fair view;
 8. No event has occurred which would constitute an Enforcement Event under the Subordinated Sukuk or with the giving of notice or the lapse time or other condition would constitute an Enforcement Event as the case may be;
 9. 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 in respect of the Issuer;
 10. 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
 11. Any other representations and warranties as may be advised by the Solicitors.
- (26) Events of defaults or enforcement events, where applicable, including recourse available to investors : There are no events of default. However, the following are the enforcement events (each an "**Enforcement Event**"):
1. the Issuer defaults in payment of any monies payable under the Subordinated Sukuk 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
 2. 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 Sukukholders by way of special resolution.

Upon the occurrence of item (i) above, subject to the terms of the Trust Deed, the Sukuk Trustee may or shall (if directed to do so by a special resolution of the Sukukholders) institute proceedings to enforce the payment obligations under the Subordinated Sukuk and may institute proceedings in Malaysia for the winding-up of the Issuer, provided that neither the Sukuk Trustee nor any of the Sukukholders shall have the right to accelerate payment of the Subordinated Sukuk in the case of default in the payment of any amount owing under the Subordinated Sukuk 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 Sukuk Trustee may or shall (if directed to do so by a special resolution of the Sukukholders) declare (by giving notice to the Issuer) that the Subordinated Sukuk together with all sums payable under the Subordinated Sukuk shall immediately become due and payable at its nominal value together with any accrued but unpaid Periodic Profits notwithstanding the stated maturity of the Subordinated

Subordinated Sukuk Murabahah Programme of up to RM180.0 million in nominal value ("Subordinated Sukuk Murabahah Programme").

Principal Terms and Conditions

Sukuk.

For the avoidance of doubt, the occurrence of Enforcement Event (i) above for any tranche of the Subordinated Sukuk will not trigger an Enforcement Event for other tranches of the Subordinated Sukuk outstanding. However, the occurrence of Enforcement Event (ii) above will trigger an Enforcement Event for all tranches of the Subordinated Sukuk outstanding.

(27) Governing laws : Laws of Malaysia.

(28) Provisions on buy-back : Buy-back of the Subordinated Sukuk
The Issuer or any of its subsidiaries (if any) or related corporations or agents of the Issuer may at any time purchase, subject to the prior approval from BNM where applicable (but which approval shall not be required for a purchase done in the ordinary course of business) the Subordinated Sukuk at any price in the open market or by private treaty provided no "**Non-Viability Event**" (as defined in paragraph entitled "*Non-Viability Event*") has occurred prior to the date of such purchase. If purchases are made by tender, such tender must (subject to any applicable rules and regulations) be made available to all Sukukholders of the relevant tranche of the Subordinated Sukuk equally.

Subject to the prior approval from BNM where applicable (but which approval shall not be required for a purchase done in the ordinary course of business), the Subordinated Sukuk purchased by the Issuer or its subsidiaries (if any) or by agents of the Issuer shall be cancelled and shall not be resold. The Subordinated Sukuk purchased by other related corporations (other than the Issuer's subsidiaries (if any)) or any interested person (as defined in the Trust Deeds Guidelines) 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 Subordinated Sukuk subject to any exceptions in the Trust Deeds Guidelines.

For the avoidance of doubt, the Subordinated Sukuk held by related corporations and the interested person of the Issuer shall not be counted for the purposes of voting 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), 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) or related corporations.

For the avoidance of doubt, subject always to the requirements of the Trust Deeds Guidelines, neither the Issuer nor an affiliated party over which it exercises control or significant influence can purchase the Subordinated Sukuk, nor can the Issuer directly or indirectly have funded its purchase, failing which the regulatory adjustments as set out in CAFIB shall apply.

(29) Provisions on early redemption : Please refer to the paragraph entitled "*Call option and details*".

(30) Voting : Voting by the Sukukholders shall be carried out on a "per series" basis and not on a collective basis. The Sukukholders shall have no voting rights in the Issuer.

(31) Permitted investments : No permitted investments

(32) Ta'widh (for sukuk) : Ta'widh shall be payable in the event of delay in payment of the Deferred Sale Price due and payable to the Sukukholders.

The rate of the Ta'widh for the Subordinated Sukuk is based on the rate and manner as prescribed by the SAC from time to time.

(33) Ibra' (for 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. For the

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

Subordinated Sukuk Murabahah Programme of up to RM180.0 million in nominal value ("Subordinated Sukuk Murabahah Programme").

Principal Terms and Conditions

avoidance of doubt, the Sukukholders in subscribing or purchasing the Subordinated Sukuk consent to grant Ibra' (if any) in the following situations:

1. if the Subordinated Sukuk is redeemed before the maturity date, pursuant to the acceleration of the Subordinated Sukuk upon the occurrence of an Enforcement Event, Optional Redemption, Regulatory Redemption or the Tax Redemption (whichever is applicable). In case of the acceleration of the Subordinated Sukuk upon the occurrence of an Enforcement Event, Optional Redemption, Regulatory Redemption or Tax Redemption (whichever is applicable) the Ibra' shall be the unearned profit due to the Sukukholders from the date of redemption of the Subordinated Sukuk upon the acceleration of the Subordinated Sukuk due to the occurrence of an Enforcement Event, Optional Redemption, Regulatory Redemption or Tax Redemption (whichever is applicable) up to the maturity of the Subordinated Sukuk.
2. In respect of a write-off at the point of a Non-Viability Event, the Sukukholders 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 Subordinated Sukuk to be written-off.

(34)Kafalah (for : Not applicable.
sukuk)