

MCIS INSURANCE BERHAD

PROPOSED ISSUANCE OF TIER 2 SUBORDINATED DEBT ("SUBORDINATED DEBT") OF UP TO RM200.0 MILLION IN NOMINAL VALUE

30. Other terms and conditions

- (a) Coupon / interest or equivalent rate (%) : The coupon rate is to be determined prior to the issue date of the Subordinated Debt. Such coupon rate is based on a fixed rate and is applicable throughout the tenure of the Subordinated Debt (i.e. there shall be no step-up coupon rate).
- (b) Coupon / interest payment frequency : Payable semi-annually in arrears from the issue date ("**Coupon Payment Date**") or such other period as may be agreed to between Issuer and Lead Manager prior to the issuance of the Subordinated Debt with the last coupon payment to be made on the maturity date or upon an early redemption of the Subordinated Debt, whichever is the earlier.
- (c) Coupon / interest payment basis : Coupon payment shall be calculated based on the actual number of days in the relevant period divided by 365.
- (d) Details on utilisation of proceeds : The proceeds of the Subordinated Debt will be used for the general working capital and corporate purposes of MCIS.
- (e) Status of Subordinated Debt : The Subordinated Debt will constitute direct unconditional unsecured obligations of the Issuer and subordinated in right and priority of payment, to the extent and in the manner provided in the Subordinated Debt, and will rank pari passu without discrimination, preference or priority among themselves. The Subordinated Debt will, in the event of a winding up or liquidation of the Issuer, be subordinated in right of payment to all liabilities of the Issuer, except in each case to those liabilities which by their terms rank equally in right of payment with or are subordinated to the Subordinated Debt.
- (f) Transaction Documents : The Proposed Issuance shall be evidenced by, inter alia, the following:
 - (i) The Subordinated Debt (in the form of global certificates and/or definitive certificates);
 - (ii) Facility/ Subscription Agreement;
 - (iii) Securities Lodgement Form;
 - (iv) Trust Deed; and

- (v) Any other relevant agreements as advised by the Solicitors.
- (g) Form and denomination : The Subordinated Debt shall be issued in accordance with the:
- (1) Participation Rules for Payment and Securities Services issued by BNM or its successor-in-title or successor in such capacity ("**BNM Rules**"); and
 - (2) Operational Procedures for Securities Services and Operational Procedures for Malaysian Ringgit Settlement in the Real Time Electronic Transfer of Funds and Securities System issued by BNM or its successor-in-title or successor in such capacity ("**BNM Procedures**"),
- as amended and/or substituted from time to time (collectively, the "**BNM Rules and Procedures**").
- The Subordinated Debt shall be represented by a global certificate to be deposited with BNM, and is exchanged for definitive bearer form only in certain limited circumstances. The denomination of the Subordinated Debt shall be RM1,000 or in multiples of RM1,000 at the time of issuance.
- (h) Trustee's Reimbursement Account : An account designated as "Trustee's Reimbursement Account for Bondholders' Actions" ("**Trustee's Reimbursement Account**") shall be set up either by the Issuer or for and on behalf of the Issuer, in which a sum of at least RM100,000.00 is to be deposited in the Trustee's Reimbursement Account, which shall be maintained at all times throughout the tenure of the Subordinated Debt.
- (i) Taxation : All payments by the Issuer shall be made subject to withholding or deductions for or on account of any present or future tax, duty, or charge of whatsoever nature imposed or levied by or on behalf of Malaysia, or any authority thereof having power to tax, and the Issuer shall be required to gross up in connection with such withholding or deduction on these payments or distributions.
- (j) Other Conditions : The Subordinated Debt shall at all times be governed by the guidelines issued and to be issued from time to time by the SC, BNM and/or any other authority having jurisdiction over matters pertaining to the Subordinated Debt.

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