



CHUA EE GHEE  
(BC/C/1387)  
ADVOCATE & SOLICITOR  
KUALA LUMPUR

**DATED THIS 13 0 MAY 2014**

**BETWEEN**

**HONG LEONG BANK BERHAD**

(Company No. 97141-X)

(as Issuer)

**AND**

**MALAYSIAN TRUSTEES BERHAD**

(Company No. 21666-V)

(as Trustee)

\*\*\*\*\*

**SUBORDINATED NOTES TRUST DEED**

**UP TO RM10,000,000,000.00 NOMINAL VALUE**

**OF SUBORDINATED NOTES UNDER A  
MULTI CURRENCY SUBORDINATED NOTES PROGRAMME**

\*\*\*\*\*

**ADNAN SUNDRA & LOW  
ADVOCATES & SOLICITORS  
KUALA LUMPUR**

**HLIB-JKP/20130785/AC/MZZ/CEG/AT/LPY**

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CHUA EE GHEE  
(BC/C/1387)  
ADVOCATE & SOLICITOR  
KUALA LUMPUR

## SUBORDINATED NOTES TRUST DEED

THIS SUBORDINATED NOTES TRUST DEED is made the

30 MAY 2014

BETWEEN:

- (1) **HONG LEONG BANK BERHAD** (Company No. 97141-X), a company incorporated in Malaysia with its registered office at Level 8, Wisma Hong Leong, 18, Jalan Perak, 50450 Kuala Lumpur (the "Issuer");

AND

- (2) **MALAYSIAN TRUSTEES BERHAD** (Company No. 21666-V), a trust corporation registered under the Trust Companies Act, 1949 and incorporated under the Companies Act with its registered office at Level 10, Tower 1, RHB Centre, Jalan Tun Razak, 50400 Kuala Lumpur (the "Trustee").

### RECITALS:

- (A) By a resolution of the Issuer's Board of Directors passed on 23 October 2013, the Issuer is authorised to constitute and put in place the Multi-Currency Subordinated Notes Programme and pursuant thereto, to issue up to Ringgit Ten Billion (RM10,000,000,000.00) or its equivalent in other currencies, nominal value of subordinated notes to be denominated in RM and/or other currencies ("Subordinated Notes"). The terms and conditions of the Multi-Currency Subordinated Notes Programme are set out in the Programme Agreement. The aggregate outstanding nominal value of the Subordinated Notes, shall not exceed the limit of Ringgit Ten Billion (RM10,000,000,000.00) or its equivalent in other currencies thereof at any point in time. The Subordinated Notes will be issued in a manner more particularly described in Clause 2 below at par, premium or discount to its nominal value. Each Subordinated Notes issued under the Multi-Currency Subordinated Notes Programme shall have a tenure of not less than five (5) years from its Issue Date, provided that the Subordinated Notes will mature on or prior to the expiry of the Multi-Currency Subordinated Notes Programme, with a call option ("Call Option", as further detailed in Clause 6.5 below), an option for Regulatory Redemption (as further detailed in Clause 6.6 below) and an option for Tax Redemption (as further detailed in Clause 6.7 below) given to the Issuer (subject to, amongst others, the prior approval of BNM (as hereinafter defined)) to redeem the relevant Subordinated Notes before the Maturity Date.

Each tranche of the issued Subordinated Notes shall bear interest/coupon at the rate that is to be determined prior to the issuance of that tranche and the rate shall be applicable throughout the tenure of each tranche of the issued Subordinated Notes. For avoidance of doubt, there shall be no step-up coupon rate.

- (B) Subject to the Operational Procedures for RENTAS, Participation and Operation Rules and Operational Procedures for Securities Services, each tranche of the Subordinated Notes will be represented by a Global Certificate (as hereinafter defined) in bearer form.
- (C) MyClear (as hereinafter defined), as appointed by BNM, operates and manages a scripless book-entry securities trading and funds transfer system known as RENTAS (as hereinafter defined).
- (D) As part of RENTAS, MyClear operates and manages the Electronic Scripless Securities Depository System (hereinafter referred to as "SSDS") which is a scripless book-entry securities trading system that effects and records the trading and settlement of securities which are traded through SSDS and an Inter Bank Funds Transfer System that effects and records transfers of fund between BNM and persons approved by it to have access to and utilise RENTAS.
- (E) The Subordinated Notes are securities which are of the type that will be issued under FAST and traded through SSDS.
- (F) Application was made to the SC (as hereinafter defined) for approval and authorisation for the Issuer to establish the Multi-Currency Subordinated Notes Programme for the issuance of the Subordinated Notes and such approval and authorisation was obtained on 23 April 2014. By BNM's letter dated 20 February 2014 addressed to the Issuer, BNM has approved the establishment of the Multi-Currency Subordinated Notes Programme for the issuance of the Subordinated Notes by the Issuer. The first issuance under the Multi-Currency Subordinated Notes Programme shall be made within two (2) years from the date of the SC's approval and authorisation.
- (G) The Subordinated Notes will qualify as Tier 2 capital of the Issuer in accordance with the Capital Adequacy Framework (Capital Components) issued by BNM on 28 November 2012.
- (H) This Subordinated Notes Trust Deed sets out the terms and conditions pursuant to which the Issuer shall issue the Subordinated Notes and constitute the same.

- (I) The Trustee is approved by the SC to duly act and is qualified to act as a trustee corporation for the purposes of the CMSA (as hereinafter defined) and has agreed to act as trustee under this Subordinated Notes Trust Deed for the benefit of the Subordinated Noteholders on the terms and subject to the conditions hereinafter contained.

**NOW THIS DEED WITNESSETH AND IT IS HEREBY AGREED AND DECLARED**  
as follows:

**1. DEFINITIONS**

1.1 In these presents (including the Recitals), the following expressions shall have the following meanings (except where the context requires otherwise): -

- |                             |                                                                                                                                                                                                                                                                                                                                              |
|-----------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| “Auditors”                  | means the auditor or auditors for the time being of the Issuer or, in the event of their inability or unwillingness to carry out any action required to be carried out by them pursuant to this Subordinated Notes Trust Deed, such other firm of accountants as may be nominated by the Issuer and approved by the Trustee for the purpose; |
| “Authorised Signatory(ies)” | means, in relation to the Issuer, a person who is empowered to give or sign any notices, requests, certificates or other communications and documents under or in connection with all Transaction Documents, and whose authority is evidenced by a resolution of the Directors of the Issuer;                                                |
| “BNM”                       | means <b>BANK NEGARA MALAYSIA</b> , a body corporate established under the Central Bank of Malaysia Act, 1958, of Jalan Dato' Onn, 50480 Kuala Lumpur;                                                                                                                                                                                       |
| “Business Day”              | means a day (other than Saturday, Sunday and public holiday) on which Financial Institutions are open for business in Kuala Lumpur;                                                                                                                                                                                                          |
| “Call Date”                 | means any interest/coupon payment date falling after a minimum period of five (5) years from the Issue Date, at the option of the Issuer;                                                                                                                                                                                                    |

|                                                                |                                                                                                                                                                                                                                                                                                                                       |
|----------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>“Call Option”</b>                                           | means the option for early redemption of a relevant tranche of the Subordinated Notes given to the Issuer to redeem the relevant Subordinated Notes on the relevant Call Date in accordance with the terms and conditions of Clause 6.5;                                                                                              |
| <b>“Central Depository”</b>                                    | means BNM and includes its successors in title and permitted assigns or, if BNM ceases to be the central depository in accordance with the Central Securities Depository and Paying Agency Rules, such other persons appointed as such by the Issuer with the approval of the Trustee to act as custodian of the Global Certificates; |
| <b>“Central Securities Depository and Paying Agency Rules”</b> | means a uniform set of rules and procedures which govern the depository and paying agency services provided by MyClear as agent for BNM in relation to the securities deposited in RENTAS, and as modified or revised or substituted from time to time;                                                                               |
| <b>“Certificate(s)”</b>                                        | means the Global Certificate and/or the Definitive Certificate (as the case may be) and where the context so requires reference to “Certificate” shall mean any one of them;                                                                                                                                                          |
| <b>“CMSA”</b>                                                  | means the Capital Markets and Services Act 2007 of Malaysia and includes any statutory amendment or re-enactment thereof;                                                                                                                                                                                                             |
| <b>“Companies Act”</b>                                         | means the Companies Act 1965 of Malaysia and includes any statutory amendment or re-enactment thereof;                                                                                                                                                                                                                                |
| <b>“Conditions”</b>                                            | means the terms and conditions of issue of the Subordinated Notes set out in Part III of the First Schedule hereto as the same may from time to time be modified in accordance with the provisions of these presents and any reference to a specific Condition shall be construed accordingly;                                        |
| <b>“Consolidated Recognition Option”</b>                       | means the option to include a tranche of the Subordinated Notes as capital in the consolidated total capital of the Hong Leong Financial Group Berhad                                                                                                                                                                                 |

group, which option shall be decided by the Issuer prior to the issuance of such tranche;

- “Consolidated Trust Account” means the Consolidated Trust Account maintained pursuant to paragraph (c) of Section 7 of the Financial Procedure Act 1957 (Revised 1972);
- “Definitive Certificate(s)” means the definitive certificates of the Subordinated Notes in or substantially in the form set out in Part II of the First Schedule hereto and includes any replacement for such certificates issued pursuant to this Subordinated Notes Trust Deed;
- “Depository Procedures” means the procedures of the Central Depository for transactions in the Subordinated Notes and for settlement of all payments to the Subordinated Noteholders as provided in the Central Securities Depository and Paying Agency Rules, the Operational Procedures for RENTAS, and the Operational Procedures for Securities Services;
- “Directors” means the directors for the time being of the Issuer;
- “Event of Default” means any of those events specified in Clause 9.1 hereof;
- “Facility Agent” means **HONG LEONG INVESTMENT BANK BERHAD** (Company No. 10209-W), a company incorporated in Malaysia with its registered office at Level 8, Wisma Hong Leong, 18, Jalan Perak, 50450 Kuala Lumpur and includes its successors in title, permitted assigns and persons deriving title thereunder in its capacity as the facility agent;
- “FAST” means the Fully Automated System for Issuing/Tendering operated by MyClear as varied, upgraded or substituted from time to time;
- “Financial Institutions” means commercial banks and investment banks licensed under the FSA;
- “FSA” means the Financial Services Act 2013 and includes any statutory amendment or re-enactment thereof;

- “Global Certificate(s)” means the global certificate issued in respect of a tranche of the Subordinated Notes in or substantially in the form set out in Part I of the First Schedule hereto and includes any replacement for such certificate issued pursuant to this Subordinated Notes Trust Deed;
- “Information Memorandum” means the information memorandum issued or to be issued by the Issuer in relation to the issuance of the Subordinated Notes and includes any amendments, variations and/or supplemental information memorandum issued from time to time;
- “interested person” shall include Directors, major shareholders and chief executive and shall also have the meaning ascribed to it in the Trust Deeds Guidelines and if there is any inconsistency, the meaning as ascribed to it in the Trust Deeds Guidelines shall prevail;
- “Issue Date” in relation to a tranche of the Subordinated Notes, means a date on which that tranche of the Subordinated Notes is issued in accordance with the Programme Agreement, which date shall fall on a Business Day;
- “Issuer” means **HONG LEONG BANK BERHAD** (Company No. 97141-X), a company incorporated in Malaysia with its registered office at Level 8, Wisma Hong Leong, 18, Jalan Perak, 50450 Kuala Lumpur and includes its successors in title, permitted assigns and persons deriving title thereunder in its capacity as the issuer;
- “Lead Arranger” means **HONG LEONG INVESTMENT BANK BERHAD** (Company No. 10209-W), a company incorporated in Malaysia with its registered office at Level 8, Wisma Hong Leong, 18, Jalan Perak, 50450 Kuala Lumpur and includes its successors in title, permitted assigns and persons deriving title thereunder in its capacity as lead arranger;
- “Lead Manager” means **HONG LEONG INVESTMENT BANK BERHAD** (Company No. 10209-W), a company incorporated in Malaysia with its registered office at Level 8, Wisma Hong Leong, 18, Jalan Perak, 50450 Kuala Lumpur and includes its successors in title,



permitted assigns and persons deriving title thereunder in its capacity as lead manager and such other financial institution appointed from time to time; and such other party(ies) (if any) as may be selected by the Issuer for any particular issuance;

**“Maturity Date”**

means the date on which the Subordinated Notes in question is due to be redeemed and which is a date falling within the fifth (5<sup>th</sup>) year to the thirtieth (30<sup>th</sup>) year from the Issue Date (provided that such date falls within the tenure of the Multi-Currency Subordinated Notes Programme), as the Issuer may select Provided That:

- (a) subject to paragraph (b), if the Maturity Date falls on a day which is not a Business Day, payment shall be made on the Business Day immediately preceding the Maturity Date; and
- (b) if the Maturity Date falls on a day which is not a Business Day by virtue of that day being an unscheduled public holiday, payment shall be made on the Business Day falling immediately after the Maturity Date;

**“Memorandum and Articles of Association”**

means the memorandum and articles of association of the Issuer for the time being in force;

**“Multi-Currency Subordinated Notes Programme”**

means a multi-currency subordinated notes programme for a tenure of thirty (30) years from the first Issue Date with an aggregate nominal value of Subordinated Notes of up to Ringgit Ten Billion (RM10,000,000,000.00) or its equivalent in other currencies, the terms and conditions of which are set out in the Programme Agreement;

**“MyClear”**

means **MALAYSIAN ELECTRONIC CLEARING CORPORATION SDN. BHD.**, a wholly-owned subsidiary of BNM and incorporated in October 2008;

**“nominal value”**

means the amount stated on the face of the Global Certificate or the Definitive Certificate for the Subordinated Notes and payable in respect thereof;

- “Non-Viability Event”** means any of those events specified as such in Clause 6.10 hereof;
- “Operational Procedures for RENTAS”** means the Operational Procedures for Malaysian Ringgit Settlement in RENTAS and Operational Procedures for Foreign Currency Settlement in RENTAS issued by MyClear and as modified or revised or substituted from time to time by MyClear;
- “Operational Procedures for Securities Services”** means Operational Procedures for Securities Services issued by MyClear and as modified or revised or substituted from time to time by MyClear;
- “Ordinary Resolution”** means (i) a resolution passed at a meeting of Subordinated Noteholders duly convened and held in accordance with the provisions contained in these presents and carried by a majority consisting of more than fifty percent (50%) of the persons present and voting thereat upon a show of hands or, if a poll is duly demanded, by a majority consisting of more than fifty percent (50%) of the votes given on such poll; or (ii) a resolution in writing signed by the Subordinated Noteholders holding more than fifty percent (50%) of the nominal value of outstanding Subordinated Notes;
- “outstanding”** means, in relation to the Subordinated Notes, all the Subordinated Notes issued other than:
- (a) those Subordinated Notes which have been redeemed prior to or on the Maturity Date pursuant to the Conditions or otherwise pursuant to these presents and the redemption monies wherefore have been duly paid to the Trustee in accordance with this Subordinated Notes Trust Deed or to the Paying Agent in the manner provided in the Central Securities Depository and Paying Agency Rules;
  - (b) those Subordinated Notes which have been repurchased and cancelled; and
  - (c) those Subordinated Notes in respect of which claims have been prescribed and are void under Condition 9;

**“Participation and Operation Rules ”**

means the Participation and Operation Rules for Payments and Securities Services issued by MyClear and as modified or revised or substituted from time to time by MyClear;

**“Paying Agent”**

means BNM and includes its successors in title and permitted assigns or, if BNM ceases to be the paying agent in accordance with the Central Securities Depository and Paying Agency Rules, such other further paying agent for the Subordinated Notes for the time being as may have been appointed as such by the Issuer with the approval of the Trustee;

**“Programme Agreement”**

means the agreement of even date entered into between the Issuer, the Principal Adviser, the Lead Arranger, the Lead Manager(s) and the Facility Agent setting out the terms and conditions relating to the issue of the Subordinated Notes, as from time to time modified in accordance with the provisions therein contained, and includes any deed or other document supplemental thereto;

**“Rating Agency”**

means RAM RATING SERVICES BERHAD (Company No. 763588-T) or such other rating agency approved by the Trustee and includes any successor in such capacity;

**“redemption”**

in relation to the Subordinated Notes, includes repayment of nominal value and the words “redeem”, “redeemable” and “redeemed” and “repay”, “repayable” and “repaid” shall be construed accordingly;

**“Redemption Amount”**

means, the amount payable by the Issuer to the Subordinated Noteholders on Redemption Date, including the outstanding nominal value of the relevant tranche Subordinated Notes together with the accrued but unpaid interest (if any) relating to the then current interest period (if any) up to (and excluding) the date on which the relevant tranche Subordinated Notes are redeemed;

**“Relevant Currency”**

means, in relation to any Subordinated Notes, the currency in which such Subordinated Notes is denominated, being Ringgit or such other currency or currencies as may be agreed upon by the Issuer and the

Lead Manager and "Relevant Currencies" shall be construed accordingly;

"RENTAS"

means the scripless book-entries securities trading and funds transfer system known as Real Time Electronic Transfer of Funds and Securities System operated by MyClear as varied, upgraded or substituted from time to time;

"RM" and "Ringgit"

means the monetary units in the lawful currency of Malaysia;

"SC"

means the Securities Commission Malaysia;

"Securities Lodgement Form"

has the meaning ascribed to it under the Central Securities Depository and Paying Agency Rules;

"Selling Restrictions"

means the restrictions imposed by the Issuer on any offer for or actual sale, transfer or disposal of, or the invitation to subscribe for the Subordinated Notes as set out in the Second Schedule hereto;

"Special Resolution"

means (i) a resolution passed at a meeting of Subordinated Noteholders duly convened and held in accordance with the provisions contained in these presents and carried by a majority consisting of not less than seventy five percent (75%) of the persons present and voting thereat upon a show of hands or if a poll is duly demanded, by a majority consisting of not less than seventy five percent (75%) of the votes given on such poll or (ii) a resolution in writing signed by the Subordinated Noteholders holding not less than seventy five percent (75%) of the nominal value of outstanding Subordinated Notes;

"SSDS Participant"

has the meaning ascribed to it under the Central Securities Depository and Paying Agency Rules;

"Subordinated Noteholders"

means the persons who are for the time being the beneficial holders of the Subordinated Notes and a "Subordinated Noteholder" means each or any of them, Provided Always That for the purposes of voting, such reference shall not include the Issuer, the Issuer's

subsidiaries or any other related corporation or any interested person of the Issuer (if applicable);

**“Subordinated Notes”**

means up to Ringgit Ten Billion (RM10,000,000,000.00) (or its equivalent in other currencies) in nominal value of subordinated notes (outstanding at any one time and which shall not exceed the limit of Ringgit Ten Billion (RM10,000,000,000.00) (or its equivalent in other currencies) in nominal value, at any point in time) to be issued by the Issuer, the terms and conditions of which are set out in this Subordinated Notes Trust Deed and the Programme Agreement and a “Subordinated Note” means each or any of them and “Subordinated Notes” shall include a reference to a particular tranche as the case may be;

**“Subordinated Notes Trust Deed” or “these presents”**

means this trust deed (including the schedules hereto), as from time to time modified in accordance with the provisions herein contained, and includes any deed or other document supplemental hereto;

**“tranche”**

means the Subordinated Notes having the same Issue Date, the same Maturity Date and the same currency;

**“Transaction Documents”**

means:

- (a) this Subordinated Notes Trust Deed;
- (b) the Securities Lodgement Form;
- (c) the Programme Agreement;
- (d) the Subordinated Notes;
- (e) any subscription agreement relating to the Subordinated Notes; and
- (f) any other documents executed in relation to the Subordinated Notes;

and references to the Transaction Document(s) shall include references to any one or more of them;

**“Trust Deeds Guidelines”**

means the Trust Deeds Guidelines issued by the SC effective as at 12 August 2011 as may be amended from time to time;

**“Trustee”** means **MALAYSIAN TRUSTEES BERHAD** (Company No. 21666-V), a trust corporation registered under the Trust Companies Act, 1949 and incorporated under the Companies Act with its registered office at Level 10, Tower 1, RHB Centre, Jalan Tun Razak, 50400 Kuala Lumpur and business address at 8th Floor, Plaza OSK, Jalan Ampang, 50450 Kuala Lumpur and includes any other trustee or trustees for the time being of these presents;

**“year”** means a period of three hundred and sixty five (365) days, except on a leap year where it means a period of three hundred and sixty six (366) days.

## 1.2 Construction

(a) Unless the context otherwise requires, any reference in this Subordinated Notes Trust Deed to:

- (i) the “Issuer”, the “Principal Adviser”, the “Lead Arranger”, the “Lead Manager”, the “Facility Agent”, the “Paying Agent”, the “Central Depository” or the “Trustee” or any other person shall be construed so as to include its and any subsequent successors and assigns in accordance with their respective interests and including, but not limited to, any surviving or transferee entity pursuant to any consolidation, amalgamation, merger, reconstruction, reorganisation or vesting by operation of law or contract;
- (ii) an “agreement” includes a concession, contract, deed, franchise, licence, private treaty or undertaking (in each case, whether oral or written);
- (iii) “approval” shall be construed as a reference to prior approval in writing;
- (iv) the “assets” of the Issuer shall be construed as a reference to the whole or any part of its undertaking, property, assets, revenues and rights;
- (v) “corporations” and “related corporations” shall be construed in accordance with the Companies Act;
- (vi) a “guarantee” includes any obligation (whatever called) of any person to pay, purchase, provide funds (whether by way of the advance of money, the purchase of or subscription for shares or other securities, the purchase of assets or services, or otherwise) for the payment of, or to indemnify against the consequences of default in the payment of, or otherwise be responsible for, any indebtedness of any other person;

- (vii) “indebtedness” includes any obligation (whether present or future, actual or contingent, secured or unsecured and whether incurred as principal or surety or otherwise) for the payment or repayment of money;
- (viii) a “law” includes common or customary law and any constitution, decree, judgment, legislation, order, ordinance, regulation, statute, treaty or other legislative measure in any jurisdiction as re-enacted, amended or extended from time to time or any present or future directive, regulation, request or requirement including any regulation, request or requirement of BNM and SC (in each case, whether or not having the force of law but, if not having the force of law, the compliance with which is in accordance with the general practice of persons to whom the directive, regulation, request or requirement is addressed);
- (ix) a “month” is a reference to a period starting on one (1) day in a calendar month and ending on the numerically corresponding day in the next calendar month save that, where any such period would otherwise end on a day which is not a Business Day, it shall end on the immediately preceding Business Day provided that, if there is no numerically corresponding day in the month in which that period ends, that period shall end on the last Business Day of that month (and references to “months” and “monthly” shall be construed accordingly);
- (x) “tax” shall be construed so as to include any present or future tax, levy, impost, duty, value added tax or other charge of a similar nature (including, without limitation, any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same);
- (xi) the “winding-up”, “dissolution” or “administration” of a company or corporation shall be construed so as to include any equivalent or analogous proceedings under the law of the jurisdiction in which such company or corporation is incorporated or any jurisdiction in which such company or corporation carries on business including the seeking of liquidation, winding-up, reorganisation, dissolution, administration, arrangement, adjustment, protection or relief of debtors; and
- (xii) “materially and adversely” shall include events that are reasonably likely to (a) materially and adversely affect the ability of the Issuer to perform or comply with its obligations under any Transaction Documents; (b) prejudice the rights or benefits available to the Trustee and/or the Subordinated Noteholders in a material and adverse manner; or (c) have a material adverse effect on the business or condition (financial or otherwise) or the results of the operation of the Issuer.

- (b) A reference in this Subordinated Notes Trust Deed to any contract or agreement shall be a reference to that contract or agreement as amended from time to time save that where a word or expression has been defined in Clause 1.1 by reference to the meaning ascribed thereto by a contract or agreement, the reference in Clause 1.1 to that contract or agreement shall be a reference to that contract or agreement as amended as at the date of this Subordinated Notes Trust Deed.
- (c) Words and expressions denoting the singular number only shall include the plural and vice versa.
- (d) References to any statute shall be a reference to that statute as amended or re-enacted from time to time.
- (e) References to clauses and Schedules shall unless otherwise expressly provided be references to clauses of and the Schedules to this Subordinated Notes Trust Deed.
- (f) Headings and the table of contents are for ease of reference only.

## **2. ISSUE OF SUBORDINATED NOTES**

2.1 The aggregate nominal value of the Subordinated Notes at any time outstanding shall not exceed Ringgit Ten Billion (RM10,000,000,000.00) or its equivalent in other currencies thereof. The Subordinated Notes shall at all times be governed by the Operational Procedures for RENTAS, Participation and Operation Rules, Operational Procedures for Securities Services and the applicable guidelines of BNM, the SC or any other relevant regulatory authorities in Malaysia or otherwise having jurisdiction over matters pertaining to the Subordinated Notes and shall be subject to the Selling Restrictions.

2.2 Subject to the Operational Procedures for RENTAS, Participation and Operation Rules, Operational Procedures for Securities Services, each tranche of the Subordinated Notes will be represented by a Global Certificate in bearer form, which shall be deposited with the Central Depository.

2.3 Transfers of interests in the Subordinated Notes will be effected through records maintained by the Central Depository in accordance with the Depository Procedures. The Central Depository will credit the respective nominal value of the Subordinated Noteholder's beneficial interest to the account of such Subordinated Noteholder in accordance with the Depository Procedures. Transfers of such interests will be subject to compliance by the transferor and transferee with the Depository Procedures, the Central Securities Depository and Paying Agency Rules and compliance with the Selling Restrictions of the Subordinated Notes.



2.4 However, in the event that the Central Depository is in breach of its obligations under the Central Securities Depository and Paying Agency Rules or goes into voluntary liquidation otherwise than for the purpose of reconstruction or amalgamation or an order of a court of law is made for the whole or any material part of its assets or shall enter into any composition or arrangement with its creditors other than in the ordinary course of business or shall have a receiver appointed over the whole or any material part of its assets or in the opinion of the Trustee is unable to perform its obligations thereunder, the Issuer shall, subject to the prior written approval of the Trustee and the terms of the Central Securities Depository and Paying Agency Rules, be entitled to terminate the appointment of the Central Depository and to appoint another central depository in its place. Notwithstanding the aforesaid, the replacement of the Central Depository shall not take effect until the appointment of the new depository. Notice of such appointment or termination shall be given to the Subordinated Noteholders in accordance with Condition 13 within thirty (30) days of any such appointment or termination. Upon approval being granted by the Trustee, such termination or appointment shall be effective by giving to the Trustee and to the Central Depository at least sixty (60) days' written notice to that effect, provided always that no such notice relating to the termination of the appointment of the Central Depository shall take effect if, upon the expiry of the notice period, there shall cease to be a central depository having a specified office in Kuala Lumpur. The termination of the appointment of the Central Depository hereunder shall not take effect (i) until notice as mentioned in this Clause shall have been given to the Subordinated Noteholders in accordance with Condition 13 and (ii) within the period commencing forty five (45) days immediately preceding any date on which any payment in respect of the Subordinated Notes is due to be made and ending fifteen (15) days after such date.

2.5 Each Subordinated Note shall be valid from and including the Issue Date until the Maturity Date (or, if not fully redeemed by the Maturity Date, until full redemption thereof) or until fully redeemed on the Call Date or until repurchased and cancelled in accordance with the provisions hereunder.

2.6 The Subordinated Notes are to be prescribed under, and all payment transactions in respect of the Subordinated Notes shall be made through RENTAS.

2.7 In respect of Ringgit denominated Subordinated Notes, such Subordinated Notes shall be issued in denominations of Ringgit One Thousand (RM1,000.00) in nominal value (or in such other denomination as permitted by MyClear and BNM) and in multiples thereof at the time of issuance. In respect of Subordinated Notes denominated in the Relevant Currency (other than Ringgit), such Subordinated Notes shall be issued in denominations to be specified before its issuance. The Subordinated Notes shall be transferable in accordance with Condition 3. Where Definitive Certificates are issued, the Subordinated Notes shall be transferable by instrument of transfer in any usual or common form or such other form as may be approved by the Directors of the Issuer.

2.8 The Issuer shall comply with the provisions of this Subordinated Notes Trust Deed and the Conditions and the Subordinated Notes shall be held subject in all respects to the Conditions, which shall be deemed to be incorporated herein and shall be binding on the Issuer and the Subordinated Noteholders and all persons claiming through, or under them, respectively.

2.9 Where part only of a holding of a tranche of the Subordinated Notes has been redeemed, the Issuer will replace the existing Global Certificate for that tranche deposited with the Central Depository with a new Global Certificate for the balance of the tranche of the Subordinated Notes remaining outstanding. However, where Definitive Certificates are issued, the Issuer shall issue to the Subordinated Noteholder concerned a replacement Definitive Certificate for the balance of the Subordinated Notes retained by the relevant Subordinated Noteholder.

2.10 The Issuer may use facsimile signatures of any person or persons who are Authorised Signatories of the Issuer on the date hereof on the Certificates notwithstanding that at the time of issue of any Certificates such person may have ceased for any reason to hold such office and the Certificates so executed shall be valid and binding obligations of the Issuer.

2.11 (a) If any Certificate is worn out or defaced, then upon production thereof to the Issuer, the Issuer may require the same to be cancelled and may issue a new Certificate in lieu thereof. For every new Certificate so issued there shall be paid to the Issuer the amount of all taxes and duties and out of pocket expenses payable on or in connection with the issue thereof together with a further fee not exceeding such maximum sum as may be prescribed, from time to time, by any applicable law or regulation or relevant authorities as the Issuer may determine.

(b) Subject to the provisions of the Companies Act, if any Certificate is lost or destroyed or stolen then upon proof thereof to the satisfaction of the Issuer and on such indemnity as the Issuer deems adequate being given, and on the payment of the amount of all taxes and duties and out of pocket expenses payable on or in connection with the issue thereof together with a further fee not exceeding such maximum sum as may be prescribed, from time to time, by any applicable law or regulation or relevant authorities as the Issuer may determine, a new Certificate shall be issued in replacement of such lost or destroyed or stolen Certificate.

2.12 If the Trustee shall in its opinion consider that the Central Depository is unable to perform its obligations as authorised depository, or fails to properly record transfers of beneficial interests in the Subordinated Notes or if the Trustee and the Issuer shall agree that the Global Certificate for each tranche of the Subordinated Notes be cancelled and replaced with Definitive Certificates or if directed by a Special Resolution citing such other event specified in the Operational Procedures for RENTAS and Operational Procedures for Securities Services which compels the issuance of Definitive Certificates, the Issuer shall

upon receipt of written notice from the Trustee or passing of the said Special Resolution, as the case may be, and as soon as reasonably practicable, issue Definitive Certificates in respect of the Subordinated Notes, subject to BNM and other applicable regulatory approvals.

### **3. ISSUER'S COVENANT TO PAY**

3.1 The Issuer hereby covenants with the Trustee that unless previously redeemed or repurchased and cancelled, or otherwise satisfied by the Issuer, the Subordinated Notes will be redeemed in full at their nominal value by the Issuer on the Maturity Date or any other date on which the Subordinated Notes are due and payable.

3.2 Every payment by the Issuer to the Subordinated Noteholders in respect of amounts represented by the Subordinated Notes held by them shall be a satisfaction, *pro tanto*, of the covenant by the Issuer contained in this Clause.

### **4. PAYMENT AND PAYING AGENT**

4.1 Pursuant to the execution of the Securities Lodgement Form, the Issuer has appointed or will appoint BNM as the Paying Agent. In acting under the Central Securities Depository and Paying Agency Rules and in connection with the Subordinated Notes, the Paying Agent will, subject to Clause 10.5(a)(i), act solely as the agent of the Issuer and not on behalf of the Subordinated Noteholders. The Subordinated Noteholders are bound by, and are deemed to have notice of, all the provisions in the Central Securities Depository and Paying Agency Rules applicable to them or insofar as they affect the rights, interests or obligations of the Subordinated Noteholders.

4.2 All payments in respect of the Global Certificate(s) will be made through RENTAS by the Paying Agent subject to applicable laws and regulations in respect thereof.

4.3 All payments in respect of the Global Certificate(s) will be made in the Relevant Currency in which the Subordinated Notes were issued in accordance with the Depository Procedures or in such manner as the Paying Agent and the SSDS Participant may agree.

4.4 The Paying Agent may be replaced at any time in accordance with the Central Securities Depository and Paying Agency Rules, and subject to the compliance with any law, regulation, guideline and/or rule in relation to scripless trading of the Subordinated Notes. Notice of any such replacement and of any change in the specified office of the Paying Agent will be given to the Trustee by the Issuer in accordance with this Subordinated Notes Trust Deed.

4.5 Save and except for any withholding tax which may be required by law which shall be deducted from any payment made under the Subordinated Notes, all payments made under the Subordinated Notes or this Subordinated Notes Trust Deed shall be made free and clear of any present and future taxes, value-added taxes, service tax, goods-and-services tax, withholdings, stamp duties, levies, deductions and charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of or within Malaysia or by any authority therein or thereof having such power to tax. For the avoidance of doubt, following such deduction or withholding as set out in this Clause 4.5, the Issuer shall not be required to gross-up in connection with such withholding or deduction on these payments or distributions.

## 5. INTEREST

5.1 The Issuer hereby covenants that from (and including) the Issue Date up to the Maturity Date or unless previously cancelled or otherwise redeemed by the Issuer, it will pay to the Subordinated Noteholders interest on each Subordinated Notes at the rate which will be determined prior to the Issue Date and which rate shall be as reflected on the Global Certificate in respect of any such tranche of Subordinated Notes and such rate shall be applicable throughout the tenure of each tranche of the Subordinated Notes.

5.2 The first interest payment shall be made on the date falling six (6) months after the Issue Date. The first interest payment shall be calculated for the period commencing from the Issue Date up to the aforesaid date of first interest payment (inclusive of the date of commencement, but excluding the date of expiry). Thereafter, interest calculated for each subsequent six (6) months' period (inclusive of the date of commencement, but excluding the date of expiry) shall be payable semi-annually in arrears.

5.3 Subject always to Clause 5.2 above, the last payment of interest shall be made on the Maturity Date calculated for the period commencing from (and including) the previous interest payment date up to (but excluding) the Maturity Date, or, in the event that such Subordinated Note shall have been redeemed, or repurchased and cancelled or otherwise satisfied by the Issuer, as the case may be, prior to the Maturity Date, up to (but excluding) the date of redemption, or repurchase and cancellation or satisfaction, as the case may be, of such Subordinated Note.

5.4 The interest will be calculated on the basis of the actual number of days in the relevant period divided by three hundred and sixty five (365) and in any event, in accordance with the Operational Procedures for Securities Services.

5.5 Every payment by the Issuer to the Subordinated Noteholders in respect of the interest shall be in satisfaction *pro tanto* of the covenant by the Issuer contained in this Clause and the obligations and liabilities of the Issuer with regard to that interest payment.

5.6 Any monies remaining unpaid by the Issuer or any payment not made when due to the Trustee (for and on behalf of the Subordinated Noteholders) or the Subordinated Noteholders on or after any date upon which the same are due shall carry interest thereon (payable by the Issuer) calculated at the rate (whether before or after any court order or judgment) which is the aggregate of one per cent (1%) per annum and the then prevailing base lending rate of Hong Leong Bank Berhad for the period commencing on (and including) the date on which such monies are due and ending on (and excluding) the date payment is received by the Trustee (for and on behalf of the Subordinated Noteholders), Subordinated Noteholders or the Paying Agent in the event that the Paying Agent acts as agent for the Trustee pursuant to Clause 10.5(a)(i). Interest payable under this Clause shall accrue daily and be calculated monthly on the basis of actual days in default and a year of 365 days shall be immediately due and payable by the Issuer upon demand or at the end of each such interest period, whichever is the earlier. So long as any monies remain unpaid, interest shall continue to be calculated on the same basis. Interest payable under this Clause shall be calculated by the Facility Agent at the relevant time and, in the absence of manifest error, the amount calculated by such Facility Agent shall be binding on the Issuer and the Subordinated Noteholders.

## **6. PURCHASE, CANCELLATION AND REDEMPTION**

### **Purchase in Open Market**

6.1 The Issuer, any of its subsidiaries or related corporations or agent(s) of the Issuer may at any time, subject to the prior approval of BNM (but which approval shall not be required for a purchase done in the ordinary course of business), purchase the Subordinated Notes at any price in the open market or by private treaty provided no Non-Viability Event has occurred prior to the date of such purchase. If purchases are made by tender for a tranche of the Subordinated Notes, such tender must (subject to any applicable rules and regulations) be made available to all Subordinated Noteholders of that tranche of the Subordinated Notes equally.

Subordinated Notes purchased by related corporations (other than the Issuer's subsidiaries) or any interested person of the Issuer, 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 Notes subject to any exceptions in the Trust Deeds Guidelines. For the avoidance of doubt, the Subordinated Notes held by related corporations or any interested person of the Issuer shall not be counted for the purposes of voting subject to any exceptions in the Trust Deeds Guidelines.

### **Cancellation**

6.2 Subject to the prior approval by BNM (but which approval shall not be required for any purchase done in the ordinary course of business), the Subordinated Notes redeemed or purchased by the Issuer or its subsidiaries or by agent(s) of the Issuer (other than in the

ordinary course of business) shall be cancelled and such Subordinated Notes shall not be reissued or resold.

Pursuant to such cancellation, the Issuer shall confirm in writing to the Trustee that:

- (a) the amounts paid in respect of such Subordinated Notes as have been redeemed, paid and cancelled;
- (b) the aggregate nominal value and certificate numbers of those Subordinated Notes as have been redeemed, paid and cancelled; and
- (c) that such Subordinated Notes has/have been cancelled, as soon as reasonably possible (and in any event within one (1) month) after the end of each calendar quarter during which any such redemption, purchase and surrender for cancellation, payment or replacement (as the case may be) takes place.

For purposes of Clauses 6.1 and 6.2, the term "ordinary course of business" includes those activities performed by the Issuer and/or any related corporation of the Issuer for third parties (such as clients of the Issuer, the Issuer's subsidiaries' and the Issuer's related corporations) and excludes those performed for the funds of the Issuer or such related corporation.

6.3 Where Definitive Certificates are issued, the Subordinated Noteholders shall be bound, against payment by the Issuer of the appropriate redemption monies, to deliver to the Issuer the Definitive Certificates at such time and place as may be notified to them. The Issuer shall be entitled in the case of any redemption in full, to cancel the Definitive Certificates of the Subordinated Noteholders concerned regardless of whether the Definitive Certificates have been delivered to the Issuer.

6.4 For the avoidance of doubt, upon any purchase, redemption or repayment of any of the Subordinated Notes during the availability period of the Multi-Currency Subordinated Notes Programme, the Issuer is allowed to further issue the Subordinated Notes up to the limit of Ringgit Ten Billion (RM10,000,000,000.00) (or its equivalent in other currencies thereof) in nominal value (provided that the nominal value of the Subordinated Notes at any time outstanding shall not exceed Ringgit Ten Billion (RM10,000,000,000.00) or its equivalent in other currencies thereof), which shall be utilised for purposes set out in the Programme Agreement.

### **Call Option**

6.5 For each tranche of the Subordinated Notes, where a Call Option is applicable, the Issuer may, at its sole discretion, and subject to the prior approval of BNM, by giving fourteen (14) days' irrevocable notice to the Trustee in accordance with Clause 30 hereof, redeem that tranche of the Subordinated Notes (in part or in whole) on the Call Date at their nominal value together with all accrued but unpaid coupon (if any). Upon an exercise of the

Call Option under this Clause, the relevant tranche of the Subordinated Notes shall become due and payable on the Call Date. The early redemption by the Issuer of the Subordinated Notes of one tranche does not trigger the redemption of the Subordinated Notes in other tranches.

In the case of a partial redemption of Subordinated Notes of a tranche pursuant to the Call Option, the selection of the Subordinated Notes to be redeemed will be made by the Trustee on a pro rata basis, or by such other method as the Trustee (with the agreement of the Issuer) will deem to be fair and appropriate, and no Subordinated Notes of Ringgit One Million (RM1,000,000.00) in nominal value or less, or other nominal value as may be agreed between the Trustee and the Issuer, will be redeemed in part.

### **Regulatory Redemption**

6.6 If at any time there is more than an insubstantial risk, as determined by the Issuer, that:

- (a) any tranche of the Subordinated Notes (in whole or in part) issued will, either immediately or with the passage of time or upon either the giving of notice or fulfilment of a condition, no longer fully qualify as Tier 2 capital of the Issuer (whether due to a change in accounting or tax policies or BNM's regulations or otherwise) for the purposes of BNM's capital adequacy requirements under any regulations applicable to the Issuer; or
- (b) changes in law will make it unlawful to continue performing its obligations under the Subordinated Notes,

the Issuer may at its option, by giving fourteen (14) days' irrevocable notice to the Trustee in accordance with Clause 30 hereof, redeem such tranche of the Subordinated Notes in full at their nominal value together with accrued but unpaid coupon (if any), subject to the prior approval of BNM.

### **Tax Redemption**

6.7 If there is more than an insubstantial risk that the Issuer:

- (a) has or will be required to pay any additional amounts because of taxes, duties, assessments or government charges of whatever nature in relation to any tranche of the Subordinated Notes; or

- (b) would no longer be able to deduct interest in respect of any tranche of the Subordinated Notes for taxation purposes, as a result of a change in, or amendment to, any applicable laws or regulations of Malaysia or any political subdivision or any authority thereof or therein having power to tax, or change in the application or official interpretation of such laws or regulations, which change or amendment comes into effect on or after the issue dates of the relevant Subordinated Notes and the Issuer cannot, by taking reasonable measures available to it, avoid the payment of any additional amounts or deduct interest in respect of any tranche of the Subordinated Notes,

the Issuer may, at its option, by giving fourteen (14) days' irrevocable notice to the Trustee in accordance with Clause 30 hereof, redeem such tranche of the Subordinated Notes in full at their nominal value together with accrued but unpaid coupon (if any), subject to the prior approval of BNM.

#### **Redemption on Maturity Date**

6.8 Unless previously redeemed and cancelled, or purchased and cancelled in accordance with this Subordinated Notes Trust Deed, each Subordinated Note will be redeemed at the Redemption Amount on the Maturity Date.

#### **Contingent Write-off**

6.9 Upon the occurrence of a Non-Viability Event, the Issuer is required to give notice to the Subordinated Noteholders and the Rating Agency, then as of the relevant write-off date:

- (a) the write-off shall reduce:
- (i) the claim of the Subordinated Notes in liquidation. The Subordinated Noteholders will be automatically deemed to irrevocably waive their right to receive, and no longer have any rights against the Issuer with respect to, repayment of the aggregate principal amount of the Subordinated Notes written-off;
  - (ii) the amount re-paid when a Call Option is exercised; and
  - (iii) coupon payments on the Subordinated Notes;
- (b) the write-off shall be permanent and the full principal amount of the Subordinated Notes will automatically be written-off to zero and the Subordinated Notes will be cancelled; and



- (c) the write-off of the Subordinated Notes shall not constitute an Event of Default or trigger cross-default clauses.

#### Non-Viability Event

6.10 A "Non-Viability Event" shall be the earlier of the following:

- (a) BNM and the Malaysia Deposit Insurance Corporation have notified the Issuer in writing that they are of the opinion that the write off of the Subordinated Notes, together with the conversion or write off of any other Tier 2 instruments and Tier 1 instruments which, pursuant to their terms or by operation of law, are capable of being converted into equity or written off at that time, is necessary, without which the Issuer or the Hong Leong Financial Group Berhad group (if the Consolidated Recognition Option has been adopted in respect of such tranche of the Subordinated Notes), would cease to be viable; or
- (b) BNM and Malaysia Deposit Insurance Corporation publicly announce that a decision has been made by BNM, the Malaysia Deposit Insurance Corporation, or any other federal or state government in Malaysia, to provide a capital injection or equivalent support to the Issuer, without which the Issuer or the Hong Leong Financial Group Berhad group (if the Consolidated Recognition Option has been adopted in respect of such tranche of the Subordinated Notes), would cease to be viable.

6.11 In an occurrence of Non-Viability Event, BNM shall have the option to require the entire principal outstanding, or a part thereof, and all other amounts owing under the Subordinated Notes to be written off, and if BNM elects to exercise such option, subject to and as of the date of the occurrence of the Non-Viability Event, each of the Subordinated Noteholders hereby irrevocably waives its right to receive repayment of the principal amount of the Subordinated Notes so written off and also irrevocably waives its right to any coupon (including coupon accrued but unpaid up to the date of the occurrence of a Non-Viability Event). For the avoidance of doubt, the requirement for a write off following the occurrence of a Non-Viability Event involving the Hong Leong Financial Group Berhad group will only apply to such tranche of the Subordinated Notes in respect of which the Consolidated Recognition Option has been adopted and will not apply to other tranches of the Subordinated Notes in respect of which the Consolidated Recognition Option has not been adopted.

6.12 For the avoidance of doubt:

- (a) upon the occurrence of a Non-Viability Event as described under sub-Clause 6.10 (a) or 6.10 (b), where the Issuer is required by BNM to write off or convert a portion of all the Tier 2 instruments and Tier 1 instruments of the Issuer which, pursuant to their terms or by operation of law, are capable of being converted into equity or written off at that time, the Issuer shall first convert or write off the relevant Tier 1 instruments (if applicable), to be

followed by the write off or conversion of the relevant Tier 2 instruments on a pari passu basis; and

(b) such write off shall neither constitute an Event of Default or enforcement event, nor would it trigger any cross-default under the Subordinated Notes.

6.13 A Non-Viability Event shall be deemed to have occurred on the day on which the Issuer received the notification from BNM as per the clause herein where the Issuer shall immediately inform the Trustee and the Rating Agency of the same.

6.14 The Subordinated Notes will under no circumstances be converted into equity of the Issuer and will only absorb losses pursuant to the terms specified herein.

## 7. STATUS

### Subordination

7.1 The Subordinated Notes constitute direct, unconditional and unsecured obligations of the Issuer subordinated in right and priority in payment, to the extent and in the manner provided for in the Subordinated Notes and shall at all times, rank pari passu and rateably, without discrimination, preference or priority amongst themselves. The Subordinated Notes shall rank above the share capital of the Issuer but the claims of the Subordinated Noteholders pursuant to Clause 10.1 hereof shall in the event of the winding up or the liquidation of the Issuer be subordinated in right and priority of payment to all claims of depositors and all other creditors of the Issuer except for the claims in respect of the Issuer's unsecured and subordinated obligations which by their terms rank pari passu in right and priority of payment with, or are expressed to be subordinated to, the Subordinated Notes.

For the avoidance of doubt but subject to Clause 6.8 above, any payments due and payable under the Subordinated Notes shall remain due and payable even if the Issuer is unable to meet all such payment obligations of the Subordinated Notes (and all other obligations of the Issuer which rank in priority to the Subordinated Notes, which are due for payment at the same time) due to the Issuer's insufficient cashflows or general inability to pay.

Further, the Subordinated Noteholders shall not be conferred any right or claim as regards to participation in the profits and assets of the Issuer. The Subordinated Noteholders shall have no voting rights in the Issuer.

### Waiver of Set-Off

7.2 All amounts payable by the Issuer in respect of the Subordinated Notes are not subject to any counterclaim or set-off against any amounts payable by the Subordinated Noteholders to the Issuer. The Issuer and each Subordinated Noteholders, by virtue of being the holder of any Subordinated Notes, shall be deemed to have waived all such rights of set-off.

## **Listing**

7.3 The Subordinated Notes may be listed under the Exempt Regime maintained by Bursa Malaysia Securities Berhad. The SC will be notified accordingly in the event of such listing.

## **Voting Rights**

7.4 Subordinated Noteholders will not be entitled to receive notice of or attend or vote at any meeting of the ordinary shareholders of the Issuer or participate in the management of the Issuer. No company-shareholder relationship is intended or has been contemplated between the Issuer and the Subordinated Noteholders and as such the relationship between the Issuer and the Subordinated Noteholders shall not be governed by the Memorandum and Articles of Association of the Issuer.

## **8. COVENANTS BY THE ISSUER**

8.1 The Issuer hereby covenants with the Trustee that, so long as any of the Subordinated Notes shall remain outstanding, it shall:

- (a) at all times perform and carry out all its obligations under all the Transaction Documents and promptly comply with the provisions and terms and conditions of the Transaction Documents and the Conditions (including but not limited to redeeming the Subordinated Notes on the relevant Maturity Date(s) or any other date on which the Subordinated Notes are due and payable) and ensure that it shall immediately notify the Trustee in the event that it is unable to fulfil or comply with any of the provisions of the Transaction Documents;
- (b) so far as required by law, at all times execute all such further documents and do all such further acts and things as may be required at any time or times to give effect to the terms and conditions of this Subordinated Notes Trust Deed;
- (c) promptly give to the Trustee from time to time such information as the Trustee may require in order to discharge its duties and obligations as trustee under this Subordinated Notes Trust Deed and the other Transaction Documents relating to the Issuer's affairs to the extent permitted by law, in particular, the provisions of the FSA;
- (d) at all times maintain a Paying Agent with a specified office and who is based in Malaysia;
- (e) give to the Trustee notice of its intention to appoint or remove any Paying Agent at least seven (7) days before notice of any change is given to Subordinated Noteholders in accordance with this Subordinated Notes Trust Deed;

- (f) procure that the Paying Agent shall notify the Trustee, through the Facility Agent, in the event that the Paying Agent does not, on the due date for payment of the Subordinated Notes, receive from the Issuer in the manner provided in this Subordinated Notes Trust Deed and the Conditions the full amount in the Relevant Currency of the monies payable on such due date on all such Subordinated Notes;
- (g) at all times maintain its corporate legal existence and exercise reasonable diligence in carrying on and conduct of its business and affairs in a proper and efficient manner and in accordance with sound financial and commercial standards and practices and ensure amongst others, that all necessary approvals, rights, consents and/or relevant licences required for it to carry on its business are obtained, maintained and kept in force;
- (h) comply at all times with any and all applicable laws, regulations and other regulatory requirements including the provisions of the FSA, the CMSA and/or the notes, circulars, conditions and/or guidelines issued and/or imposed by the SC and BNM from time to time;
- (i) maintain in full force and effect all relevant authorisations, consents, rights, licences, approvals and permits (governmental and otherwise) and will promptly obtain any further authorisations, consents, rights, licences, approvals and permits (governmental and otherwise) which are or shall become necessary to enable it to own its assets, to carry on its business or for the Issuer to enter into or perform its obligations under the Transaction Documents or to ensure the validity, enforceability, admissibility in evidence of the obligations of the Issuer or the rights of the Trustee and the Subordinated Noteholders under the Transaction Documents and the Issuer shall comply with the same;
- (j) ensure that the terms in this Subordinated Notes Trust Deed do not contain any matter which is inconsistent with the provisions of the Information Memorandum;
- (k) immediately notify the Trustee in the event that the Issuer becomes aware of:
  - (i) any substantial change in the nature of the business of the Issuer;
  - (ii) any change in the utilisation of proceeds from the Subordinated Notes as set out in the Information Memorandum, the submission to the SC or any of the Transaction Documents, which sets out the specific purpose for which the proceeds are to be utilised;
  - (iii) any other circumstances or matter whether or not occurred that may materially prejudice: (a) the Issuer; (b) the interest of the Subordinated Noteholders; or (c) the ability of the Issuer to perform its obligations under the Subordinated Notes, the Conditions or the Transaction Documents;

- (iv) any change in the withholding tax position or taxing jurisdiction of the Issuer;
  - (v) the occurrence of any Event of Default or potential Event of Default; and
  - (vi) the happening of any event that has caused or could cause one or more of the following: (a) any amount payable under the Subordinated Notes become immediately payable; (b) the Subordinated Notes become immediately enforceable; or (c) any other rights or remedies under the terms and conditions of the Subordinated Notes or this Subordinated Notes Trust Deed to become immediately enforceable;
- (l) at all times prepare, maintain and keep proper books and accounts on a basis consistently applied in accordance with the laws of Malaysia and accounting principles and practices generally accepted in Malaysia and in accordance with all procedures required by the laws to which it is subject and provide the Trustee and any person appointed by it access to such books and accounts to the extent permitted by law;
- (m) furnish to the Trustee:
- (i) as soon as they become available (and in any event within one hundred and eighty (180) days after the end of each of its financial year) copies of its consolidated audited financial statements for that period. The Issuer shall notify the Facility Agent of the availability of the said consolidated audited financial statements once it is made available to the Trustee;
  - (ii) as soon as they become available (and in any event within ninety (90) days after the end of each half of its financial year) copies of the Issuer's unaudited interim financial statements for that half year (including consolidated balance sheet and profit and loss account of the Issuer); and
  - (iii) a copy of any other accounts, balance sheet, report, notice, statement, circular or other document issued or dispatched by the Issuer to its shareholders and/or to the holders of the Subordinated Notes, at the same time as these documents are dispatched to these shareholders and/or to the holders of the Subordinated Notes;
- (n) within one hundred and eighty (180) days after the end of each of the Issuer's financial year, provide the Trustee, a certificate, in or substantially in the form as set out in the Fourth Schedule hereto, signed by the Authorised Signatory(ies) on behalf of the Issuer relating to the annual period prior to the relevant date, which shall certify:

- (i) whether or not the Issuer has complied with and performed its obligations under this Subordinated Notes Trust Deed, the terms and conditions of the Transaction Documents and the Subordinated Notes; and
- (ii) whether or not there exist and whether at any time existed, from the date of issue of the Subordinated Notes (or the date of the previous certificate, as the case may be) any Event of Default; and if such is not the case, the certificate should specify the same; and
- (o) as long as it is a public listed company, it shall, at all times comply and fully observe the Listing Requirements of Bursa Malaysia Securities Berhad in relation to any related party transaction.

8.2 In respect of the accounts, reports, notices, statements or circulars stated in Clause 8.1(m)(iii) above, it is hereby agreed that the Trustee may, at its discretion, circulate such accounts, reports, notices, statements or circulars to the Subordinated Noteholders who are persons falling within the Selling Restrictions. The Trustee shall provide necessary information to the Rating Agency (and the Issuer and the Subordinated Noteholders hereby authorise the Trustee to do the same) upon the Trustee's reasonable inquiry over occurrence of the following material events in respect of the Subordinated Notes: (a) a declaration of an Event of Default by the Trustee in accordance with the provisions of this Subordinated Notes Trust Deed; and (b) a material breach of this Subordinated Notes Trust Deed which has been communicated by the Trustee to the Subordinated Noteholders, unless such breach would be or have been remedied by the Issuer to the satisfaction of the Trustee.

## **9. EVENTS OF DEFAULT**

### **9.1 An Event of Default occurs if:**

- (a) default in payment of any principal or coupon under the Subordinated Notes on the due date and the Issuer does not remedy such default within a period of seven (7) Business Days from the due date; or
- (b) 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 the winding-up of the Issuer except where such order is made or such resolution is passed for the purpose of a reconstruction or amalgamation of the Issuer, the terms of which have been approved by the Subordinated Noteholders by way of Special Resolution.

Upon the occurrence of item (a) above, subject to the terms of this Subordinated Notes Trust Deed, the Trustee may or shall (if directed to do so by a Special Resolution of the relevant tranche Subordinated Noteholders) institute proceedings to enforce the payment obligations under the relevant Subordinated Notes and may institute proceedings in Malaysia for the

winding up of the Issuer, provided that neither the Trustee nor any of the holders of the relevant Subordinated Notes shall have the right to accelerate payment of the relevant Subordinated Notes in the case of default in the payment of any amount owing under the relevant Subordinated Notes or any non-performance of any condition, provision or covenant under this Subordinated Notes Trust Deed.

Upon the occurrence of item (b) above, subject to the terms of this Subordinated Notes Trust Deed, the Trustee may or shall (if directed to do so by a Special Resolution of the Subordinated Noteholders) declare (by giving written notice to the Issuer) that the Subordinated Notes together with all other sums payable under the Subordinated Notes shall become and be immediately due and payable at its nominal value together with the accrued but unpaid coupon (if any) notwithstanding the stated maturity of the Subordinated Notes, whereupon such amounts shall become and be immediately due and payable.

For avoidance of doubt, the occurrence of an Event of Default as set out in Clause 9.1 (a) above for any tranche of the Subordinated Notes will not trigger the Event of Default for other tranches of the Subordinated Notes outstanding. However, the occurrence of an Event of Default as set out in Clause 9.1 (b) above will trigger an Event of Default for all tranches of the Subordinated Notes outstanding.

## **10. REMEDY FOR DEFAULT**

10.1 At any time after the Subordinated Notes shall have become due and immediately repayable under the provisions of Clause 9.1 hereof, the Trustee, subject to Clause 10.3 hereof, shall enforce all payment obligations under the Subordinated Notes only by way of petitioning for the winding-up or dissolution of the Issuer and/or by proving for the amount due and payable under the Subordinated Notes in the liquidation or administration of the Issuer.

For the avoidance of doubt:

- (a) in the event that the Subordinated Notes are not redeemed (i) on or prior to the Maturity Date; or (ii) when the same are due and payable; the Subordinated Notes shall only be repaid pursuant to the winding-up or the liquidation of the Issuer and the claims of the Subordinated Noteholders herein shall in the winding up or the liquidation of the Issuer be subordinated in right and priority of payment to all claims of depositors and all other creditors of the Issuer except for the claims in respect of the Issuer's unsecured and subordinated obligations which by their terms rank *pari passu* in right and priority of payment with, or are expressed to be subordinated to, the Subordinated Notes; and

- (b) in the event the Issuer defaults in the performance or observance of any covenant, condition or provision contained in the Subordinated Notes or this Subordinated Notes Trust Deed or any of the Transaction Documents (save for failure to pay any amount of principal, interest or expenses or in respect of any other payment obligation), (i) the Trustee or any Subordinated Noteholder shall not be entitled to any remedy available to the Trustee or any Subordinated Noteholder which in substance amounts to a remedy to recover any amounts under any payment obligation of the Issuer under the Subordinated Notes, and (ii) any other remedy available (including damages) shall be subject to the subordination provided in Clause 7.1 hereof.

10.2 Where the Trustee takes winding-up proceedings against the Issuer to enforce the rights of the Subordinated Noteholders against the Issuer in accordance with Clause 10.1 above, proof therein that as regards any specific Subordinated Noteholder the Issuer has made default in paying on the due date any moneys payable in respect of the Subordinated Notes held by that Subordinated Noteholder or any part thereof shall (unless the contrary be proved) be sufficient evidence that the Issuer has made similar default as regards all the other Subordinated Noteholders in respect of whose Subordinated Notes moneys are payable.

10.3 The Trustee shall not be bound to take any step to enforce the rights of the Subordinated Noteholders against the Issuer in accordance with Clause 10.1 above unless directed to do so by a Special Resolution and unless it has been indemnified to its satisfaction against all actions, proceedings, claims and demands to which it may thereby render itself liable and all costs, charges (including legal fees on a solicitor – client basis), damages and expenses which it may incur, suffer or sustain by so doing.

10.4 Only the Trustee may pursue the rights and remedies available under Clause 10.1 of this Subordinated Notes Trust Deed to enforce the rights of the Subordinated Noteholders against the Issuer and no Subordinated Noteholder shall be entitled to pursue such remedies against the Issuer unless the Trustee, having become bound to do so in accordance with the terms of this Subordinated Notes Trust Deed, fails to do so after the expiry of seven (7) days from the date of the Trustee having become bound to do so in which event the Subordinated Noteholders may pursue rights and remedy under general law, provisions under these presents and/or other Transaction Documents to be enforced against the Issuer.

10.5 At any time after a declaration pursuant to Clause 9.1 or after the Subordinated Notes shall have become due and repayable pursuant to this Subordinated Notes Trust Deed and the Conditions or at any time with the written consent of the Issuer, the Trustee may:

- (a) by notice in writing to the Issuer, the Facility Agent, the Central Depository and/or the Paying Agent, require the Central Depository and/or Paying Agent pursuant to the Central Securities Depository and Paying Agency Rules:
- (i) to act thereafter as the Paying Agent of the Trustee in relation to payments to be made by or on behalf of the Trustee under the provisions of this Subordinated Notes Trust Deed mutatis mutandis on the terms provided in the



Central Securities Depository and Paying Agency Rules and thereafter to hold all Subordinated Notes and all sums, documents and records held by them in respect of the Subordinated Notes on behalf of the Trustee; and/or

- (ii) to deliver up all Subordinated Notes and all sums, documents and records held by it in respect of the Subordinated Notes to the Trustee or as the Trustee shall direct in such notice, provided that such notice shall be deemed not to apply to any documents or records which the Central Depository is obliged not to release by any law or regulation;
- (b) by notice in writing to the Issuer, require it to make all subsequent payments in respect of the Subordinated Notes to or to the order of the Trustee and not to the Paying Agent and with effect from the issue of any such notice to the Issuer and until such notice is withdrawn, the provisions of sub-Clause (a)(i) above shall cease to have effect.

## **11. APPLICATION OF MONIES RECEIVED IN RESPECT OF THIS SUBORDINATED NOTES**

11.1 The Trustee shall apply all monies received under these presents and/or the other Transaction Documents consequent upon the Subordinated Notes becoming repayable for the purposes and in the following order of priority, despite any appropriation of all or part of them by the Issuer:

- (a) in paying or providing for the payment or satisfaction of the costs, charges, expenses and liabilities reasonably incurred by it in or about the execution of the trusts of these presents and under the Transaction Documents including legal fees (on a solicitor-client basis) and all remuneration payable to the Trustee or any other agents as herein provided; and
- (b) the residue of such monies in the following priorities:
  - (i) in or towards payment to the Subordinated Noteholders rateably of all accrued interest, due in respect of the Subordinated Notes held by them respectively;
  - (ii) in or towards payment to the Subordinated Noteholders rateably of all nominal value due in respect of the Subordinated Notes held by them respectively; and
  - (iii) the surplus (if any) of such monies to the Issuer or its assigns.

11.2 Any payment to the Subordinated Noteholders under this Clause shall be made *pari passu* in proportion to the amounts owing to them in respect of the nominal value of the Subordinated Notes held by them.

**12. POWER TO WITHHOLD PAYMENT UNTIL SUFFICIENT TO PAY TEN PER CENT (10%)**

12.1 If the amount of the monies at any time applicable under Clause 11 hereof shall be less than ten percent (10%) of the nominal value of the Subordinated Notes then issued and remaining outstanding, the Trustee may at its discretion invest such monies in one or more of the investments authorised by Malaysian law, with power from time to time at the like discretion to vary such investments and such investments with the resulting income therefrom may be accumulated until the accumulations together with any other funds for the time being under the control of the Trustee and applicable for the purpose herein shall amount to a sum sufficient to pay at least ten percent (10%) of the nominal value of the Subordinated Notes then issued and remaining outstanding then such accumulations and funds shall be applied in the manner aforesaid Provided Always that on no occasion shall the Trustee retain pursuant to this Clause any sums of monies or investments exceeding the amounts stated above for a period exceeding thirty (30) days.

**13. DISTRIBUTION BY TRUSTEE**

13.1 The Trustee shall as soon as practicable after the recovery of any money pursuant to Clause 10 hereof give not less than seven (7) days' notice to the Subordinated Noteholders of the day and place fixed for any payment to the Subordinated Noteholders under any of Clauses 11 and 12.

**14. PAYMENT TO SUBORDINATED NOTEHOLDER A DISCHARGE TO TRUSTEE**

14.1 The payment by cheque (or such other manner as is acceptable to the Trustee) to the Subordinated Noteholder of any monies payable by the Trustee to him or them in respect of his or their Subordinated Notes shall upon clearance of the said cheque be a good discharge to the Trustee.

**15. DEPOSIT OF UNCLAIMED MONIES**

15.1 In the event any of the Subordinated Noteholders which the Issuer has paid fails to claim or accept the monies due to those Subordinated Noteholders within six (6) months after the due date for payment of such Subordinated Notes, the Issuer shall at the request of the Trustee or otherwise be at liberty to deposit with a licensed bank in the name of the Trustee or pay to the Trustee an amount equal to the amount due to such Subordinated Noteholder and upon such deposit or payment being made, the Subordinated Notes shall be deemed to have been duly paid. After provision for payment of such Subordinated Notes is made by

such deposit or payment of the funds hereunder, the Trustee shall not be responsible for the safe custody of such monies or for the interest thereon except such interest (if any) as the said monies may earn whilst on deposit less any costs, charges or expenses incurred or levied by the Trustee in relation thereto.

## **16. FORFEITURE OF UNCLAIMED MONIES**

16.1 Any money deposited or paid in accordance with Clause 15 hereof and any interest not claimed after the date upon which such monies shall have become due and payable shall be paid to the Consolidated Trust Account in accordance with the provisions of the Unclaimed Monies Act, 1965 (Revised, 1989).

## **17. REMUNERATION OF TRUSTEE**

17.1 In respect of the Subordinated Notes, the Issuer shall pay to the Trustee the remuneration for its services as trustee an annual fee as agreed between the Trustee and the Issuer pursuant to the letter of appointment of the Trustee dated 14 March 2014. The annual fee for the first year shall be payable prior to the issuance of the Subordinated Notes and thereafter at the anniversary date of the issue of the Subordinated Notes in the subsequent years **PROVIDED** that when the Trustee retires or ceases to be the Trustee for any reason whatsoever any remuneration that may have been received prior thereto by the Trustee in excess of what the Trustee is entitled to under the provisions of this sub-Clause on a proportionate basis shall be refunded by the Trustee to the Issuer within thirty (30) days after such retirement or cessation.

17.2 In the event of the Trustee being required or deeming it necessary, in the performance of its duties as the Trustee, to undertake any extraordinary services or otherwise outside the scope of the normal duties of the Trustee under this Subordinated Notes Trust Deed (in particular following the occurrence of an Event of Default) and/or ordinary services after the Maturity Date it shall be entitled to charge therefor either on a time cost basis or on such other basis as may be agreed between the Issuer and the Trustee **PROVIDED** that if the Issuer and the Trustee shall fail to agree on the charges as aforesaid, the charges shall be determined by the Auditors who shall certify what in their opinion is the fair charges for such services. In so certifying, the Auditors shall be considered to be acting as experts and not as arbitrators and whose certification shall be binding on the Issuer and the Trustee. The fees and expenses of the Auditors in connection with the determination of the service charges shall be borne by the Issuer.

17.3 In addition to remuneration hereunder the Issuer shall, on written request from the Trustee, pay all other reasonable costs (including solicitors cost on a solicitor-client basis), charges and expenses including reasonable travelling expenses which the Trustee may properly and reasonably incur in relation to the preparation and execution of these presents and the other Transaction Documents and the exercise of the powers or the execution of the trusts vested in it by or pursuant to these presents.

17.4 Without prejudice to the right of the indemnity given by law to the Trustee, the Issuer shall indemnify the Trustee to its satisfaction (save for the gross negligence or breach of duty of the Trustee):

- (a) in respect of all liabilities and reasonable expenses (including solicitors cost on a solicitor-client basis) properly and reasonably incurred by it or by any person appointed by it to whom any trust, power, authority or discretion may be delegated by it in the execution or purported execution of the trusts, powers, authorities or discretion vested in it by these presents; and
- (b) against all liabilities, actions, proceedings, costs, claims and demands properly and reasonably incurred in respect of any matter or thing done or omitted in any way relating to these presents **PROVIDED ALWAYS:**
  - (i) the Trustee shall not compromise any claims without the approval of the Issuer, save and except for those actions or proceedings which are instituted by or against the Issuer; and
  - (ii) in respect of any action, proceedings claims or demands brought or asserted against the Trustee in respect of which indemnity is sought from the Issuer, the Issuer shall have the option to appoint such legal advisers at the cost (on solicitors-client basis) and expenses of the Issuer to be approved by the Trustee to defend such actions, proceedings, claims or demands.

## **18. POWERS OF TRUSTEE**

18.1 The Trustee shall have all the powers conferred on trustees by the Trustees Act 1949 of Malaysia and the CMSA and by general law and by way of supplement thereto it is expressly declared as follows:

- (a) the Trustee may in relation to these presents act on the opinion or advice of or information obtained from any lawyer, valuer, surveyor, broker, banker, auctioneer, accountant or other expert, whether obtained by the Trustee, the Issuer or otherwise, without being responsible for any loss occasioned by so acting, and any such opinion advice or information may be sent or obtained by letter, telex, facsimile transmission, telegram or cablegram and the Trustee shall not be liable for acting on any opinion, advice or information, purporting to be so conveyed although the same shall contain some error or shall not be authentic;
- (b) save as is expressly provided otherwise in this Subordinated Notes Trust Deed, the Trustee shall as regards all the powers, trusts, authorities, and discretion hereby vested in it have absolute and uncontrolled discretion as to the exercise or non-exercise thereof and provided it shall have acted honestly and reasonably it shall be in no way

responsible for any loss, costs, damages, expenses or inconvenience which may result from the exercise or non-exercise thereof and in particular it shall not be bound to act whether at the request or direction of the Subordinated Noteholders or otherwise under the provisions herein contained unless the Trustee shall first be indemnified to its satisfaction by the persons requesting or directing it to act against all proceedings, claims and demands to which the Trustee may become liable and all costs, charges, expenses and liabilities which may be incurred by the Trustee in complying with such request or direction;

- (c) the Trustee shall as between itself and the Subordinated Noteholders and all persons claiming under or through them have full power to determine all questions and doubts arising in relation to any of the provisions of these presents and every determination, whether made upon a question actually raised or implied in the acts or proceedings of the Trustee, shall be conclusive and binding on all such persons;
- (d) the Trustee may in the conduct of the trust business, and with the Issuer's consent, instead of acting personally employ and pay an agent, whether a solicitor or other professional person, to transact or concur in doing all acts required to be done by the Trustee, including the receipt and payment of money, and any such agent so employed shall be entitled to charge and be paid all reasonable professional charges and disbursements for business transacted and acts done by him or his firm in connection with the trusts hereof and the Trustee shall be indemnified to its satisfaction in respect of all costs (including solicitors cost on a solicitor-client basis) so incurred;
- (e) the Trustee shall not be held responsible for acting upon any resolution purporting to have been passed at any meeting of the Subordinated Noteholders in respect whereof minutes have been made and signed, even though it may subsequently be found that there was some defect in the constitution of the meeting or the passing of the resolution or that for any reason the resolution was not valid or binding upon the Subordinated Noteholders;
- (f) the Trustee shall not be bound to take any steps to ascertain whether any event has happened upon the happening of which the Subordinated Notes shall have or may become repayable and until it shall have actual knowledge or shall have received express notice to the contrary shall be entitled to assume no such event has happened;
- (g) the Trustee may call for and shall be at liberty to accept a certificate signed by the Authorised Signatories of the Issuer as to any fact or matter upon which the Trustee may in the exercise of the trusts, powers, duties, authorities, discretion and provisions of these presents require to be satisfied or to have information, or to the effect that in the opinion of the persons so certifying any particular dealing, transaction, act or thing is expedient, as sufficient evidence of such fact or matter or of the expediency of such dealing, transaction, act or thing, and the Trustee shall not be bound to call for further evidence and shall not be responsible for any loss that may be occasioned by acting on any such certificate;

- (h) the Trustee shall not be liable or responsible for any loss costs damages expenses or inconvenience which may result from anything done or omitted to be done by it unless it shall have failed to show the degree of care and diligence required of it as a trustee having regard to the provisions of these presents conferring on it any trusts, powers, authorities or discretion;
- (i) the Trustee shall not be responsible for the receipt or application of the proceeds of the issue of the Subordinated Notes by the Issuer nor the delivery of the Global Certificate to the Central Depository;
- (j) in addition to the powers conferred herein, the Trustee shall be bound by the duties imposed on the Trustee pursuant to Section 273 of the CMSA;
- (k) the Trustee shall not be liable to the Issuer or any Subordinated Noteholder by reason of having accepted as valid or not having rejected any Global Certificate purporting to be such and subsequently found to be forged or not authentic;
- (l) in connection with the exercise of its duties, trusts, powers, authorities and discretion vested in it by this Subordinated Notes Trust Deed and by general law the Trustee shall not have regard to the consequences of such exercise for individual Subordinated Noteholders resulting from their being for any purpose domiciled or resident in or otherwise connected with or subject to the jurisdiction of any particular territory;
- (m) where an Event of Default has occurred and is continuing, the Trustee shall exercise all such rights and powers vested in it herein subject to and in accordance with this Subordinated Notes Trust Deed and shall at all times use a reasonable degree of skill and diligence in exercising such rights and powers;
- (n) the Trustee shall, unless expressly provided otherwise in this Subordinated Notes Trust Deed, be entitled to disseminate any information or distribute or deliver any documents received by it from the Issuer or the Auditors hereunder to any Subordinated Noteholder;
- (o) the Trustee shall not (unless ordered so to do by law or a court of competent jurisdiction or unless in the course of discharging its duties under this Subordinated Notes Trust Deed) be required to disclose to any Subordinated Noteholder, any confidential, financial or other information made available to the Trustee by the Issuer in connection with the trusts hereof and no Subordinated Noteholder shall be entitled to take any action to obtain from the Trustee any such information;
- (p) the Trustee may determine whether or not a failure to perform by the Issuer of any obligation under the provisions of this Subordinated Notes Trust Deed, is in its opinion capable of remedy and/or would materially and adversely affect the interests of the Subordinated Noteholders; and

- (q) the Trustee shall exercise reasonable diligence to ascertain based on the accounts, reports, certificates, circulars or opinions furnished to the Trustee whether the Issuer has committed any breach of the terms and conditions of the Subordinated Notes or provisions of these presents or whether an Event of Default has occurred or it is continuing,

Provided nevertheless that nothing in this Subordinated Notes Trust Deed shall:

- (i) exempt the Trustee from such duties imposed on it by the CMSA; and
- (ii) in any case in which the Trustee has failed to show a degree of care and diligence required of it as a trustee having regard to the provisions of these presents relieve or exempt the Trustee from or indemnify it against any liability for breach of trust or any liability which by virtue of any rule of law would otherwise attach to it in respect of any gross negligence or breach of duty or breach of trust of which it may be guilty in relation to its duties under these presents.

18.2 Notwithstanding anything to the contrary expressed or implied herein, the Trustee shall not:

- (a) be bound to enquire as to the occurrence or otherwise of any Event of Default;
- (b) be bound to account to any Subordinated Noteholder for any sum or the profit element of any sum received by it for its own account whether in connection with this Subordinated Notes Trust Deed or otherwise;
- (c) be bound to disclose to any other person any information relating to the Issuer if such disclosure would or might in its opinion constitute a breach of any law or regulation or be otherwise actionable at the suit of any person; or
- (d) be under any obligations other than those for which express provision is made herein.

18.3 The Trustee accepts no responsibility for the accuracy and/or completeness of any information supplied by the Issuer or any other person in connection with, or for the legality, validity, effectiveness, adequacy or enforceability of, this Subordinated Notes Trust Deed and the other Transaction Documents and shall not be liable or responsible for any losses to any person, howsoever caused, as a result of taking or omitting to take any action whatsoever in relation to the Transaction Documents or otherwise, save in the case of gross negligence or wilful default or fraud.

18.4 Each of the Subordinated Noteholder agrees that it will not assert or seek to assert against any director, officer or employee of the Trustee any claim it might have against any of them in respect of the matters referred to in Clause 18.3 above.

18.5 It is understood and agreed by each Subordinated Noteholder that it has itself been, and will continue to be, solely responsible for making its own independent appraisal of and investigations into the financial condition, creditworthiness, condition, affairs, status and nature of the Issuer and, accordingly, each Subordinated Noteholder warrants to the Trustee that it has not relied and will not hereafter rely on the Trustee:

- (a) to check or enquire on its behalf into the adequacy, accuracy or completeness of any information provided by the Issuer or any other person in connection with the transactions therein contemplated (whether or not such information has been or is hereafter circulated to such Subordinated Noteholder by the Trustee);
- (b) to check or enquire on its behalf into the adequacy, accuracy or completeness of any communication delivered to it, any legal or other opinions, reports, valuations, certificates, appraisals or other documents delivered or made or required to be delivered or made at any time any security to be constituted thereby or any other report or other document, statement or information circulated, delivered or made, whether orally or otherwise and whether before, on or after the date of this Subordinated Notes Trust Deed;
- (c) to check or enquire on its behalf into the due execution, delivery, validity, legality, adequacy, suitability, performance, enforceability or admissibility in evidence of any other document referred to in Clause 18.5 (b) above or of any guarantee, indemnity or security given or created thereby or any obligations imposed thereby or assumed thereunder;
- (d) to assess or keep under review on its behalf the financial condition, creditworthiness, condition, affairs, status or nature of the Issuer and the Issuer group of companies.

18.6 The Trustee shall not be liable for any failure to:

- (a) obtain any licence, consent or other authority for the execution, delivery, validity, legality, adequacy, performance, enforceability or admissibility in evidence of the Transaction Documents;
- (b) effect or procure registration of or otherwise protect the Transaction Documents by registering the same under any applicable registration laws in any territory; and
- (c) require any further assurances in relation to the Transaction Documents.

18.7 The Trustee shall be entitled to accept without enquiry, requisition or objection such right and title as the Issuer may have to the property belonging to it (or any part thereof) and shall not be bound or concerned to investigate or make any enquiry into the right or title of the Issuer to such property (or any part thereof) or, without prejudice to the foregoing, to require the Issuer to remedy any defect in its right or title as aforesaid.



18.8 In acting as Trustee hereunder, the Trustee's agency division shall be treated as a separate entity from any of its other divisions or departments and therefore in the event that the Trustee should act for the Issuer in any capacity in relation to any other matter, any information given by the Issuer to the Trustee in relation to the other matter may be treated by it as confidential.

18.9 The Trustee shall open and maintain a Trustee's Reimbursement Account for Debenture holders' Actions (as referred to in the Trust Deeds Guidelines) in the name of the Trustee (the "Account") throughout the tenure of the Multi-Currency Subordinated Notes Programme, with a bank which is acceptable to the Issuer with a sum of Ringgit Thirty Thousand (RM30,000.00), which amount is to be obtained from the proceeds of the issuance of the Subordinated Notes. The Account shall be operated solely by the Trustee and the money shall be used strictly by the Trustee in carrying out its duties in relation to the occurrence of an event of default or enforcement events in the manner as provided in this Subordinated Notes Trust Deed. The monies in the Account may be invested in bank deposit or instrument or securities in the manner as provided in this Subordinated Notes Trust Deed, with interests or returns from the investment to be accrued to the Issuer. The monies in the Account shall be returned to the Issuer upon full redemption of the Subordinated Notes in the event there is no declaration of event of default under this Subordinated Notes Trust Deed.

## **19. TRUSTEE MAY ACT THROUGH AUTHORISED OFFICER**

19.1 The Trustee hereof being a corporation may, in the execution and exercise of all or any of the trusts, powers and discretion vested in it by these presents, act by its authorised officers for the time being, which officers shall exercise due diligence in the carrying out of their duties and the Trustee may also whenever it thinks fit delegate by power of attorney or otherwise to any person or persons or body of persons (whether being a trustee hereof or not) all or any of the trusts, powers and discretion vested in it by these presents, and such delegation may be made upon and subject to such terms and conditions including power to sub-delegate and subject to such regulations as the Trustee may think fit, and Provided That the Trustee shall have exercised reasonable care in the selection of any such delegate it shall not be bound to supervise the proceedings of or be in any way responsible for any loss incurred by reason of any misconduct or default on the part of any such delegate or sub-delegate.

## **20. PRIORITY OF INDEMNITY OF TRUSTEE**

20.1 Without prejudice to any rights of indemnity by law given to trustees and subject as provided in Clause 18 hereof, the Trustee and every person appointed by the Trustee, or to whom any trust, power or discretion may be delegated by it, shall be indemnified to its satisfaction by the Issuer in priority to any payment to the Subordinated Noteholders in respect of all liabilities and expenses (including solicitors cost on a solicitor-client basis) properly and reasonably incurred by it or such person in the execution or purported execution

of the powers and trusts contained in these presents, or of any powers, authorities or discretion hereby vested in them, and against all actions, proceedings, costs, claims and demands in respect of any matter or thing done or omitted in any way relating to these presents, and the Trustee may retain and pay out of any monies in its hands upon the trusts of these presents all sums necessary to effect such indemnity and also the remuneration of the Trustee as hereinbefore provided, save and except for any liabilities, expenses, actions, proceedings, costs, claims and demands arising from or in connection with any gross negligence or wilful default or fraud on the part of the Trustee.

## **21. AUTHORISATION AND WAIVER OF BREACHES**

**21.1** The Trustee may, without the consent of the Subordinated Noteholders and without prejudice to its rights in respect of any subsequent breach, from time to time and at any time, provided that in its reasonable opinion the interest of the Subordinated Noteholders will not be materially prejudiced thereby authorise or waive on and subject to such terms and conditions as to it shall deem fit, any breach or proposed breach by the Issuer of any of the provisions, terms and conditions of these presents **PROVIDED ALWAYS** that the Trustee shall not exercise any powers conferred on it by this Clause in contravention of any express direction given to it by a Special Resolution of the Subordinated Noteholders (such direction not being inconsistent with any of the express terms and conditions of these presents) but no such direction shall affect any such authorisation or waiver previously given or made. In exercising its discretion, the Trustee shall not be bound to have regard to the past or then current market price of the Subordinated Notes. Subject as aforesaid any such authorisation or waiver shall be notified by the Trustee to the Subordinated Noteholders in accordance with the provisions of the Subordinated Notes Trust Deed and shall be binding upon the Subordinated Noteholders.

## **22. TRUSTEE CONTRACTING WITH THE ISSUER OR ANY SUBSIDIARY**

**22.1** Subject always to the provisions of Section 260 of the CMSA, neither the Trustee nor any director or officer or any corporation being a trustee or being a company associated or related to the Trustee shall, by reason of such fiduciary position be in any way precluded from making advances to the Issuer on such terms as may be agreed, nor from making any contract or entering into financial or other transaction in the ordinary course of business with the Issuer including (without prejudice to the generality of these provisions) any contract or transaction in relation to insurance of any kind or to the purchase, placing or underwriting of or subscribing or procuring subscriptions for or otherwise acquiring, holding, dealing with the Subordinated Notes or any other stock, bonds, shares, debentures, debenture stock, or other securities of the Issuer or in which the Issuer is or may be interested, nor from participating in any commission payable in respect of the purchase of the Subordinated Notes or any part thereof, nor from accepting or holding any office of profit under the Issuer and the Trustee may receive and retain and shall not be accountable either to the Issuer or to the Subordinated Noteholders for any profit, commission, remuneration or benefit resulting from any such contract, transaction or office.