

TERMS AND CONDITIONS OF THE MTNS

The following is the text of the terms and conditions that, subject to completion and amendment and as supplemented or varied in accordance with the provisions of the applicable Final Terms, will apply to the MTNs referred to in such Final Terms and will appear on the global certificate issued in respect of the relevant MTNs and, if issued, will be incorporated by reference into or appear on each definitive certificate except to the extent they are appropriate only to the global certificate:

The implementation of the programme established by NBAD for the issue of conventional medium term notes (“**MTNs**”) and Islamic securities (“**Sukuk**”) of up to an aggregate nominal amount of RM3,000,000,000 (“**NBAD MYR Programme**”) and the issuance of MTNs thereunder has been duly authorized by a resolution of the Board of Directors of the Issuer dated 25 July 2007. The issue has been approved by the relevant regulatory authorities of Malaysia. The MTNs are issued pursuant to a programme agreement (the “**Programme Agreement**”) dated 10 June 2010 between the Issuer, The Royal Bank of Scotland Berhad as lead arranger (the “**Lead Arranger**”) and as facility agent (the “**Facility Agent**”, which expression shall, wherever the context so admits, include any substitute facility agent) and Maybank Investment Bank Berhad, HSBC Bank Malaysia Berhad, HSBC Amanah Malaysia Berhad and The Royal Bank of Scotland Berhad as joint lead managers (the “**Joint Lead Managers**”). Certain provisions of these Conditions are summaries of, and are subject to, the detailed provisions of the Programme Agreement. The holders for the time being of the MTNs (the “**MTNholders**”) are bound by, and are deemed to have notice of, all the provisions of the Programme Agreement and the depository and paying agency agreement (the “**Depository and Paying Agency Agreement**”) dated 28 June 2010 between the Issuer, the Lead Arranger, the Facility Agent and Bank Negara Malaysia as the central depository and paying agent (respectively, the “**Central Depository**” and the “**Paying Agent**”). Copies of the Programme Agreement and the Depository and Paying Agency Agreement are available for inspection at the office of the Facility Agent at Level 9, Menara Maxis, Kuala Lumpur City Centre, 50088 Kuala Lumpur.

1. Interpretation

(a) Definitions

In these terms and conditions of the MTNs (the “**Conditions**”), the following expressions have the following meanings:

“**ADIs**” financial institutions licensed under the Banking and Financial Institutions Act 1989 or the Islamic Banking Act 1983 who are members of RENTAS and authorised or approved by BNM to receive and make payments relating to debt securities and to effect transfers of debt securities;

“**Alternative Banks**” has the meaning ascribed to it under Condition

6(b)(ii)(D) of these terms and conditions;

“Benchmark” has the meaning ascribed to it under Condition 6(b)(ii) of these terms and conditions;

“BNM” Bank Negara Malaysia;

“Broken Amount” means the amount specified in the applicable Final Terms as the “Broken Amount”;

“Business Day” means a day (other than Friday, Saturday and Sunday) on which commercial banks and foreign exchange markets in Kuala Lumpur and Abu Dhabi are open for business;

“Business Day Convention” means either:

(a) the “Floating Rate Business Day Convention”, in which case interest on a MTN shall be payable on each Specified Interest Payment Date which numerically corresponds to its Interest Commencement Date or, as the case may be, the preceding Specified Interest Payment Date in the calendar month which is the Specified Period specified in the applicable Final Terms after the calendar month in which such Interest Commencement Date or, as the case may be, the preceding Specified Interest Payment Date occurred, provided that:—

(A) if there is no such numerically corresponding day in the calendar month in which a Specified Interest Payment Date should occur, then the relevant Specified Interest Payment Date will be the last day which is a Business Day in that calendar month;

(B) if a Specified Interest Payment Date would otherwise fall on a day which is not a Business Day, then the relevant Specified Interest Payment Date will be the first following day which is a Business Day, unless that day falls in the next calendar month, in which case it will be the first preceding day which

is a Business Day; and

- (C) if such Interest Commencement Date or the preceding Specified Interest Payment Date occurred on the last day in a calendar month which was a Business Day, then all subsequent Specified Interest Payment Dates in respect of such MTN will be the last day which is a Business Day in the calendar month which is the Specified Period specified in the applicable Final Terms after the calendar month in which such Interest Commencement Date or, as the case may be, the preceding Specified Interest Payment Date occurred; or
- (b) the “Modified Following Business Day Convention”, in which case interest on a MTN shall be payable on such Specified Interest Payment Dates as may be specified in the applicable Final Terms, provided that, if any Specified Interest Payment Date would otherwise fall on a date which is not a Business Day, the relevant Specified Interest Payment Date will be the first following day which is a Business Day, unless that day falls in the next calendar month, in which case the relevant Specified Interest Payment Date will be the first preceding day which is a Business Day; or
- (c) the “Following Business Day Convention”, in which case interest on a MTN shall be payable on such Specified Interest Payment Dates as may be specified in the applicable Final Terms, provided that, if any Specified Interest Payment Date would otherwise fall on a date which is not a Business Day, the relevant Specified Interest Payment Date will be the first following day which is a Business Day; or
- (d) the “Preceding Business Day Convention”, in which case interest on a MTN shall be payable on such Specified Interest Payment Dates as may be specified in the applicable Final Terms,

provided that, if any Specified Interest Payment Date would otherwise fall on a date which is not a Business Day, the relevant Specified Interest Payment Date will be the first preceding day which is a Business Day; or

- (e) such other Business Day Convention as may be specified in the applicable Final Terms;

“Condition(s)” means these terms and conditions or any one of them;

“Day Count Fraction” means, in respect of the calculation of an amount of interest on any MTN for any period of time (from and including the first day of such period to but excluding the last, whether or not constituting an Interest Period, the **“Calculation Period”**):

- (a) if “Actual/365” is specified in the applicable Final Terms, the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);
- (b) if “Actual/365 (Fixed)” is specified in the applicable Final Terms, the actual number of days in the Calculation Period divided by 365;
- (c) if “Actual/360” is specified in the applicable Final Terms, the actual number of days in the Calculation Period divided by 360;
- (d) if “30/360”, “360/360” or “Bond Basis” is specified in the applicable Final Terms, the number of days in the Calculation Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months (unless (a) the last day of the Calculation Period is the 31st day of a month but the first day of the Calculation Period is a day other than the 30th or 31st day of a

month, in which case the month that includes that last day shall not be considered to be shortened to a 30-day month, or (b) the last day of the Calculation Period is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month));

- (e) if “30E/360” or “Eurobond Basis” is specified in the applicable Final Terms, the number of days in the Calculation Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months, without regard to the date of the first day or last day of the Calculation Period unless, in the case of a Calculation Period ending on the Maturity Date and, the Maturity Date is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month); or
- (f) such other calculation basis as is specified in the applicable Final Terms;

“Deep Discount MTN”	means an MTN which is specified in the applicable Final Terms as deep discount;
“Depository Procedures”	means procedures established from time to time by the Central Depository;
“Excluded Subsidiary”	at any time means a Subsidiary of the Issuer which is a special purpose company whose principal assets are constituted by a project or projects and none of whose indebtedness is directly or indirectly the subject of security or a guarantee, indemnity or any other form of assurance, undertaking or support from the Issuer or any of its Principal Subsidiaries;
“Exercise Notice”	has the meaning ascribed to it in Condition 7(f) of these terms and conditions;
“Final Terms”	means each document titled as such and executed by, <i>inter alia</i> , NBAD in relation to each issue of MTNs to set forth the specific terms for such issue of MTNs;

“Final Redemption Amount”	has the meaning ascribed to it in Condition 7(a)(i) of these terms and conditions;
“Fixed Coupon Amount”	means the amount specified in the applicable Final Terms as the “Fixed Coupon Amount”;
“Group”	means the Issuer and its Subsidiaries;
“Indebtedness”	shall be construed so as to include any obligation for the payment or repayment of money, whether present or future, actual or contingent;
“Interest Amount”	has the meaning ascribed to it under paragraph 6(b)(v) of these terms and conditions;
“Interest Commencement Date”	means, in the case of the first issue of a Series of MTNs, the Issue Date of such MTNs or such other date as may be specified as the Interest Commencement Date in the applicable Final Terms and, in the case of a further issue of a Series of MTNs on substantially identical terms, the Interest Payment Date or, as the case may be, Specified Interest Payment Date in relation to such first issue immediately preceding the date on which such Series of MTNs are issued or if there is no such date, the Interest Commencement Date in respect of such first issue, or in any case such other date as may be specified as the Interest Commencement Date in the applicable Final Terms;
“Interest Determination Date”	means, in respect of any Interest Period, that number of days (if any) specified in the applicable Final Terms prior to the first day of such Interest Period on which the Rate of Interest is determined;
“Interest Payment Date”	means the date specified in the applicable Final Terms as the “Interest Payment Date”;
“Interest Period”	means, unless otherwise specified in the applicable Final Terms, the period beginning on and including the Interest Commencement Date to but excluding the first Specified Interest Payment Date and each successive period beginning on and including a Specified Interest Payment Date to but excluding the next succeeding Specified Interest Payment Date;

“Issue”	means an issue from time to time of MTNs in accordance with the provisions of the Programme Agreement;
“Issue Date”	means the date of Issue of a relevant Series of MTNs;
“KLIBOR”	means the Kuala Lumpur Interbank Offered Rate;
“Margin”	means the percentage rate per annum specified in the applicable Final Terms;
“Maturity Date”	means the date specified in the applicable Final Terms as the “Maturity Date”;
“Notes”	collectively the MTNs and the Sukuk issued by NBAD under the NBAD MYR Programme;
“Noteholder”	(in relation to a Note) "holder" means the several persons who are for the time being the beneficial owners of the Notes as evidenced by the records maintained by ADIs and/or a bearer of a Definitive Certificate;
“Permitted Security Interest”	<p>means any Security Interest:</p> <ul style="list-style-type: none"> (a) in respect of any Relevant Indebtedness of any member of the Group incurred: <ul style="list-style-type: none"> (A) to finance the ownership, acquisition, development, redevelopment or operation of any asset; or (B) to finance or facilitate the receipt of any specified revenues or receivables, <p>in respect of which the person or persons to whom any such Relevant Indebtedness is or may be owed (for the purposes of this definition the “Lender”) by such member of the Group (for the purposes of this definition the “Borrower”) has or have no recourse whatsoever to any other member</p>

of the Group for the repayment thereof other than:

- (i) recourse to the relevant Borrower for amounts limited to the cash flow or the net cash flow from such asset, revenues or receivables, as the case may be; and/or
 - (ii) recourse to the proceeds of enforcement of any Security Interest (x) given by such Borrower over such asset, revenue or receivable or the income, cash flow or other proceeds deriving therefrom (“**Relevant Property**”) and/or (y) given by any owner of voting equity interest in a Borrower over such equity interest (“**Related Property**”) to secure such Relevant Indebtedness provided that the extent of such recourse to such Borrower is limited solely to the amount of any recoveries made in respect of such enforcement, or
- (b) securing Relevant Indebtedness of any person existing at the time that such person is acquired by or merged into or consolidated with any member of the Group, provided, however, that such Security Interest was not created in contemplation of such acquisition, merger or consolidation and does not extend to any assets or property of any member of the Group other than that of such person prior to such acquisition, merger or consolidation, as the case may be;

**“Principal
Subsidiary”**

means a Subsidiary of the Issuer (not being an Excluded Subsidiary):

- (a) whose total assets represent not less than 10 per cent. of the consolidated total assets of the Issuer and its Subsidiaries taken as a whole; or

- (b) whose external turnover is more than 10 per cent. of the consolidated turnover of the Issuer and its Subsidiaries taken as a whole,

(all as calculated by reference to the then latest audited consolidated accounts of the Issuer); or

- (c) to which is transferred all or substantially all of the business, undertaking or assets of a Subsidiary which immediately prior to such transfer is a Principal Subsidiary whereupon the transferor Subsidiary shall immediately cease to be a Principal Subsidiary and the transferee Subsidiary shall immediately become a Principal Subsidiary but shall cease to be a Principal Subsidiary under this sub-paragraph (c) (but without prejudice to the provisions of sub-paragraph (a) or (b) above) upon publication of its next audited accounts.

A report by the Chief Executive and the General Manager and Chief Operating Officer (or any person who at any time carries out the equivalent function of any such person (regardless of such person's title)) of the Issuer that in their opinion a Subsidiary of the Issuer is or was or was not at any particular time or throughout any specified period a Principal Subsidiary shall, in the absence of manifest error, be conclusive and binding on all parties;

“Proceedings”	has the meaning ascribed to it in Condition 15 of these terms and conditions;
“Rate(s) of Interest”	means the rate specified in the applicable Final Terms as the “Rate(s) of Interest”;
“Rate Multiplier”	means the percentage rate or number applied to the relevant Benchmark Rate, as specified in the applicable Final Terms;
“Relevant Date”	in respect of any MTN means the date on which payment of principal and interest due in respect of

such MTN is made in full;

“Reference Rate”	means, for any MTN the interest basis of which is specified as Floating Rate, the bid, offered or mean of bid and offered rate, as specified in the applicable Final Terms, for the Rate of Interest specified in such Final Terms;
“Relevant Indebtedness”	means any Indebtedness having an original maturity of more than one year which is in the form of, or represented or evidenced by, bonds, notes, debentures, loan stock or other securities which (with the consent of the issuer thereof) are for the time being listed or traded on a stock exchange or other recognised securities market other than any notes, bonds or other debt securities issued by an acquired Subsidiary prior to the date of the acquisition and not issued in contemplation of such acquisition;
“Relevant Time”	means the local time in Kuala Lumpur at which it is customary to determine bid, offered and mean rates in respect of deposits in Ringgit in the interbank money market;
“RENTAS”	the scripless book-entry securities trading and funds transfer system known as Real Time Electronic Transfer of Funds and Securities System maintained by BNM as varied, upgraded or substituted from time to time;
“RENTAS Rules”	Rules on Scripless Securities under RENTAS, 2006 issued by BNM, as may be modified, revised or substituted from time to time by BNM;
“Security Interest”	means any mortgage, charge, lien, pledge or other security interest (other than (i) arising solely by operation of law or (ii) a Permitted Security Interest);
“Series”	a series of MTNs having identical terms;
“Specified Denominations”	means denominations specified in the applicable Final Terms;
“Specified Interest	means either:

Payment Date”	<p>(a) each date which falls in the Specified Period specified in the applicable Final Terms after the preceding Specified Interest Payment Date or, in the case of the first Specified Interest Payment Date, after the Interest Commencement Date; or</p> <p>(b) as is otherwise specified as such in the applicable Final Terms, in each case as adjusted by the Business Day Convention specified in such Final Terms;</p>
“Subsidiary”	means any entity whose financial statements at any time are required by law or in accordance with relevant generally accepted accounting principles to be fully consolidated with those of the Issuer;
“Variable Redemption Amount”	has the meaning ascribed to it in Condition 7(d) of these terms and conditions; and
“Zero Coupon MTN”	means an MTN, the interest basis for which is specified in the applicable Final Terms as zero coupon.

- (b) Terms defined in the Programme Agreement shall have the same meanings when used herein unless they are otherwise defined herein or the context otherwise requires.

2. Form, Denomination and Title

- (a) The MTNs, unless exchanged for definitive certificates (“**Definitive Certificates**”) pursuant to Clause 9 of the Programme Agreement, are represented by a global certificate (the “**Global Certificate**”) in bearer form. The Global Certificate will be deposited with the Central Depository. Owners of beneficial interests in the MTNs will not be entitled to receive physical delivery of the Global Certificate. Definitive Certificates, if issued, shall be in Specified Denominations.
- (b) Title to the MTNs passes by delivery. The Issuer will treat the holder of the Global Certificate as the absolute owner of the Global Certificate, free of any equity, set-off or counterclaim on the part of the Issuer against the original or any intermediate holder of such certificate (whether or not the MTNs represented by such certificate shall become overdue and notwithstanding any notation of ownership or other writing thereon or any notice of previous

loss or theft of such certificate) for all purposes save as otherwise herein provided in relation to the Global Certificate and, except as ordered by a court of competent jurisdiction or as required by applicable law, the Issuer shall not be affected by any notice to the contrary. All payments made to any such holder shall be valid and, to the extent of the sums so paid, effective to satisfy and discharge the liability for the moneys payable upon the MTNs.

- (c) Transfers of beneficial interests in the MTNs will be effected through records maintained by the Central Depository and the Authorised Depository Institutions (“**ADIs**”) appointed by the Central Depository in accordance with the Depository Procedures. Transfers of such interests will be subject to compliance by the transferor and the transferee with the Depository Procedures and the terms of the Depository and Paying Agency Agreement. Any transfer of interests in the MTNs shall be subject to the Selling Restrictions contained in and endorsed on the Global Certificate.

3. Status

The MTNs are unsubordinated and unsecured obligations of the Issuer ranking pari passu and without any preference among themselves and pari passu with all other outstanding unsecured and unsubordinated obligations for borrowed money of the Issuer.

4. Negative Pledge

So long as any MTN remains outstanding, the Issuer will not, and will ensure that none of its Principal Subsidiaries will create, or have outstanding any Security Interest upon the whole or any part of its present or future undertaking, assets or revenues (including any uncalled capital) to secure any Relevant Indebtedness, or payment under any guarantee or indemnity granted by the Issuer or any Principal Subsidiary in respect of any Relevant Indebtedness without at the same time or prior thereto according to the MTNs and the Coupons the same security as is created or subsisting to secure any such Relevant Indebtedness, guarantee or indemnity or such other security as shall be approved by an Extraordinary Resolution of the MTNholders.

5. Payments

- (a) Subject to any fiscal or other laws or regulations applicable to the Paying Agent, all payments in respect of the MTNs will be made in Ringgit in accordance with the Depository and Paying Agency Agreement and the RENTAS Rules or in such manner as the Paying Agent and the Issuer may agree. Every payment to the Paying Agent in respect of the MTNs in the manner provided in the Depository and Paying Agency Agreement shall operate in satisfaction pro tanto of the payment obligations of the Issuer in

respect of the principal amount of the MTNs and the relevant interest payment as the case may be.

- (b) If the Global Certificate has been exchanged for Definitive Certificates, payment to each MTNholder shall be made upon presentation of the Definitive Certificates (for interest payments other than the final interest payment) or against surrender of the Definitive Certificates (for the final interest payment and for principal payment).

6. Interest

One or more of the following provisions apply to each MTN, as specified in the applicable Final Terms.

- (a) *Fixed Rate:* The following provisions in this Condition 6(a) apply to a MTN the interest basis for which is specified in the applicable Final Terms as being “Fixed Rate”.

Each MTN bearing interest at a Fixed Rate bears interest on its outstanding nominal amount from and including the Interest Commencement Date at the rate(s) per annum equal to the Rate(s) of Interest as specified in the applicable Final Terms, payable in arrear on the Interest Payment Date(s) in each year and on the Maturity Date specified in such Final Terms, if such date does not fall on an Interest Payment Date. The amount(s) of interest payable in respect of such MTN may be specified in the applicable Final Terms as the Fixed Coupon Amount(s) or the Broken Amount.

The first payment of interest on a MTN will be made on the Interest Payment Date next following the relevant Interest Commencement Date. If the period between the Interest Commencement Date and the first Interest Payment Date is different from the period between Interest Payment Dates, the first payment of interest on a MTN will be the amount specified on the relevant MTN as being the initial Broken Amount. If the Maturity Date is not an Interest Payment Date, interest from and including the preceding Interest Payment Date (or from and including the Interest Commencement Date, as the case may be) to but excluding the Maturity Date will be the amount specified on the relevant MTN as being the final Broken Amount.

Interest in respect of a period which is different from the period between Interest Payment Dates (or, in the case of the first interest period, the period between the Interest Commencement Date and the first Interest Payment Date) will be calculated using the applicable Day Count Fraction.

Interest will cease to accrue on each MTN on the due date for redemption thereof unless, upon due presentation thereof, payment of principal is improperly withheld or refused, in which event interest will continue to

accrue at the specified Rate of Interest and in the manner provided in this Condition 6(a) to the Relevant Date.

(b) *Floating Rate:*

The following provisions in this Condition 6(b) apply to a MTN the interest basis for which is specified in the applicable Final Terms as being “Floating Rate”.

(i) Specified Interest Payment Dates:

Each MTN bears interest on its outstanding nominal amount from (and including) the Interest Commencement Date in respect thereof at the rate per annum (expressed as a percentage) equal to the Rate of Interest calculated in accordance with this Condition 6(b) and such interest will be payable in arrear on each Specified Interest Payment Date.

Interest will cease to accrue on each MTN on the due date for redemption thereof unless, upon due presentation thereof, payment of principal is improperly withheld or refused, in which event interest will continue to accrue at the Rate of Interest and in the manner provided in this Condition 6(b) to the Relevant Date.

(ii) Rate of Interest:

Each MTN bears interest at the Rate(s) of Interest which shall be a floating rate or rates of interest equal to (i) the Benchmark Rate adjusted, if necessary, by any Margin and/or any Rate Multiplier in accordance with Condition 6(b)(v), or (ii) such other rate or rates calculated as specified in the applicable Final Terms. The Benchmark Rate (if any) in respect of an MTN may be calculated by reference to KLIBOR or one or more other interest rates, exchange rates, stock market or commodities indices (each a “**Benchmark**”). The dates on which interest shall be payable on an MTN, the basis for calculation of each amount of interest payable in respect of such MTN on each such date and on any other date on which interest becomes payable in respect of such MTN, and the rate (or the basis of calculation of such rate) at which interest will accrue in respect of any overdue principal shall be as set out below, unless otherwise specified in the applicable Final Terms. Unless otherwise specified in the applicable Final Terms, the Rate of Interest and Interest Amount payable on the MTN on each Specified Interest Payment Date shall be determined by the Calculation Agent at or about the Relevant Time on the relevant Interest Determination Date in respect of each Interest Period on the basis of the following provisions:

- (A) If the applicable Final Terms specifies that the “Primary Source for Floating Rate” shall be a specified page, section or other part of a particular information service (each as specified in the applicable Final Terms), then the Benchmark Rate for such Interest Period, subject as provided below, shall be (x) the Reference Rate so appearing in or on that page, section or other part of such information service (where such Reference Rate is a composite quotation of interest rates per annum or is customarily supplied by one entity) or (y) if no composite quotation so appears, the arithmetic mean of the individual Reference Rates at that time appearing in or on that page, section or other part of such information service, in any such case in respect of deposits for a period equal to the duration of such Interest Period.
- (B) If the applicable Final Terms specifies that the “Primary Source for Floating Rate” shall be the Reference Banks identified in such Final Terms or in the case of a MTN in respect of which paragraph (A) above is applicable but (x) no Reference Rate appears at or about such Relevant Time or (y) fewer than two Reference Rates appear at or about such Relevant Time, then the Calculation Agent shall request the Reference Banks specified in the applicable Final Terms (or, as the case may be, any Reference Bank appointed from time to time pursuant to Condition 6(b)(vii)) to provide the Calculation Agent with its Reference Rate quoted to leading banks for deposits in the relevant Specified Currency for a period equivalent to the duration of the relevant Interest Period. Where this Condition 6(b)(ii)(B) shall apply, the Benchmark Rate for the relevant Interest Period shall, subject as provided below, be the arithmetic mean of such Reference Rates as calculated by the Calculation Agent.
- (C) If, at or about the Relevant Time on any Interest Determination Date where the Benchmark Rate in respect of a MTN is to be determined pursuant to Condition 6(b)(ii)(B), only two or three of such Reference Banks provide such relevant quotations, then the Benchmark Rate for the relevant Interest Period shall, subject as provided below, be the arithmetic mean of the Reference Rates quoted by such Reference Banks as calculated by the Calculation Agent.
- (D) If at or about the Relevant Time on any Interest Determination Date where the Benchmark Rate is to be determined pursuant to Condition 6(b)(ii)(B), fewer than two

of such Reference Banks provide such Reference Rates, then the Calculation Agent shall, after consultation with the Issuer, select four or more banks carrying on business in Kuala Lumpur (the “**Alternative Banks**”), and the Benchmark Rate for the relevant Interest Period shall, subject as provided below, be whichever is the higher of:

- (1) the Benchmark Rate in effect for the last preceding Interest Period to which Condition 6(b)(ii)(A), (B) or (C) shall have applied; and
- (2) the rate per annum (expressed as a percentage) which the Calculation Agent determines to be the arithmetic mean of the Reference Rate quoted by such Reference Bank (if any) and the Reference Rates which such Alternative Banks are quoting at or about the Relevant Time on the relevant Interest Determination Date for a period equivalent to the duration of such Interest Period to other leading banks carrying on business in Kuala Lumpur; provided, however, that if the Calculation Agent is unable to select the requisite number of Alternative Banks or if the Alternative Banks so selected by the Calculation Agent are not quoting as aforesaid, then the Benchmark Rate shall be the Benchmark Rate determined in accordance with paragraph (1) of this Condition 6(b)(ii)(D).

(iii) Minimum/Maximum Rates:

If the applicable Final Terms specifies a Minimum Rate of Interest, then the Rate of Interest shall in no event be less than such Minimum Rate of Interest, and if the applicable Final Terms specifies a Maximum Rate of Interest, then the Rate of Interest shall in no event exceed such Maximum Rate of Interest.

(iv) Rounding:

The Calculation Agent shall, if necessary, round any Rate of Interest to the nearest one-hundred thousandth of one percent.

(v) Determination of Rate of Interest and Calculation of Interest Amounts:

As soon as practicable after the Relevant Time on each Interest Determination Date or such other time, the Calculation Agent will

obtain any quote or rate or make any determination or calculation, determine the Rate of Interest and calculate the amount of interest payable (the “**Interest Amount**”) in respect of each Specified Denomination for the relevant Interest Period. Interest Amount(s) shall be calculated by applying the Benchmark Rate, adjusted, if necessary, by any Margin and/or any Rate Multiplier (or such other rate or rates calculated as specified in the applicable Final Terms), to the Specified Denomination and multiplying such product by the applicable Day Count Fraction(s) and rounding, if necessary, the resultant figure to the nearest sen (half of such unit being rounded upwards). The determination of the Rate of Interest and the Interest Amounts and the obtaining of any quote or rate, and the making of any determination or calculation by the Calculation Agent shall (in the absence of manifest error) be final and binding upon all parties.

(vi) Notification of Rate of Interest and Interest Amounts:

The Calculation Agent will cause the Rate of Interest and the Interest Amounts for each Interest Period and the relevant Specified Interest Payment Date to be provided to the Issuer and the Paying Agent as soon as possible after their determination but in no event later than two Business Days after the date of their determination. The Calculation Agent will also cause the same information to be provided to MTNholders in accordance with Condition 13 as soon as possible after its determination but, unless otherwise provided in the applicable Final Terms, in no event later than the seventh calendar day thereafter. The Interest Amounts and the Specified Interest Payment Date so published may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period.

(vii) Calculation Agent and Reference Banks:

The Issuer will ensure that, as long as any MTN to which this Condition 6(b) applies remains outstanding, there shall always be a Calculation Agent for such MTN and so long as the Primary Source for Floating Rate for such MTN is Reference Banks, and unless otherwise provided in the applicable Final Terms, there shall at all times be at least four Reference Banks for such MTN. In the case of any MTN in respect of which Condition 6(b)(ii)(A) applies but no Reference Rate appears at or about the Relevant Time, or fewer than two Reference Rates appear at or about the Relevant Time and the Issuer has not appointed at least four Reference Banks, the Issuer will, after consulting with the Calculation Agent, identify at least four Reference Banks for such MTN. If any Reference Bank (acting

through its relevant office) is unable or unwilling to continue to act as a Reference Bank, then the Issuer will use reasonable endeavours to appoint another Reference Bank to act as Reference Bank in its place. If the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Rate of Interest for any Interest Period or to calculate the Interest Amounts, then the Issuer will appoint a leading bank engaged in the interbank money market to act as Calculation Agent in its place. With respect to any MTN at any time outstanding, the Calculation Agent thereof may not resign its duties unless a successor has been appointed and the appointment has been made effective.

- (c) *Zero Coupon and Deep Discount MTNs:* In the case of a MTN the interest basis for which is specified in the applicable Final Terms as zero coupon (a “**Zero Coupon MTN**”), references to the amount of interest payable in respect of a MTN (other than as provided in Condition 10), are not applicable. If, upon the presentation of such a MTN, or of a MTN which is specified in the applicable Final Terms as deep discount (a “**Deep Discount MTN**”) on or after the Maturity Date, payment of principal is improperly withheld or refused, interest shall accrue (on the same basis as that referred to in Condition 6(a)) on such MTN from the Maturity Date to the Relevant Date at a rate per annum (expressed as a percentage) equal to the Amortization Yield specified in the applicable Final Terms.
- (d) *Withholding Tax:* In the event that any withholding tax is imposed in respect of interest payments made by the Issuer, the sum payable by the Issuer shall be increased to the extent necessary to ensure that the relevant payee receives a sum net of any withholding equal to the sum which it would have received had no such withholding been made or required to be made.
- (e) *RENTAS Rules:* The foregoing provisions shall be subject to the RENTAS Rules. In the event of any inconsistency the RENTAS Rules shall prevail.

7. Redemption, Purchase and Options

- (a) *Final Redemption and Redemption by Installments:*
 - (i) Unless previously redeemed or purchased and cancelled as provided in this Condition 7, each MTN shall be redeemed in full on the Maturity Date or in the Redemption Month specified in the applicable Final Terms at its redemption amount (which, unless otherwise provided in this Condition 7 or in the applicable Final Terms, is its nominal amount) (“**Final Redemption Amount**”) or, in the case of a MTN in respect of which subparagraph (ii) below applies, its final Installment Amount.

- (ii) Unless previously redeemed or purchased and cancelled as provided in this Condition 7, each MTN that provides for Installment Dates and Installment Amounts shall be partially redeemed on each Installment Date at the related Installment Amount specified in the applicable Final Terms or, if so provided in the applicable Final Terms, determined by the Calculation Agent. Upon payment in full of any Installment Amount, the outstanding nominal amount of each such MTN shall be reduced by such Installment Amount (or, if such Installment Amount is calculated by reference to a proportion of the nominal amount of such MTN, such proportion) for all purposes with effect from the related Installment Date, unless payment of the Installment Amount is improperly withheld or refused on presentation of the related Receipt, in which case such amount shall remain outstanding until the Relevant Date relating to such Installment Amount.
- (b) *Purchases:* The Issuer and any of its Subsidiaries may at any time purchase or otherwise acquire MTNs at any price in the open market or otherwise.
- (c) *Early Redemption of Zero Coupon MTNs and Deep Discount MTNs:*
 - (i) The redemption amount payable in respect of any MTN the interest basis of which is specified in the applicable Final Terms to be Zero Coupon, or of any Deep Discount MTN, at any time prior to its stated Maturity Date or upon it becoming due and payable as provided in Condition 9, shall be the Amortized Face Amount (calculated as provided below) of such MTN.
 - (ii) Subject to the provisions of sub-paragraph (iii) below, the Amortized Face Amount of any Zero Coupon MTN, or of any Deep Discount MTN, shall be the sum of (A) the Reference Price specified in the applicable Final Terms and (B) the aggregate amortization of the difference between the Reference Price and the nominal amount of the MTN from the Issue Date to the date on which the MTN becomes due and payable, calculated using a rate per annum (expressed as a percentage) equal to the Amortization Yield applied to the Reference Price in the manner specified in such Final Terms. Where the specified calculation is to be made for a period of less than a full year it shall be made using the applicable Day Count Fraction.
 - (iii) If the redemption amount payable in respect of any such MTN upon it becoming due and payable as provided in Condition 10 is not paid when due, the redemption amount due and payable in respect of such MTN shall be the Amortized Face Amount of such MTN as defined in sub-paragraph (ii) above, except that such sub-paragraph shall have effect as though the reference therein to the date on which the

MTN becomes due and payable were replaced by a reference to the Relevant Date. The calculation of the Amortized Face Amount in accordance with this sub-paragraph shall continue to be made (before and, to the extent permitted by applicable law, after judgment) until the Relevant Date, unless the Relevant Date falls on or after the Maturity Date, in which case the amount due and payable shall be the scheduled redemption amount of such MTN on the Maturity Date together with any interest that may accrue in accordance with Condition 6(c).

- (d) *Redemption of MTNs with Variable Redemption Amount:* The basis for calculation of the amount payable upon redemption of a MTN with a redemption amount which is variable (“**Variable Redemption Amount**”) shall be specified in the applicable Final Terms and determined in accordance with Condition 7(h).
- (e) *Redemption at the Option of the Issuer and Exercise of Issuer’s Options (Call Option):* If so provided in the applicable Final Terms, the Issuer may at its option, subject to compliance with all relevant laws, regulations and directives, on giving to the holder of such MTN irrevocable notice in accordance with Condition 13 of not less than 30 nor more than 45 days (or such other notice period as specified in the applicable Final Terms) redeem all or, if so specified in the applicable Final Terms, some of the Series of MTNs of which such MTN forms part, on the Optional Redemption Date(s) specified in the applicable Final Terms (which shall, in the case of a MTN which has applicable to it at the time of redemption an interest basis which is specified in the applicable Final Terms as Floating Rate, be a Specified Interest Payment Date) at the amount specified on such date as the Optional Redemption Amount together with interest accrued to (but excluding) the date fixed for redemption. All MTNs in respect of which any such notice is given shall be redeemed on the Optional Redemption Date(s) specified in such notice in accordance with this Condition 7(e).

In the case of a partial redemption or a partial exercise of the Issuer’s option, the notice to MTNholders shall also contain the certificate or serial numbers of the MTNs to be redeemed or in respect of which such option has been exercised, which shall have been drawn in such place as the Facility Agent may approve and in such manner as may be agreed between the Issuer and the Facility Agent, taking account of prevailing market practice, and subject to compliance with any applicable laws and stock exchange requirements.

- (f) *Redemption at the Option of MTNholders and Exercise of MTNholders’ Options (Put Option):* If so provided in the applicable Final Terms, the Issuer shall, subject to compliance with all relevant laws, regulations and directives, at the option of the holder of such MTN, redeem such MTN on the Optional Redemption Date(s) specified in the applicable Final Terms (which shall, in

the case of a MTN which has applicable to it at the time of redemption an interest basis which is specified in such MTN as Floating Rate, be a Specified Interest Payment Date) at the amount specified in the applicable Final Terms as the Optional Redemption Amount together with interest accrued to (but excluding) the date fixed for redemption.

To exercise such options or any other MTNholders' option that may be specified in the applicable Final Terms, the holder must deposit a duly completed option exercise notice ("**Exercise Notice**") at the office of the Facility Agent in the form obtainable from the Facility Agent not more than 60 nor less than 45 days (or such other deposit period as may be specified in the applicable Final Terms) prior to the relevant date for redemption. No MTN, Certificate or Exercise Notice so deposited may be withdrawn without the prior consent of the Issuer and the Facility Agent.

- (g) *Cancellation:* The Issuer will be entitled to hold and deal with any MTNs purchased or acquired by it which may be surrendered, for cancellation or not, at the Issuer's discretion. Any MTNs so surrendered for cancellation may not be reissued or resold, and the obligations of the Issuer in respect of any such MTNs shall be discharged.
- (h) *Determination of Installment Amount or Variable Redemption Amount:* If the applicable Final Terms provides that any Installment Amount, Variable Redemption Amount or premium are to be determined by the Calculation Agent (or another person), then on or prior to each date the Calculation Agent (or such other person) is required to determine each such Installment Amount, Variable Redemption Amount or premium, the Calculation Agent (or such other person) will obtain any quote or rate, or make any other determination or calculation as may be required, and will determine such Installment Amount, Variable Redemption Amount or premium in accordance with the applicable Final Terms. The determination of such Installment Amount, Variable Redemption Amount or premium, and the obtaining of any quote or rate, by the Calculation Agent (or such other person) shall (in the absence of manifest error) be final and binding upon all parties. The Calculation Agent (or such other person) shall cause to be provided to the Issuer, the Facility Agent and the relevant MTNholders (in accordance with Condition 13), the Installment Amounts, Variable Redemption Amounts or premium determined by it as soon as possible after their determination but in no event later than two Business Days after the date of their determination.

8. Prescription

Claims against the Issuer for payment in respect of the MTNs shall be prescribed and become void unless made within six years of the date in respect of which the relevant payment first becomes due.

9. Event of Default

If any of the following events (“**Events of Default**”) occurs, the holder of any MTN may give written notice to the Facility Agent at its specified office that such MTN is immediately repayable, whereupon the Final Redemption Amount or, in the case of a MTN in respect of which Condition 7(a)(ii) applies, all outstanding Installment Amounts, of such MTN together with accrued interest to the date of payment shall become immediately due and payable:

- (a) default is made for more than 14 days (in the case of interest) or 7 days (in the case of principal) in the payment on the due date of interest or principal in respect of any of the MTNs; or
- (b) the Issuer does not perform or comply with any one or more of its other obligations in respect of the MTNs which default is incapable of remedy, or, if it is capable of remedy, is not remedied within 30 days after notice of such default shall have been given to the Facility Agent at their offices by any MTNholder; or
- (c) the interest of the Government of Abu Dhabi either directly or indirectly in the share capital of the Issuer falls below 51%; or
- (d) (i) any other present or future indebtedness of the Issuer or any of its Principal Subsidiaries for or in respect of moneys borrowed or raised becomes due and payable prior to its stated maturity by reason of any actual or potential default, event of default or the like (howsoever described), or (ii) any such indebtedness is not paid when due or, as the case may be, within any applicable grace period, or (iii) the Issuer or any of its Principal Subsidiaries fails to pay when due any amount payable by it under any present or future guarantee for, or indemnity in respect of, any moneys borrowed or raised, provided that the aggregate amount of the relevant indebtedness, guarantees and indemnities in respect of which one or more of the events mentioned above in this paragraph (d) have occurred equals or exceeds U.S.\$15,000,000 or its equivalent (on the basis of the middle spot rate for the relevant currency against the U.S. dollar as quoted by any leading bank on the day on which this paragraph operates); or
- (e) a distress, attachment, execution or other legal process is levied, enforced or sued out on or against any part of the property, assets or revenues of the

Issuer or any of its Principal Subsidiaries and is not discharged or stayed within 90 days; or

- (f) any order is made by any competent court or resolution passed for the winding up or dissolution of the Issuer or any of its Principal Subsidiaries, save for the purposes of reorganisation on terms previously approved by an Extraordinary Resolution; or
- (g) the Issuer or any of its Principal Subsidiaries ceases or threatens to cease to carry on the whole or a substantial part of its business, save for the purposes of reorganisation on terms previously approved by an Extraordinary Resolution, or the Issuer or any of its Principal Subsidiaries stops or threatens to stop payment of, or is unable to, or admits inability to, pay, its debts (or any class of its debts) as they fall due, or is deemed unable to pay its debts pursuant to or for the purposes of any applicable law, or is adjudicated or found bankrupt or insolvent; or
- (h) any court or other formal proceedings are initiated against the Issuer or any of its Principal Subsidiaries under any applicable liquidation, insolvency, composition, reorganisation or other similar laws, or an application is made (or documents filed with a court) for the appointment of an administrative or other receiver, manager, administrator or other similar official (and such proceedings are not being actively contested in good faith by the Issuer or the relevant Principal Subsidiary, as the case may be), or an administrative or other receiver, manager, administrator or other similar official is appointed, in relation to the Issuer or any of its Principal Subsidiaries or, as the case may be, in relation to the whole or a substantial part of the undertaking or assets of any of them, or an encumbrancer takes possession of the whole or a substantial part of the undertaking or assets of any of them, or a distress, execution, attachment, sequestration or other process is levied, enforced upon, sued out or put in force against the whole or a substantial part of the undertaking or assets of any of them and in any case (other than the appointment of an administrator) is not discharged within 30 days; or
- (i) the Issuer or any of its Principal Subsidiaries initiates or consents to judicial proceedings relating to itself under any applicable liquidation, insolvency, composition, reorganisation or other similar laws (including the obtaining of a moratorium) or makes a conveyance or assignment for the benefit of, or enters into any composition or other arrangement with, its creditors generally (or any class of its creditors) or any meeting is convened to consider a proposal for an arrangement or composition with its creditors generally (or any class of its creditors); or
- (j) any event occurs which under the laws of the United Arab Emirates or any Emirate therein or any other jurisdiction has an analogous effect to any of the events referred to in paragraphs (d) to (h) above; or

- (k) any action, condition or thing (including the obtaining or effecting of any necessary consent, approval, authorisation, exemption, filing, licence, order, recording or registration) at any time required to be taken, fulfilled or done in order (i) to enable the Issuer lawfully to enter into, exercise its rights and perform and comply with its obligations under the MTNs, (ii) to ensure that those obligations are legally binding and enforceable and (iii) to make the MTNs admissible in evidence in the courts of the United Arab Emirates or any Emirate therein is not taken, fulfilled or done; or
- (l) it is or will become unlawful for the Issuer to perform or comply with any one or more of its obligations under any of the MTNs or any of the material obligations of the Issuer thereunder are not or cease to be legal, valid, binding or enforceable.

10. Acquisition of Direct Rights

Upon the occurrence of an Event of Default or the Central Depository having notified the Issuer that it is unable or unwilling to act as depository for the MTNs and to continue performing its duties set out in the Depository and Paying Agency Agreement, the Global Certificate becomes exchangeable for Definitive Certificates and, if not so exchanged when required by a MTNholder then, without prejudice to any other rights which such MTNholder may have and without the need for any further action on behalf of any person, such MTNholder shall automatically acquire against the Issuer all those rights which such holder would have had if, immediately before the time at which the Global Certificate becomes exchangeable for Definitive Certificates, it had been the holder and beneficial owner of duly executed and authenticated Definitive Certificates in respect of interests in the Global Certificate representing the MTNs held by such MTNholder, including, but without limitation, the right to receive payments of principal, interest and any other amounts due at any time in respect of such Definitive Certificates, other than payments corresponding to any already made under the Global Certificate. A MTNholder may assign its rights hereunder in whole or in part.

11. Replacement of Certificates

If the Global Certificate is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws and regulations, and the terms of the Programme Agreement, at the specified office of the Facility Agent in Malaysia, or such other agent as may from time to time be designated by the Issuer for the purpose and notice of whose designation is given to MTNholders, in each case on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, security and indemnity (which may provide, *inter alia*, that if the allegedly lost, stolen or destroyed certificate is subsequently presented for payment, there shall be paid to the Issuer on demand the amount payable by the Issuer in respect of the MTNs represented by such certificate) and otherwise as the Issuer may

require. Mutilated or defaced MTNs must be surrendered before replacements will be issued.

12. Further Issues

The Issuer may from time to time without the consent of the MTNholders or Facility Agent, create and issue further securities either having the same terms and conditions as the MTNs in all respects (or in all respects except for the first payment of interest on them) so as to form a single issue and so that such further issue shall be consolidated and form a single series with the outstanding securities of any Series, or upon such terms as the Issuer may determine at the time of their issue. References in these Conditions to the MTNs include (unless the context requires otherwise) any other securities issued pursuant to this Condition and forming a single Series of the MTNs.

13. Notices

All notices regarding the MTNs shall be validly given if published in a leading daily newspaper printed in the English language of general circulation in Malaysia or by publication through any electronic information dissemination system operated by the Central Depository, such as FAST.

Notices to be given by any MTNholder pursuant hereto (including to the Issuer) shall be in writing and given by lodging the same with the Facility Agent.

The Issuer will give notice in the manner herein provided on the occurrence of any Event of Default or the occurrence of any event which would materially and adversely affect the ability of the Issuer to make any payment due on the MTNs.

All notices shall be given in the English language.

14. Meetings of Noteholders

The Programme Agreement contains provisions for convening meetings of Noteholders to consider matters affecting their interests, including the modification of any of the terms of the Notes. Any such modification may be made if sanctioned by an Extraordinary Resolution. The quorum for any meeting convened to consider an Extraordinary Resolution will be persons holding or representing a clear majority in principal amount of the Notes for the time being outstanding, or at any adjourned meeting, two or more persons being or representing Noteholders whatever the principal amount of the Notes held or represented, unless the business of such meeting includes consideration of proposals, *inter alia*, (i) to postpone the maturity of the Notes or the dates on which interest is payable in respect of the MTNs or the dates on which profit is payable in respect of the Sukuk, (ii) to reduce or cancel the principal amount of, or interest on, the MTNs or to reduce or cancel the principal amount of, profit on, the Sukuk, (iii) to change the currency of payment of the Notes

or (iv) to modify the provisions concerning the quorum required at any meeting of Noteholders or the majority required to pass an Extraordinary Resolution, in which case the necessary quorum will be two or more persons holding or representing not less than 75 per cent, or at any adjourned meeting not less than 25 per cent, in principal amount of the Notes for the time being outstanding. Any Extraordinary Resolution duly passed shall be binding on all Noteholders (whether or not they were present at the meeting at which such resolution was passed).

In the event that the Lead Arranger determines that a matter has arisen that is only in relation to the MTNs, then the Lead Arranger must inform all the Noteholders of the intention to convene a meeting only of MTNholders outlining the matters affecting the interests of the MTNholders. The quorum for a meeting of MTNholders and the majority required to pass an Extraordinary Resolution shall be the same as stated above as if references to Noteholders were a reference to MTNholders, and any resolution passed by a meeting of MTNholders shall be binding on all Noteholders (whether or not they were present at the meeting at which such resolution was passed).

In the event that the Lead Arranger determines that a matter has arisen that is only in relation to the Sukuk, then the Lead Arranger must inform all the Noteholders of the intention to convene a meeting only of Sukukholders outlining the matters affecting the interests of the Sukukholders. The quorum for a meeting of Sukukholders and the majority required to pass an Extraordinary Resolution shall be the same as stated above as if references to Noteholders were a reference to Sukukholders, and any resolution passed by a meeting of Sukukholders shall be binding on all Noteholders (whether or not they were present at the meeting at which such resolution was passed).

15. Governing Law and Jurisdiction

The MTNs are governed by, and shall be construed in accordance with, the laws of Malaysia.

The courts of Malaysia are to have jurisdiction to settle any disputes which may arise out of or in connection with the MTNs and accordingly any legal action or proceedings arising out of or in connection with the MTNs (“**Proceedings**”) may be brought in such courts. The Issuer irrevocably submits to the jurisdiction of such courts and waives any objection to any Proceedings in such courts whether on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum.

16. Agent for Service of Process

The Issuer irrevocably appoints Messrs. Kadir, Andri & Partners (Address: 8th Floor, Menara Safuan, 80, Jalan Ampang, 50450 Kuala Lumpur, Malaysia) as its authorized agent for service of process in Malaysia. If for any reason such agent shall cease to be

such agent for the service of process, the Issuer shall forthwith appoint a new agent for service of process in Malaysia and (a) deliver to the Facility Agent a copy of the new agent's acceptance of that appointment within 30 days, and (b) publish a notice, in accordance with Condition 13, of such new appointment. Nothing herein shall affect the right to serve process in any other manner permitted by law.