

Annex A

Terms and Conditions of the Sukuk

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 Sukuk thereunder 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 Sukuk 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 Sukuk (the “**Sukukholders**”) 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 _____ 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 Sukuk (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;
“ 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 or

Sunday) on which commercial banks and foreign exchange markets in Kuala Lumpur and Abu Dhabi are open for business;

“Business Day Convention” Day means either:

- (i) the “Modified Following Business Day Convention”, in which case profit on a Sukuk shall be payable on such Specified Profit Payment Dates as may be specified in the applicable Final Terms, provided that, if any Specified Profit Payment Date would otherwise fall on a date which is not a Business Day, the relevant Specified Profit 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 Profit Payment Date will be the first preceding day which is a Business Day; or
- (ii) the “Following Business Day Convention”, in which case profit on a Sukuk shall be payable on such Specified Profit Payment Dates as may be specified in the applicable Final Terms, provided that, if any Specified Profit Payment Date would otherwise fall on a date which is not a Business Day, the relevant Specified Profit Payment Date will be the first following day which is a Business Day; or
- (iii) the “Preceding Business Day Convention”, in which case profit on a Sukuk shall be payable on such Specified Profit Payment Dates as may be specified in the applicable Final Terms, provided that, if any Specified Profit Payment Date would otherwise fall on a date which is not a Business Day, the relevant Specified Profit Payment Date will be the first preceding day which is a Business Day; or
- (iv) such other Business Day Convention as may be specified in the applicable Final Terms.

“Conditions”	means these terms and conditions or any one of them;
“Commodities”	means the Shariah compliant commodities (excluding ribawi items such as currency, gold and silver) as approved by the Shariah Advisers and specified in the applicable Final Terms as being the subject of the relevant Islamic Transaction Documents;
“Day Fraction”	<p>Count means, in respect of the calculation of an amount of profit on any Sukuk for any period of time (from and including the first day of such period to but excluding the last, whether or not constituting an Profit Period, the “Calculation Period”):</p> <p>(i) “Actual/365” which is 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); or</p> <p>(ii) such other calculation basis as is approved by the Shariah Advisers and specified in the applicable Final Terms.</p>
“Discounted Sukuk”	means a Sukuk which is specified in the applicable Final Terms as discounted;
“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 8(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 Sukuk to set forth the specific terms for such issue of Sukuk;
“Final Redemption Amount”	has the meaning ascribed to it in Condition 8(a)(i) of these terms and conditions;
“Fixed Profit Amount”	means the amount specified in the applicable Final Terms as the “Fixed Profit 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;
“Issue”	means an issue from time to time of Sukuk in accordance with the provisions of the Programme Agreement;
“Issue Date”	means the date of Issue of a relevant Series of Sukuk;
“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;
“Par Value Sukuk”	means any Sukuk the profit basis for which is specified in the applicable Final Terms as par value;
“Permitted Security Interest”	means any Security Interest: <ul style="list-style-type: none"> (i) in respect of any Relevant Indebtedness of any member of the Group incurred;

- (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,

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 of the Group for the repayment thereof other than:

- (a) 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
- (b) recourse to the proceeds of enforcement of any Security Interest (a) given by such Borrower over such asset, revenue or receivable or the income, cash flow or other proceeds deriving therefrom (“**Relevant Property**”) and/or (b) 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

- (ii) 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):

- (i) 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
- (ii) 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

- (iii) 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 16 of these terms and conditions;

"Profit Determination Date" means, in respect of any Profit Period, that number of days (if any) specified in the applicable Final Terms prior to the first day of such Profit Period on which the Rate of Profit is determined;

"Profit Payment Date" means the date on which Profit is payable and the last Profit Payment Date shall be on the Redemption Date of that Sukuk and shall fall on a Business Day;

"Profit Period" means, unless otherwise specified in the applicable Final Terms, the period beginning on and including the Profit Commencement Date to but excluding the first Specified Profit Payment Date and each successive period beginning on and including a Specified Profit Payment Date to but excluding the next succeeding Specified Profit Payment Date;

"Profit Commencement Date" means, in the case of the first issue of a Series of Sukuk, the Issue Date of such Sukuk or such other date as may be specified as the Profit Commencement Date in the applicable Final Terms and, in the case of a further issue of a Series of Sukuk on substantially identical terms, the Profit Payment Date or, as the case may be, Specified Profit Payment Date in relation to such first issue immediately preceding the date on which such Series of Sukuk are issued or if there is no such date, the Profit Commencement Date in respect of such first issue, or in any case such other date as may be specified as the Profit Commencement Date in the applicable Final Terms;

"Rate(s) of Profit" means the rate specified in the applicable Final

Terms as the “Rate(s) of Profit”;

“RBS Berhad”	means the Royal Bank of Scotland Berhad (Company Number: 301932-A);
“Relevant Date”	in respect of any Sukuk means the date on which payment of principal and profit due in respect of such Sukuk is made in full;
“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, sukuk, 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 sukuk, 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 a 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 Sukuk having identical terms;
“Shariah Advisers”	means in relation to the initial issue of the Sukuk, HSBC Amanah Malaysia Berhad Shariah Committee, Maybank Islamic Berhad Shariah

Committee and RBS Berhad Shariah Committee (the “**Shariah Advisers**”). In relation to each subsequent issue of the Sukuk, any combination of the Shariah Advisers or other Shariah advisers, or any of them individually, as may be appointed in relation to that issue;

“Specified Dominations” means denominations specified in the applicable Final Terms;

“Specified Profit Payment Date” means either (i) each date which falls in the Specified Period specified in the applicable Final Terms after the preceding Specified Profit Payment Date or, in the case of the first Specified Profit Payment Date, after the Profit Commencement Date or (ii) 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; and

“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;

“Trust Assets” means, in relation to each Series:

- (i) title to the relevant Commodities for as long as such title is vested in the Issuer;
- (ii) all rights to the proceeds of any sale of such Commodities; and
- (iii) all rights of the Issuer under the relevant Islamic Transaction Documents to which it is a party; and

“Variable Redemption Amount” has the meaning ascribed to it in Condition 8(d) of these terms and conditions.

- (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 Sukuk, 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 Sukuk 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 Sukuk 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 Sukuk 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 Sukuk.
- (c) Transfers of beneficial interests in the Sukuk 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 Sukuk shall be subject to the Selling Restrictions contained in and endorsed on the Global Certificate.

3. Declaration of Trust

- (a) With respect to each Series and with effect from the Issue Date of such Series, the Issuer declares that, for as long as the Sukuk of that Series remains outstanding, the Issuer shall hold the Trust Assets on trust as the agent (*wakeel*) acting for the Sukukholders.
- (b) The Issuer covenants, in relation to its role as agent (*wakeel*), to observe and perform all its obligations and liabilities under, and will enforce, the terms of the relevant Islamic Transaction Documents and apply all amounts received pursuant to the relevant Islamic Transaction Documents in meeting its obligations to the Sukukholders under the Conditions.

4. Status

Each Series of the Sukuk represents undivided beneficial ownership of the Trust Assets of the relevant Series and are also 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 or other indebtedness of the Issuer.

5. Negative Pledge

So long as any Sukuk 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 Sukuk 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 Sukukholder.

6. Payments

- (a) Subject to any fiscal or other laws or regulations applicable to the Paying Agent, all payments in respect of the Sukuk 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 Sukuk 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 Sukuk and the relevant profit payment as the case may be.
- (b) If the Global Certificate has been exchanged for Definitive Certificates, payment to each Sukukholder shall be made upon presentation of the Definitive Certificates (for profit payments other than the final profit payment) or against surrender of the Definitive Certificates (for the final profit payment and for principal payment).

7. Profit

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

- (a) *Fixed Rate:* The following provisions in this Condition 7(a) apply to a Sukuk the profit basis for which is specified in the applicable Final Terms as being "Fixed Rate".

Each Sukuk on which profit at a Fixed Rate is to be paid shall have such profit calculated by multiplying the outstanding nominal amount of such Sukuk by the rate(s) per annum equal to the Rate(s) of Profit as specified in the applicable Final Terms and shall be for the period from and including the Profit Commencement Date, payable in arrear on the Profit Payment Date(s) in each year and on the Maturity Date specified in such Final Terms, if such date does not fall on an Profit Payment Date. The amount(s) of profit payable in respect of such Sukuk may be specified in the applicable Final Terms as the Fixed Profit Amount(s) or the Broken Amount.

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

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

Profit will cease to accrue on each Sukuk on the due date for redemption thereof unless, upon due presentation thereof, payment of principal is improperly withheld or refused, in which event, the Issuer shall pay compensation on such overdue amount in the amount as calculated by the Calculation Agent in the manner provided below and, in the absence of manifest error, the amount calculated as notified to the Issuer shall be binding on the Issuer and the Sukukholders.

- (b) *Default compensation:* The default compensation payable in respect of amounts overdue but paid prior to the date when the relevant Sukuk is to be fully redeemed shall be one percent per annum (1% p.a.) on the amount unpaid commencing from the relevant date for payment and ending on (and excluding) the date the late payment is received by the Paying Agent.

The default compensation payable in respect of (i) amounts overdue prior to the date when the relevant Sukuk is to be fully redeemed but only paid after such date, or (ii) amounts unpaid on and from the date when the relevant Sukuk is to be fully redeemed, shall be calculated in accordance with the following formula:

$$\text{Default compensation payable} = \frac{A \times \text{IIMM} \times T}{365}$$

where:-

A = any and all part of the amount remaining unpaid by the Issuer to the Sukukholders;

IIMM = the twelve (12) months Islamic Interbank Money Market rate (that is, the rate of gross dividend per annum from time to time prescribed by BNM as the indicator rate by which rates of gross dividend for twelve (12) months investment accounts held by customers of the Lead Arranger are determined);

T = the number of days for which A has been outstanding, commencing from the due date for payment of such amount to the Relevant Date.

For the avoidance of doubt, the Islamic Interbank Money Market rate to be used for any day shall be the Islamic Interbank Money Market rate quoted by BNM for that day.

Default compensation payable under this Condition shall accrue daily and be calculated on the basis of actual days elapsed in a year of three hundred and sixty five (365) days and shall be due and payable on a daily basis. So long as any monies remain unpaid, default compensation shall continue to be calculated on the same basis PROVIDED ALWAYS THAT:- (i) default compensation payable under this Condition which is unpaid shall not itself bear any compensation whatsoever, and (ii) the maximum default compensation payable on all monies remaining unpaid by the Issuer to the Sukukholders shall not exceed one hundred per cent (100%) of such monies originally unpaid by the Issuer to the Sukukholders.

- (c) *Par Value and Discounted Sukuk:* In the case of a Sukuk the profit basis for which is specified in the applicable Final Terms as par value (a “**Par Value Sukuk**”), references to the amount of profit payable in respect of a Sukuk (other than as provided in Condition 11), are not applicable. If, upon the presentation of such a Sukuk, or of a Sukuk which is specified in the applicable Final Terms as discounted (a “**Discounted Sukuk**”) on or after the Maturity Date, payment of principal is improperly withheld or refused, the Issuer shall pay compensation on such overdue amount in the amount as calculated by the Calculation Agent in the manner provided in Condition 7(b) and, in the absence of manifest error, the amount calculated as notified to the Issuer shall be binding on the Issuer and the Sukukholders.

- (d) *Withholding Tax:* In the event that any withholding tax is imposed in respect of profit 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.

8. **Redemption, Subscription and Options**

- (a) *Final Redemption and Redemption by Installments:*
 - (i) Unless previously redeemed or subscribed for and cancelled as provided in this Condition 8, each Sukuk 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 8 or in the applicable Final Terms, is its nominal amount) ("**Final Redemption Amount**") or, in the case of a Sukuk in respect of which subparagraph (ii) below applies, its final Installment Amount.
 - (ii) Unless previously redeemed or subscribed for and cancelled as provided in this Condition 8, each Sukuk 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 Sukuk 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 Sukuk, such proportion) for all purposes with effect from the related Installment Date, unless payment of the Installment Amount is improperly withheld or refused, in which case such amount shall remain outstanding until the Relevant Date relating to such Installment Amount.
- (b) *Subscriptions:* The Issuer and any of its Subsidiaries may at any time subscribe for or otherwise acquire Sukuk at any price in the open market or otherwise.
- (c) *Early Redemption of Sukuk issued at par or issued at discount:*
 - (i) The redemption amount payable in respect of any Discounted Sukuk, at any time prior to its stated Maturity Date or upon it becoming due

and payable as provided in Condition 10, shall be the Amortized Face Amount (calculated as provided below) of such Sukuk.

- (ii) Subject to the provisions of sub-paragraph (iii) below, the Amortized Face Amount of any Discounted Sukuk, 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 Sukuk from the Issue Date to the date on which the Sukuk 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 Sukuk 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 Sukuk shall be the Amortized Face Amount of such Sukuk 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 Sukuk 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 Sukuk on the Maturity Date together with any profit that may accrue in accordance with Condition 7(b).
- (d) *Redemption of Sukuk 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 8(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 Sukuk irrevocable notice in accordance with Condition 14 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 Sukuk of which such Sukuk forms part, on the Optional Redemption Date(s) specified in the applicable Final Terms at the amount specified on such date

as the Optional Redemption Amount together with profit accrued to (but excluding) the date fixed for redemption. All Sukuk 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 8(e).

In the case of a partial redemption or a partial exercise of the Issuer's option, the notice to Sukukholders shall also contain the certificate or serial numbers of the Sukuk 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 Sukukholders and Exercise of Sukukholders' 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 Sukuk, redeem such Sukuk on the Optional Redemption Date(s) specified in the applicable Final Terms at the amount specified in the applicable Final Terms as the Optional Redemption Amount together with profit accrued to (but excluding) the date fixed for redemption.

To exercise such options or any other Sukukholders' 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 Sukuk, 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 Sukuk subscribed for or acquired by it which may be surrendered, for cancellation or not, at the Issuer's discretion. Any Sukuk so surrendered for cancellation may not be reissued or resold, and the obligations of the Issuer in respect of any such Sukuk 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 Sukukholders (in accordance with Condition 14), 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.

9. Forgiveness

Claims against the Issuer for payment in respect of the Sukuk shall be forgiven unless made within six years of the date in respect of which the relevant payment first becomes due.

10. Event of Default

If any of the following events ("**Events of Default**") occurs, the holder of any Sukuk may give written notice to the Facility Agent at its specified office that such Sukuk is immediately repayable, whereupon the Final Redemption Amount or, in the case of a Sukuk in respect of which Condition 8(a)(ii) applies, all outstanding Installment Amounts, of such Sukuk together with accrued profit to the date of payment shall become immediately due and payable:

- (a) default is made for more than 14 days (in the case of profit) or 7 days (in the case of principal) in the payment on the due date of profit or principal in respect of any of the Sukuk; or
- (b) the Issuer does not perform or comply with any one or more of its other obligations in the Sukuk 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 its specified office by any Sukukholder; or
- (c) the interest of the Government of Abu Dhabi either directly or indirectly in the share capital of the Issuer falls below 51%;
- (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 Sukuk, (ii) to ensure that those obligations are legally binding and enforceable and (iii) to make the Sukuk 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 Sukuk or any of the material obligations of the Issuer thereunder are not or cease to be legal, valid, binding or enforceable.

11. 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 Sukuk 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 Sukukholder then, without prejudice to any other rights which such Sukukholder may have and without the need for any further action on behalf of any person, such Sukukholder 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 Sukuk held by such Sukukholder, including, but without limitation, the right to receive payments of principal, profit 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 Sukukholder may assign its rights hereunder in whole or in part.

12. 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 Sukukholders, 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 Sukuk represented by such certificate) and otherwise as the Issuer may require. Mutilated or defaced Sukuk must be surrendered before replacements will be issued.

13. Further Issues

The Issuer may from time to time without the consent of the Sukukholders or Facility Agent, create and issue further Sukuk either having the same terms and conditions as the Sukuk in all respects (or in all respects except for the first payment of profit 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 Sukuk of any Series, or upon such terms as the Issuer may determine at the time of their issue. References in these Conditions to the Sukuk include (unless the context requires otherwise) any other Sukuk issued pursuant to this Condition and forming a single series with any Series of the Sukuk.

14. Notices

All notices regarding the Sukuk 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 Sukukholder 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 Sukuk.

All notices shall be given in the English language.

15. 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, including the Sukuk. Any such modification may be made if sanctioned by an Extraordinary Resolution (as defined in the Programme Agreement). 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 profit is payable in respect of the Sukuk or the dates on which interest is payable in respect of the MTNs, (ii) to reduce or cancel the principal amount of, or profit on, the Sukuk or to reduce or cancel the principal amount of, or interest on, the MTNs, (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 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).

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).

16. Governing Law and Jurisdiction

The Sukuk 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 Sukuk and accordingly any legal action or proceedings arising out of or in connection with the Sukuk (“**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.

17. 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 14, of such new appointment. Nothing herein shall affect the right to serve process in any other manner permitted by law.