

Schedule 1

Terms and Conditions of the Subordinated Bonds

The proposed issue of Tier 2 subordinated bonds amounted to RM500 million in nominal value (the “**Subordinated Bonds**”) was authorised by resolutions of the board of directors of the Issuer passed on 25 November 2016. The statements in these terms and conditions of the Subordinated Bonds (the “**Conditions**”) are subject to the provisions of the Subscription Agreement.

In these Conditions, unless the context otherwise requires, words and expressions defined and rules of construction and interpretation set out in the Subscription Agreement shall have the same meanings when used in these Conditions.

1. STATUS

1.1 Subordination

1.1.1 The Subordinated Bonds will constitute direct, unsecured and subordinated obligations of the Issuer, subordinated in right and priority of payment (in respect of principal and Coupons), to the extent and in the manner provided for in the Conditions, to the Senior Creditors, except all other present and further unsecured and subordinated obligations of the Issuer which by their terms rank *pari passu* in right or subordinated to the Subordinated Bonds.

1.1.2 Subject to the laws of Malaysia, in the event of a Winding-up of the Issuer (other than pursuant to a Permitted Reorganisation), the rights of the Bondholder to payment of principal and Coupons on the Subordinated Bonds and any other obligations in respect of the Subordinated Bonds are expressly subordinated and subject in right of payment to the prior payment in full of all claims of the Senior Creditors. The Subordinated Bonds will rank *pari passu* with all other subordinated debt issued by the Issuer that qualifies as Tier 2 Capital.

1.2 No Set-off

The Bondholder shall not exercise, claim or plead any right of set-off, counter-claim, deduction, withholding or retention in respect of any amount owing by it to the Issuer against any amount owing to it by the Issuer under the Subordinated Bonds. The Bondholder shall, by virtue of its acceptance of the Subordinated Bonds, be deemed to have waived all such rights of set-off, counter-claim, deduction, withholding or retention to the fullest extent permitted by law. If at any time the Bondholder receives payment or benefit of any sum in respect of the Subordinated Bonds as a result of the exercise or carrying into effect of any such set-off, counter-claim, deduction, withholding or retention (whether or not such exercise or carrying into effect is mandatory under applicable law), the payment of such sum or receipt of such benefit shall, to the fullest extent permitted by law, be deemed void for all purposes. The Bondholder, by acceptance of the Subordinated Bonds, agrees as a separate and independent obligation that any such sum or benefit so received shall be paid or returned by the Bondholder to the Issuer upon demand by the Issuer or, in the event of the winding-up of the Issuer, the liquidator of the Issuer, whether or not such payment or receipt shall have been deemed void hereunder. Any sum so paid or returned shall then be treated for purposes of the Issuer's obligations as if it had not

been paid by the Issuer, and its original payment or the original benefit previously received by the Bondholder as a result of any such set-off, counterclaim, deduction, withholding or retention shall be deemed not to have discharged any of the obligations of the Issuer in relation to the Subordinated Bonds.

1.3 No Equity Conversion

The Subordinated Bonds shall not entitle the Bondholder to receive any form of equity interest in the Issuer at any point in time and the Issuer is not obliged to allot or issue any shares to or for the account of the Bondholder upon the occurrence of a Non-Viability Event or otherwise. The Bondholder shall not be entitled to participate in any distributions or entitlements to the Issuer's shareholders or to attend or vote at any general meeting of the Issuer.

2. ISSUE OF SUBORDINATED BONDS

2.1 The aggregate nominal value of the Subordinated Bonds at any time outstanding shall be up to Ringgit Malaysia Five Hundred Million (RM500,000,000.00).

2.2 The Subordinated Bonds shall be fully subscribed by the Bondholder in two Tranches. The Subordinated Bonds will be issued in two Tranches at par to the nominal value of the Subordinated Bonds on each Issue Date as set out in Clause 3.1 of the Subscription Agreement. The Subordinated Bonds will be issued on an interest bearing basis.

2.3 Each Subordinated Bond shall be valid from and including the respective Issue Dates until the respective Redemption Dates. For the avoidance of doubt, in the event of partial redemption of the Subordinated Bonds pursuant to Optional Redemption, Regulatory Redemption or Tax Redemption, the outstanding Subordinated Bonds shall remain valid.

2.4 The Subordinated Bonds shall at all times be subject to the provisions of these Conditions and the Transaction Documents and the applicable guidelines of BNM, Securities Commission or any other relevant regulatory authorities in Malaysia or otherwise having jurisdiction over matters pertaining to the Subordinated Bonds.

2.5 Where only part of a Tranche of the Subordinated Bonds has been redeemed, the Issuer shall replace the existing Certificate for that Tranche with a new Certificate for the balance of that Tranche of the Subordinated Bonds remaining outstanding.

3. SELLING RESTRICTION

3.1 The Subordinated Bonds shall not be transferable or tradable and shall only be held by the Bondholder.

3.2 The Subordinated Bonds shall not be listed, quoted or traded on Bursa Securities or any other stock exchange.

4. ISSUER'S COVENANT TO PAY

- 4.1** The Issuer hereby covenants with the Bondholder that unless previously redeemed, the Subordinated Bonds will be redeemed at their nominal value by the Issuer on any such date when the Subordinated Bonds are due and payable in accordance with these Conditions.
- 4.2** Every payment by the Issuer to the Bondholder in respect of the Subordinated Bonds shall be in satisfaction, *pro tanto*, of the covenant by the Issuer contained in this Condition.

5. PAYMENT

All payments in respect of a Certificate or to be made by the Issuer which are denominated in RM shall be made in RM not later than 3.30 p.m. Kuala Lumpur time on the relevant day into such account as may have been notified by the Bondholder to the Issuer.

6. COUPON

- 6.1** The Subordinated Bonds confers a right to receive Coupons from (and including) the Issue Date in respect of such Tranche of the Subordinated Notes at the Coupon Rate which will be determined prior to such Issue Date and which rate shall be as reflected on the Certificate in respect of such Tranche of the Subordinated Notes and such rate shall be applicable throughout the tenure of each Tranche of the Subordinated Bonds.
- 6.2** The last payment of Coupon shall be made on the Redemption Date in respect of such Tranche of the Subordinated Notes calculated for the period commencing from (and including) the previous Coupon Payment Date up to (but excluding) such Redemption Date, or, in the event that such Subordinated Bonds shall have been satisfied by the Issuer, as the case may be, up to (but excluding) the date of satisfaction, as the case may be, of such Subordinated Bonds.
- 6.3** The Coupon will be calculated and paid semi-annually in arrears on the basis of the actual number of days elapsed and a year of 365 days.
- 6.4** Every payment by the Issuer to the Bondholder in respect of the Coupon shall be in satisfaction *pro tanto* of the covenant by the Issuer contained in this Condition and the obligations and liabilities of the Issuer with regard to that Coupon payment.
- 6.5** Unless otherwise provided in these Conditions and the Subscription Agreement, the Subordinated Bonds will cease to confer the right to receive any Coupon from the Redemption Date unless, upon surrender of the Certificate representing such Tranche of the Subordinated Bonds, payment of principal is improperly withheld or refused. In such event, Coupon shall continue to accrue at such rate (both before and after judgment) until the day on which all sums due in respect of such Subordinated Bonds up to that day are received by or on behalf of the Bondholder.
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7. CERTIFICATE

7.1 Certificate

- 7.1.1 Each Tranche of the Subordinated Bonds shall be represented by a Certificate in bearer form.
- 7.1.2 In respect of each Tranche of the Subordinated Bonds, the Issuer shall issue one Certificate representing the Subordinated Bonds with a Nominal Value, which shall:
- (i) be substantially in the form as set out in **Schedule 1** (*Form of Certificate*) of the Subscription Agreement, including any replacement for such certificate issued pursuant to these Conditions and the Subscription Agreement, and duly completed;
 - (ii) be printed and executed by the directors or authorised signatory(ies) of the Issuer. For this purpose, the directors or authorised signatory(ies) of the Issuer may sign manually or in facsimile. In addition, the Certificate may be signed by persons who, at the date of printing, is the duly authorised signatory of the Issuer notwithstanding the fact that such person has ceased to hold the relevant authority on the date of issue or delivery of such Certificate;
 - (iii) be dated the relevant Issue Date; and
 - (iv) have the benefit of these Conditions and the Subscription Agreement.
- 7.1.3 The Issuer shall comply with the provisions of each Certificate and these Conditions. Each Certificate shall be held subject in all respects to these Conditions which shall be deemed to be incorporated therein and shall be binding upon the Issuer and the Bondholder and all persons claiming through or under them respectively.
- 7.1.4 Each Certificate shall be issued with the authority of the board of directors of the Issuer and in the manner provided by the constitution of the Issuer.
- 7.1.5 Each Certificate issued in accordance with these Conditions constitutes valid and binding obligations of the Issuer.

7.2 Replacement Certificates

- 7.2.1 If any Certificate is worn out or defaced, then upon production thereof to the Issuer, the Issuer may require the same to be cancelled and may issue a new Certificate in lieu thereof. For every new Certificate so issued there shall be paid to the Issuer the amount of all taxes and duties and out of pocket expenses payable on or in connection with the issue thereof together with a further fee not exceeding such maximum sum as may be prescribed, from time to time, by any applicable law or regulation or relevant authorities as the Issuer may determine.
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7.2.2 If any Certificate is lost or destroyed or stolen, then upon proof thereof to the satisfaction of the Issuer and on such indemnity as the Issuer deems adequate being given, and on the payment of the amount of all taxes and duties and out of pocket expenses payable on or in connection with the issue thereof together with a further fee not exceeding such maximum sum as may be prescribed, from time to time, by any applicable law or regulation or relevant authorities as the Issuer may determine, a new Certificate shall be issued in replacement of the lost or destroyed or stolen Certificate.

8. REDEMPTION AND WRITE-OFF

8.1 Tenure of Issue

Unless earlier redeemed by the Issuer upon the occurrence of an Early Redemption Event, the tenure of the Subordinated Bonds shall be 10 years from the Issue Date of such Tranche of the Subordinated Notes.

8.2 Call Option

8.2.1 The Issuer may at its option and subject to the Redemption Conditions being satisfied, and by giving not less than 30 days nor more than 60 days prior written notice (which notice shall be irrevocable) to the Bondholder, exercise the Call Option to redeem in whole or in part, any Tranche of the Subordinated Bonds on a Call Date of that Tranche of the Subordinated Bonds at the Redemption Amount.

8.2.2 Upon the exercise of the Call Option under this Condition, the whole or part of such Tranche of the Subordinated Bonds shall become due and payable on the Call Date of that Tranche of the Subordinated Bonds.

8.2.3 For the purposes of Condition 8.2 (*Call Option*), Condition 8.3 (*Regulatory Redemption*) and Condition 8.4 (*Tax Redemption*), all the following redemption conditions (the “**Redemption Conditions**”) are required to be satisfied:

- (i) the Issuer is solvent at the time of redemption of that Tranche of the Subordinated Bonds and immediately thereafter;
 - (i) the Issuer has obtained the prior written approval of BNM prior to the redemption of that Tranche of the Subordinated Bonds;
 - (ii) the Issuer shall:
 - (a) replace the called Subordinated Bonds with capital of the same or better quality and the replacement of this capital is done at conditions which are sustainable for the income capacity of the Issuer; or
 - (b) demonstrate to the satisfaction of BNM that its capital position is and can be sustained well above the minimum capital adequacy requirements and capital buffer requirements, as imposed by BNM in the CA Framework, after the redemption option is exercised.
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8.3 Regulatory Redemption

- 8.3.1** The Issuer may at its option and subject to the prior written approval of BNM, by giving not less than 30 days nor more than 60 days prior written notice (which notice shall be irrevocable) to the Bondholder, redeem in whole or in part, the relevant Tranche of the Subordinated Bonds on a Coupon Payment Date of that Tranche of the Subordinated Bonds at the Redemption Amount, if a Regulatory Event has occurred and is continuing.
- 8.3.2** Prior to the publication of any notice of redemption pursuant to this Condition, the Issuer will deliver to the Bondholder a certificate signed by an authorised officer of the Issuer stating that a Regulatory Event has occurred and the Bondholder will be required to accept such certificate without any further inquiry as sufficient evidence of the satisfaction of the Regulatory Event conditions without liability to any person in which event it shall be conclusive and binding on the Bondholder. Upon expiry of such notice, the Issuer will be required to redeem such Subordinated Bonds in accordance with these Conditions.

8.4 Tax Redemption

- 8.4.1** The Issuer may at its option and subject to the prior written approval of BNM, by giving not less than 30 days nor more than 60 days prior written notice (which notice shall be irrevocable) to the Bondholder, redeem in whole or in part, the relevant Tranche of the Subordinated Bonds on a Coupon Payment Date of that Tranche of the Subordinated Bonds at the Redemption Amount, if a Tax Event has occurred and is continuing.
- 8.4.2** Prior to the publication of any notice of redemption pursuant to this Condition, the Issuer will deliver to the Bondholder a certificate signed by an authorised officer of the Issuer stating that a Tax Event has occurred and the Bondholder will be required to accept such certificate without any further inquiry as sufficient evidence of the satisfaction of the Tax Event conditions without liability to any person in which event it shall be conclusive and binding on the Bondholder. Upon expiry of such notice, the Issuer will be required to redeem such Subordinated Bonds in accordance with these Conditions.

8.5 Cancellation of the Certificate

Upon an early redemption of the Subordinated Bonds, the Bondholder shall return the original Certificate of that Tranche of the Subordinated Bonds to the Issuer for cancellation.

8.6 Loss Absorption at point of Non-Viability Event

- 8.6.1** At the occurrence of a Non-Viability Event, the Issuer shall irrevocably, without the consent of the Bondholder, write-off the Subordinated Bonds in whole or in part, if so required by BNM and/or PIDM at their full discretion. For the avoidance of doubt, such write-off shall take effect on the date stipulated by BNM or PIDM, as the case may be.
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8.6.2 Upon the occurrence of a Non-Viability Event, the Issuer shall provide notice to the Bondholder informing the Bondholder of the same, and then as of the relevant write-off date:

- (i) the write-off shall reduce:
 - (a) the claim of the Subordinated Bonds in liquidation. The Bondholder will be automatically deemed to irrevocably waive its right to receive, and no longer have any rights against the Issuer with respect to, repayment of the aggregate principal amount of the Subordinated Bonds written-off;
 - (b) the amount re-paid when a Call Option is exercised; and
 - (c) the Coupon;
- (ii) the write-off shall be permanent and the whole or part (as the case may be) of the principal amount of the Subordinated Bonds will automatically be written-off and the whole or part (as the case may be) of the Subordinated Bonds will be cancelled; and
- (iii) the write-off of the Subordinated Bonds shall not constitute an Enforcement Event or trigger cross-default clauses.

8.6.3 The write-off must generate Common Equity Tier 1 Capital of the Issuer under the Malaysian Financial Reporting Standards. The Subordinated Bonds will only receive recognition in Tier 2 Capital (in accordance with the CA Framework) up to the minimum level of Common Equity Tier 1 Capital of the Issuer generated by a full write-off of the Subordinated Bonds.

8.6.4 A “**Non-Viability Event**” shall be the earlier of the following:

- (i) the Relevant Malaysian Authority, notifying the Issuer in writing that the Relevant Malaysian Authority is of the opinion that a write-off is necessary, without which the Issuer would cease to be viable; or
- (ii) the Relevant Malaysian Authority, publicly announcing that a decision has been made by BNM, PIDM or any other federal or state government in Malaysia, to provide a capital injection or equivalent support to the Issuer, without which the Issuer would cease to be viable.

9. ENFORCEMENT EVENTS AND REMEDY FOR DEFAULT

9.1 Enforcement Events means the occurrence of any of the following:

- 9.1.1** the Issuer fails to pay any money owing in respect of the Subordinated Bonds when due and payable and such default continues for seven Business Days after the Issuer becomes aware or having been notified by the Bondholder of such default, whichever earlier; or
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- 9.1.2 (i) an order is made for the winding-up of the Issuer and such order is not stayed or set aside within 60 days of such order being made or, where so stayed, such stay lapses, or (ii) an effective resolution is passed for the winding-up of the Issuer, except where such order is made or such resolution is passed for the purpose of a reconstruction or amalgamation, the terms of which have been approved by the Bondholder.

9.2 Remedy for Default

Upon the occurrence of:

- 9.2.1 the event in Condition 9.1.1 above, subject to these Conditions or the Transaction Documents, the sole remedy of the Bondholder shall be to institute proceedings in Malaysia for the winding-up of the Issuer, provided that the Bondholder shall not have the right to enforce payment under or to accelerate payment of the Subordinated Bonds upon the occurrence of the event in Condition 9.1.1 above or any non-performance of any condition, provision or covenant under the Subordinated Bonds or the Transaction Documents;
- 9.2.2 the event in Condition 9.1.2 above, subject to these Conditions or the Transaction Documents, the Bondholder may by written notice to the Issuer declare that the Subordinated Bonds shall immediately become due and payable at their respective principal amount together with accrued but unpaid Coupons.

10. TAXATION

All payments in respect of the Subordinated Bonds and the Transaction Documents by the Issuer shall be made in full and free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the Government of Malaysia, or any applicable jurisdictions, or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law. In such event, the Issuer shall not gross up for any such withholding or deduction.

11. PRESCRIPTION

Claims for any money due and payable in respect of the Subordinated Bonds (whether in respect of the nominal value or otherwise) will become void unless made within six years from the relevant due date for payment in respect thereof.

12. NOTICES

- 12.1 Any notice or other communication under or in connection with these Conditions between the Issuer and the Bondholder shall be in writing, shall in the case of the Issuer be given or signed by an authorised signatory of the Issuer and shall be delivered personally, or by post, facsimile transmission or electronic mail to the addresses or facsimile numbers stated in the signing page of the Subscription Agreement or such other address or facsimile number as the recipient may have notified the other party in writing. Proof of posting or despatch of any notice or communication shall be deemed to be proof of receipt only when:
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- 12.1.1 in the case of a letter, on the fifth Business Day after posting;
- 12.1.2 in the case of facsimile transmission, at the time and date as stated in the transmission report generated by the sender's facsimile machine indicating that the facsimile was successfully sent in its entirety and without error to the facsimile number of the recipient provided that such transmission is made on or before 5.00 p.m. on a Business Day; if transmission is made after 5.00 p.m. on a Business Day or on a non-Business Day, such notice or communication is deemed to have been received on the next Business Day;
- 12.1.3 if by electronic mail, at the time when such electronic mail is actually received by the recipient in readable form provided such electronic mail is received on or before 5.00 p.m. on a Business Day; if the electronic mail is received after 5.00 p.m. on a Business Day or on a non-Business Day, such notice or communication is deemed to have been received on the next Business Day.

12.2 All notices and other communications under or in connection with these Conditions shall be in the English language or if any other language, accompanied by a translation thereof in the English language. In the event of any conflict between the English text and the text in any other language, the English text shall prevail.

13. MODIFICATION

- 13.1 Any modification to these Conditions and the Transaction Documents (including the form and content of any Certificate) shall be made with the consent or sanction of the Bondholder.
- 13.2 Any modification to these Conditions and the Transaction Documents may be effected only by supplemental agreement, executed by the Issuer and the Bondholder and expressed to be supplemental hereto.

14. GOVERNING LAW

The Subordinated Bonds, the Transaction Documents and any non-contractual obligations arising out of or in connection with it, shall be governed by, and construed in all respects in accordance with, the laws of Malaysia.

15. JURISDICTION

15.1 Jurisdiction of Malaysian Courts

The courts of Malaysia have exclusive jurisdiction to settle any dispute arising out of or in connection with the Subordinated Bonds and the Transaction Documents (including a dispute relating to the existence, validity or termination of the Transaction Documents or any non-contractual obligation arising out of or in connection with the Transaction Documents) (a "**Dispute**").

15.2 Venue

The parties agree that the courts of Malaysia are the most appropriate and convenient courts to settle Disputes and accordingly the Issuer agrees not to claim otherwise and the Issuer irrevocably waives any objection that it might now or hereafter have to any proceedings being brought or Disputes settled in the courts of Malaysia and agrees not to claim that any such court is not a convenient or appropriate forum.

15.3 Other Competent Jurisdiction

This Condition 15 is for the benefit of the Bondholder only. As a result, the Bondholder shall not be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, the Bondholder may take concurrent proceedings in any number of jurisdictions.

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Definitions

“**Auditors**” means the auditors for the time being of the Issuer or such other firm of accountants as may be nominated by the Issuer for that purpose.

“**BNM**” means Bank Negara Malaysia, a body corporate established under the repealed Central Bank of Malaysia Act 1958 (now known as Central Bank of Malaysia Act 2009) of Jalan Dato’ Onn, 50480 Kuala Lumpur.

“**Bondholder**” means Oversea-Chinese Banking Corporation Limited, a company incorporated in Singapore having its registered office at 65 Chulia Street, #09-00, OCBC Centre, Singapore 049513 and includes its successors-in-title and permitted assigns.

“**Bursa Securities**” means Bursa Malaysia Securities Berhad (Company No. 635998-W).

“**Business Day**” means a day (other than Saturdays, Sundays and public holidays) on which banks licensed under the FSA are open for general business in Kuala Lumpur.

“**Call Date**” means, in relation to each Tranche, any Coupon Payment Date after a minimum period of five years from the Issue Date of such Tranche, provided that the first Call Date falls on the fifth anniversary of such Issue Date. If the Call Date falls on a day which is not a Business Day, payment shall be made on the Business Day falling immediately after the Call Date.

“**Call Option**” means the option for early redemption of the Subordinated Bonds (in whole or in part) given to the Issuer to redeem such Subordinated Bonds on the relevant Call Date in accordance with the Conditions.

“**CA Framework**” means the Capital Adequacy Framework (Capital Components) issued on 13 October 2015 by BNM.

“**Capital Markets and Services Act**” means the Capital Markets and Services Act 2007 of Malaysia and includes any amendment, consolidation or re-enactment thereof from time to time.

“**Certificate**” means a certificate issued in respect of a Tranche of the Subordinated Bonds and shall substantially be in the form set out in **Schedule 1** (*Form of Certificate*).

“**Companies Act**” means the Companies Act 2016 of Malaysia and includes any amendment, consolidation or re-enactment thereof from time to time.

“**Conditions**” means the terms and conditions of the Subordinated Bonds which are set out in **Schedule 2** (*Terms and Conditions of the Subordinated Bonds*) as may from time to time be modified in accordance with the provisions of this Agreement, and references to “Condition” shall be construed accordingly.

“**Coupon Payment Date**” means, in relation to each Tranche, a date falling semi-annually commencing six months from the Issue Date of such Tranche and on which Coupons at the applicable Coupon Rate, are payable to the Bondholder, provided that if the Coupon Payment Date falls on a day which is not a Business Day, payment shall be made on the Business Day falling immediately after the Coupon Payment Date.

“**Coupon Rate**” means, in relation to the Subordinated Bonds of the same Tranche, the rate as specified in Clause 3.1.

“**Coupons**” means, the coupon in respect of the Subordinated Bonds at the applicable Coupon Rate subject to, *inter alia*, Condition 6 (*Coupon*) of **Schedule 2** (*Terms and Conditions of the Subordinated Bonds*).

“**Early Redemption Event**” means, in relation to all or the relevant Subordinated Bonds, an Optional Redemption, a Regulatory Redemption or a Tax Redemption.

“**Enforcement Event**” means any of the events specified in Condition 9 of **Schedule 2** (*Terms and Conditions of the Subordinated Bonds*).

“**Financial Statements**” means the Issuer’s annual consolidated accounts which are audited by the Auditors and which shall contain the statements of comprehensive income (or their equivalent based on most recent accounting standards), statements of financial position (or their equivalent based on most recent accounting standards), statements of changes in equity (or their equivalent based on most recent accounting standards) and statements of cash flow (or their equivalent based on most recent accounting standards); together with all documents which are or would be required by the relevant law or accounting principles and practice to be annexed to the Issuer’s annual consolidated accounts.

“**FSA**” means the Financial Services Act 2013 of Malaysia and includes any amendment, consolidation or re-enactment thereof from time to time.

“**Issue**” means the nominal value of the Subordinated Bonds which are issued or to be issued pursuant to a request from the Issuer to the Bondholder under each Tranche.

“**Issue Date**” means, in relation to each Tranche, the date of issue of the Subordinated Bonds as specified in Clause 3.1.

“**Issuer**” means OCBC Bank (Malaysia) Berhad (Company No. 295400-W), a company incorporated in Malaysia having its registered office at 19th Floor, Menara OCBC, 18 Jalan Tun Perak, 50050 Kuala Lumpur and includes its successors-in-title and permitted assigns.

“**New Tier 2 Capital**” has the meaning ascribed to it in Clause 7.1.7.

“**nominal value**” means, in relation to any Subordinated Bond, the nominal value as stated in the respective Certificates.

“**Non-Viability Event**” has the meaning ascribed to it in Condition 8.6.4 of **Schedule 2** (*Terms and Conditions of the Subordinated Bonds*).

“**Optional Redemption**” means the redemption of all or part of the Subordinated Bonds at the Redemption Amount on the relevant Call Date subject to the Redemption Conditions being satisfied pursuant to the Call Option exercised by the Issuer.

“outstanding” means, in relation to the Subordinated Bonds, all the Subordinated Bonds issued except:

- (i) those which have been redeemed in accordance with the Conditions and the redemption moneys have been duly paid to the Bondholder in accordance with the Conditions;
- (ii) those in respect of which claims have become void under this Agreement; and
- (iii) the mutilated or defaced Certificate that has been surrendered in exchange for a replacement Certificate which has been issued pursuant to Condition 7.2 (*Replacement Certificate*) of **Schedule 2** (*Terms and Conditions of the Subordinated Bonds*) and (for the purpose only of determining how many Subordinated Bonds are outstanding and without prejudice to their status for any other purpose) any Certificate alleged to have been lost, stolen or destroyed and in respect of which a replacement Certificate has been issued pursuant to Condition 7.2 (*Replacement Certificate*) of **Schedule 2** (*Terms and Conditions of the Subordinated Bonds*).

“Permitted Reorganisation” means a solvent reconstruction, amalgamation, reorganisation, merger or consolidation whereby all or substantially all the business, undertaking and assets of the Issuer are transferred to a successor entity which assumes all the obligations of the Issuer under the Subordinated Bonds.

“PIDM” means Malaysia Deposit Insurance Corporation, a body corporate established under the repealed Malaysia Deposit Insurance Corporation Act 2005 (now known as Malaysia Deposit Insurance Corporation Act 2011).

“Redemption Amount” means, in relation to each Tranche, the principal amount of the Subordinated Bonds together with the Coupons accrued and not cancelled but unpaid (if any) to (but excluding) the Redemption Date of such Subordinated Bonds.

“Redemption Conditions” has the meaning ascribed to it in Condition 8.2.3 of **Schedule 2** (*Terms and Conditions of the Subordinated Bonds*).

“Redemption Date” means, in relation to each Tranche, the earlier of the following:

- (i) the date falling 10 years from the Issue Date of such Tranche; and
- (ii) the date the Subordinated Bonds are redeemed upon the occurrence of an Early Redemption Event,

provided that if the Redemption Date falls on a day which is not a Business Day, redemption shall be made on the Business Day falling immediately after the Redemption Date.

“Regulatory Event” means if there is more than an insubstantial risk as determined by the Issuer that as a result of:

- (i) a change or proposed change to the relevant laws and/or requirements issued by BNM in relation to the qualification of the Subordinated Bonds as Tier 2 Capital of the Issuer;
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- (ii) any change in the application of the official or generally published interpretation of such relevant laws and/or requirements issued by BNM or any relevant authority, including a ruling or notice issued by BNM or any relevant authority;
- (iii) any interpretation or pronouncement by BNM or any relevant authority that provides for a position with respect to such relevant laws and/or requirements issued by BNM, that differs from the previously generally accepted position in relation to similar transactions or which differs from any specific written statements made by any authority regarding the qualification of the Subordinated Bonds as Tier 2 Capital of the Issuer,

which change or amendment,

- (a) subject to (b) below, becomes or would become, effective on or after the first Issue Date; or
- (b) in the case of a change or proposed change in the relevant laws and/or requirements issued by BNM, if such change is issued or is expected to be issued by BNM, on or after the first Issue Date,

either immediately or with the passage of time or upon either the giving of notice or fulfilment of a condition, (A) that Tranche of the Subordinated Bonds (in whole or in part) will no longer qualify as Tier 2 Capital of the Issuer or (B) make it unlawful for the Issuer to continue performing its obligations under that Tranche of the Subordinated Bonds (in whole or in part).

“Regulatory Redemption” means the redemption of the Subordinated Bonds (in whole or in part) at the option of the Issuer upon the occurrence of a Regulatory Event which is continuing on any Coupon Payment Date at the Redemption Amount.

“Relevant Malaysian Authority” means BNM, jointly with PIDM.

“RM” or **“Ringgit Malaysia”** means the lawful currency of Malaysia.

“Securities Commission” means the Securities Commission Malaysia established under the Securities Commission Act.

“Securities Commission Act” means the Securities Commission Act 1993 of Malaysia and includes any amendment, consolidation or re-enactment thereof from time to time.

“Senior Creditors” means depositors and general creditors of the Issuer other than those whose claims rank or are expressed to rank, by its terms or by operation of law, *pari passu* with or junior to the claims of the Bondholder.

“Subordinated Bonds” has the meaning ascribed to it in Recital (A) and a **“Subordinated Bond”** means each or any of them.

“Tax Event” means if there is more than an insubstantial risk that:

- (i) the Issuer has or will become obliged to pay any additional taxes, duties, assessments or government charges of whatever nature in relation to the Subordinated Bonds; or
 - (ii) the Issuer would no longer obtain tax deductions for the purposes of Malaysian corporation tax for any payment in respect of the Subordinated Bonds,
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as a result of any change in, or amendment to, the laws or regulations of Malaysia or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the relevant Issue Date and the Issuer cannot, by taking reasonable measures available to it, avoid such obligations.

“Tax Redemption” means the redemption of the Subordinated Bonds (in whole or in part) at the option of the Issuer upon the occurrence of a Tax Event which is continuing on any Coupon Payment Date at the Redemption Amount.

“Tier 2 Capital” has the meaning ascribed to it in Recital (A).

“Tranche” means the Subordinated Bonds having the same Issue Date and represented by the same Certificate.

“Transaction Documents” means this Agreement, each Certificate and all other documents or agreements of whatsoever nature executed or to be executed in connection with or pursuant to any of the documents mentioned in this definition or otherwise in relation to the Subordinated Bonds.

“Winding-up” means a final and effective order or resolution for the bankruptcy, winding up, liquidation, receivership or similar proceedings in respect of the Issuer.
