

**MEDIUM TERM NOTES PROGRAMME OF RM8.0 BILLION IN NOMINAL VALUE FOR THE ISSUANCE OF SUBORDINATED MEDIUM TERM NOTES AND/OR SENIOR MEDIUM TERM NOTES OF UP TO A COMBINED LIMIT OF RM8.0 BILLION IN NOMINAL VALUE**

Other terms and conditions

(i) Details on utilisation of proceeds by Issuer : The proceeds of the MTNs shall be made available to the Issuer, without limitation, for its working capital, general banking and other corporate purposes.

(ii) Tenure of the MTNs : **Tenure of Subordinated MTNs**  
The tenure of each Subordinated MTNs to be issued under the MTN Programme shall have a tenure of not less than five (5) years and up to thirty (30) years from the issue date provided that the Subordinated MTNs mature on or prior to the expiry of the MTN Programme.

**Tenure of Senior MTNs**

The tenure of each Senior MTNs to be issued under the MTN Programme shall have a tenure of more than one (1) year from the issue date, as may be determined by the Issuer prior to each issuance, provided the Senior MTNs mature on or prior to the expiry of the MTN Programme.

(iii) Interest/ coupon payment frequency : Payable semi-annually in arrear from the issue date ("**Coupon Payment Date**") or such other frequency as may be agreed to between the Issuer and the JLA prior to the issuance of the MTNs with the last coupon payment to be made on the maturity date or upon the early redemption (as described in paragraph entitled "Provisions on early redemption" above), whichever is the earlier.

(iv) Interest/ coupon payment basis : Coupon payment shall be calculated based on the actual number of days in the relevant period divided by 365, or in any event in accordance with PayNet Procedures (as defined in paragraph entitled "Other terms and conditions – Form and Denomination" below).

(v) Interest/coupon rate (fixed or floating) : **Subordinated MTNs**  
To be determined prior to each issuance of the Subordinated MTNs. The coupon rate which is based on a fixed rate is applicable throughout the tenure of each issuance of the Subordinated MTNs. For the avoidance of doubt, there is no step-up coupon rate for the Subordinated MTNs.

**Senior MTNs**

To be determined prior to each issuance of the Senior MTNs.

(vi) Upsizing conditions : The Issuer shall have the option to upsize the MTN

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Programme provided that:

- a) such upsizing will not result in any adverse impact on the rating of the MTN Programme;
- b) the relevant requirements under the LOLA Guidelines in relation to such upsizing have been complied with; and
- c) the relevant regulatory approvals have been obtained (if applicable).

For the avoidance of doubt, no consent from the holders of the MTNs is required for the purposes of the upsizing.

(vii) Status : **Subordinated MTNs**

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

The rights of the holders of the Subordinated MTNs to payments on the Subordinated MTNs will, in the event of a distribution of assets in the winding-up or liquidation of the Issuer, be subordinated to the claims of Senior Creditors (as defined below) and rank senior to the share capital of the Issuer (including Tier 1 capital instruments). The Subordinated MTNs will rank *pari passu* with all subordinated bonds and/or other Shariah compliant financing instruments issued by the Issuer in the future, which are approved as qualifying as Tier 2 capital of the Issuer pursuant to the requirements of BNM.

"**Senior Creditors**" means depositors and general creditors of the Issuer other than those creditors whose claims are expressed to rank *pari passu* with or subordinated to the claims of the holders of the Subordinated MTNs.

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**Senior MTNs**

The Senior MTNs will constitute direct, unconditional, unsecured and unsubordinated obligations of the Issuer ranking *pari passu* without any preference amongst themselves and *pari passu* with all other present and future unsecured and unsubordinated obligations of the Issuer, except those preferred by law.

- (viii) Financing Documents : Such documentation shall include, but are not limited to the following:
- (a) the Subordinated MTNs (in the form of global certificates and/or definitive certificates);
  - (b) the Senior MTNs (in the form of global certificates and/or definitive certificates);
  - (c) the Securities Lodgement Form;
  - (d) the Programme Agreement;
  - (e) the Trust Deeds; and
  - (f) all other documents relating to the Senior MTNs and/or the Subordinated MTNs as advised by the Solicitors,

The above documents shall collectively be referred to as “**Financing Documents**”.

- (ix) Taxation : All payments by the Issuer shall be made subject to withholding or deductions for or on account of any present or future tax, duty, or charge of whatsoever nature imposed or levied by or on behalf of the Government of Malaysia, or any authority thereof having power to tax, and the Issuer shall be required to gross up in connection with such withholding or deduction on these payments or distributions.

- (x) Redemption : Unless previously redeemed pursuant to paragraph entitled “Provisions on early redemption” above, purchased from the market or otherwise satisfied by the Issuer and cancelled, the MTNs will be redeemed at its nominal value (together with accrued but unpaid coupon (if any), on their respective maturity dates.

- (xi) Form and Denomination : The issuance of the MTNs shall be in accordance with:
- (a) the Participation and Operation Rules for Payments and

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Securities Services ("**PayNet Rules**") issued by Payments Network Malaysia Sdn Bhd (formerly known as Malaysian Electronic Clearing Corporation Sdn Bhd) ("**PayNet**"), as may be amended or substituted from time to time and the Operational Procedures for Securities Services issued by PayNet ("**PayNet Procedures**"), as amended or substituted from time to time (collectively, the PayNet Rules and the PayNet Procedures shall be referred to as "**PayNet Rules and Procedures**"), subject to such variation, amendments or exemptions (if any) from time to time; and

- (b) any other procedures/guidelines/rules issued by the relevant authorities from time to time (as the same may be amended and/or substituted from time to time).

Each series of the MTNs shall be represented by a global certificate to be deposited with BNM, and is exchangeable for definitive certificate in bearer form only in certain limited circumstances. The denomination of the MTNs shall be RM10,000.00 or in multiples of RM10,000.00 at the time of issuance.

- (xii) Listing Status or Type of Listing : The MTNs will not be listed.
- (xiii) No Equity Conversion : The MTNs shall not entitle the holders of the MTNs 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 holders of the MTNs upon the occurrence of a Non-Viability Event or otherwise. The holders of the MTNs 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.
- (xiv) Waiver of Set-Off Right (applicable to the Subordinated MTNs only) : No holder of the Subordinated MTNs may exercise, claim or plead any right of set-off, counter-claim, deduction, withholding or retention in respect of any amount owed to it by the Issuer arising under or in connection with the Subordinated MTNs, and no holder of the Subordinated MTNs shall set-off, deduct, withhold or retain any amount owing by it to the Issuer against any amount owing to it by the Issuer under the Subordinated MTNs. Each holder of the Subordinated MTNs, by his acceptance and holding of the Subordinated MTNs, shall 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 any holder of the Subordinated MTNs receives payment or benefit of any sum in respect of the

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Subordinated MTNs as a result of the exercise or carrying into effect of any such set-off, counterclaim, deduction, withholding or retention (whether or not such exercise or carrying into effect is mandatory under applicable law), or if at any time any holder of the Subordinated MTNs receives payment or benefit of any sum in respect of the Subordinated MTNs other than in accordance with the provisions described above under "Enforcement Events", the payment of such sum or receipt of such benefit shall, to the fullest extent permitted by law, be deemed void for all purposes and such holder of the Subordinated MTNs, by acceptance and holding of any Subordinated MTNs, shall agree as a separate and independent obligation that any such sum or benefit so received shall be paid or returned by such holder of the Subordinated MTNs 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 relevant holder of the Subordinated MTNs 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 under the Subordinated MTNs.

- (xv) Non-Viability Loss Absorption (applicable to the Subordinated MTNs only) :
- Following the occurrence of any of the following non-viability events (each a "**Non-Viability Event**"), whichever is earlier:
- (a) BNM, jointly with the Malaysia Deposit Insurance Corporation ("**PIDM**"), so long as the Issuer is a Member Institution (as defined in the Malaysia Deposit Insurance Corporation Act 2011), BNM, if the Issuer is not a Member Institution ("**Relevant Malaysian Authority**"), have notified the Issuer in writing that they are of the view that the principal write-off of the Subordinated MTNs, together with the conversion or write-off of any other Tier 2 Instruments (as defined below) and Tier 1 Instruments (as defined below) which, pursuant to their terms or by operation of law, are capable of being converted into equity, or written off at that time, is necessary, without which the Issuer would cease to be viable; or
  - (b) The Relevant Malaysian Authority publicly announces 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,

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the Relevant Malaysian Authority shall have the option to require the entire principal outstanding or such portion thereof and all other amount owing under the Subordinated MTNs be written off. If the Relevant Malaysian Authority elects to exercise such option, subject to and as of the date of the occurrence of the Non-Viability Event, any principal under the Subordinated MTNs that has been written off will be extinguished and will not be restored in any circumstances. No holder may exercise, claim or plead any right to any amount written off, and each of the holders of the Subordinated MTNs hereby irrevocably waives its right to receive repayment of the principal amount of the Subordinated MTNs so written off and also irrevocably waives its right to any coupon of the Subordinated MTNs so written off (including coupon accrued but unpaid up to the date of the occurrence of a Non-Viability Event).

For the avoidance of doubt:

- (i) upon the occurrence of a Non-Viability Event, where the Issuer is required by BNM to write-off or convert a portion of all the Tier 2 Instruments and Tier 1 Instruments of the Issuer which, pursuant to their terms or by operation of law, are capable of being converted into equity or written off at that time, the Issuer shall first convert or write-off the relevant Tier 1 Instruments, to be followed by the write-off or conversion (if applicable) of the relevant Tier 2 Instruments on a *pari passu* basis; and
- (ii) upon the occurrence of a Non-Viability Event, where the Issuer is required by BNM to write-off the entire principal outstanding or such portion thereof and all other amount owing under the Subordinated MTNs, the Issuer may, in its discretion, write-off the Subordinated MTNs in the manner as prescribed in this paragraph.

A Non-Viability Event shall be deemed to have occurred on the day on which the Issuer received, as the case may be, the notification from or public announcement by the Relevant Malaysian Authority, where the Issuer shall immediately inform the Trustee and the credit rating agencies of the same and that as of the relevant write-off date:

- (a) the write-off shall reduce:
  - (i) the claim of the Subordinated MTNs in liquidation. The holders of the Subordinated MTNs will be

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automatically deemed to irrevocably waive their right to receive, and no longer have any rights against the Issuer with respect to, any repayment of principal amount of the Subordinated MTNs, in whole or in part, (as the case may be) which is to be written-off;

- (ii) the amount to be re-paid when any redemption is exercised pursuant to paragraph entitled "Provisions on early redemption" above; and
  - (iii) the coupon payments on the Subordinated MTNs.
- (b) the write-off shall be permanent and the write-off amount will not be restored in any circumstances including where the trigger event ceases to operate, and the full or part (as the case may be) of the principal amount of the Subordinated MTNs will automatically be written-off to zero and the whole or part (as the case may be) of the Subordinated MTNs will be cancelled; and
- (c) the write-off of the Subordinated MTNs shall not constitute an event of default or Enforcement Event, nor would it trigger a cross-default under any other outstanding Senior MTNs and/or Subordinated MTNs issued under the MTN Programme.

For the avoidance of doubt, the loss absorption feature of the Subordinated MTNs (1) will cease to be effective if BNM's capital adequacy rules no longer require a loss absorption feature to be included for the Subordinated MTNs to qualify as Tier 2 capital or (2) shall be amended accordingly if BNM's capital adequacy rules have materially changed.

**"Tier 1 Instruments"** mean, at any time, any instrument issued directly or indirectly by the Issuer, other than the ordinary shares, which are eligible to qualify as Tier 1 capital or Additional Tier 1 capital pursuant to the rules and regulations of BNM.

**"Tier 2 Instruments"** mean, at any time, any instrument issued directly or indirectly by the Issuer, other than the Subordinated MTNs, which are eligible to qualify as Tier 2 capital pursuant to the rules and regulations of BNM.

(xvi) Trustee's  
Reimbursement  
Account

: **Subordinated MTNs**

The Trustee shall open on behalf of the Issuer, or shall assist the Issuer to open, and maintain, as long as there is amount

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outstanding under the Subordinated MTNs, a trustee's reimbursement account for the holders of the Subordinated MTNs (the "**Subordinated MTNs Trustee's Reimbursement Account**") and the credit balance of the Subordinated MTNs Trustee's Reimbursement Account must be no less than RM30,000.00 which amount is to be obtained from the proceeds of issuance of the Subordinated MTNs.

**Senior MTNs**

The Trustee shall open on behalf of the Issuer, or shall assist the Issuer to open, and maintain, as long as there is amount outstanding under the Senior MTNs, a trustee's reimbursement account for the holders of the Senior MTNs (the "**Senior MTNs Trustee's Reimbursement Account**") and the credit balance of the Senior MTNs Trustee's Reimbursement Account must be no less than RM30,000.00 which amount is to be obtained from the proceeds of issuance of the Senior MTNs.