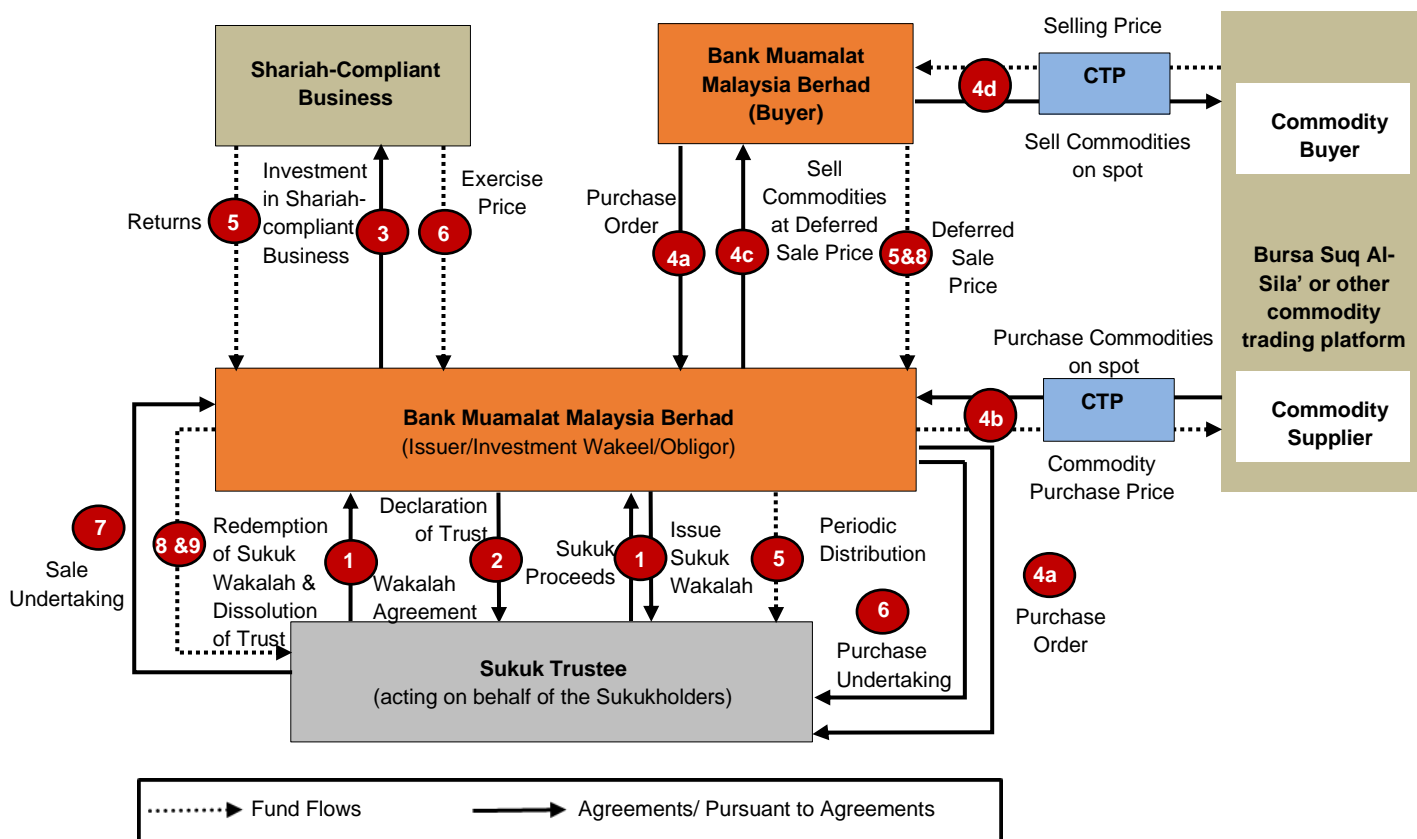


**BANK MUAMALAT MALAYSIA BERHAD (“ISSUER”)**

**PROPOSED ISSUANCE OF (I) SENIOR SUKUK WAKALAH (“SENIOR SUKUK WAKALAH”) AND/OR (II) TIER-2 SUBORDINATED SUKUK WAKALAH (“TIER 2 SUKUK WAKALAH”) AND/OR (III) ADDITIONAL TIER-1 CAPITAL SUKUK WAKALAH (“AT-1 SUKUK WAKALAH”) (COLLECTIVELY, “SUKUK WAKALAH”) UNDER A SUKUK WAKALAH PROGRAMME OF RM5.0 BILLION IN NOMINAL VALUE BASED ON THE SHARIAH PRINCIPLE OF WAKALAH BI AL-ISTITHMAR (“SUKUK WAKALAH PROGRAMME”)**

**Transaction Diagram and Explanatory Notes of the Sukuk Wakalah Programme**

**A. At Establishment, On-going and Upon Dissolution– Wakalah Bi Al-Istithmar**



1. Pursuant to a Wakalah agreement (“**Wakalah Agreement**”) entered into between the Sukuk Trustee (acting on behalf of the holders of the Sukuk Wakalah (“**Sukukholders**”)) and the Issuer, the Sukuk Trustee (acting on behalf of the Sukukholders) shall appoint the Issuer to act as its agent (“**Investment Wakeel**”) to perform services which include investing the issue proceeds (“**Sukuk Proceeds**”) in the relevant Wakalah Investments (as defined below). The Issuer shall from time to time issue Sukuk Wakalah and the Sukukholders shall subscribe to the Sukuk Wakalah by paying the Sukuk Proceeds.
2. The Issuer, in its capacity as the Investment Wakeel, shall declare a trust over the Trust Assets (as defined below) for the benefit of the Sukukholders. The relevant Sukuk Wakalah shall represent the Sukukholders’ undivided and proportionate beneficial interest in the relevant Trust Assets. The “**Trust Assets**” shall comprise (i) the Sukuk Proceeds, (ii) the relevant Wakalah Investments, and (iii) the rights, title, interest, entitlement and benefit in, to and under the Transaction Documents.

The Investment Wakeel shall invest the Sukuk Proceeds received from the Sukukholders into the relevant investment portfolio, which shall comprise investments in:

## BANK MUAMALAT MALAYSIA BERHAD (“ISSUER”)

### PROPOSED ISSUANCE OF (I) SENIOR SUKUK WAKALAH (“SENIOR SUKUK WAKALAH”) AND/OR (II) TIER-2 SUBORDINATED SUKUK WAKALAH (“TIER 2 SUKUK WAKALAH”) AND/OR (III) ADDITIONAL TIER-1 CAPITAL SUKUK WAKALAH (“AT-1 SUKUK WAKALAH”) (COLLECTIVELY, “SUKUK WAKALAH”) UNDER A SUKUK WAKALAH PROGRAMME OF RM5.0 BILLION IN NOMINAL VALUE BASED ON THE SHARIAH PRINCIPLE OF WAKALAH BI AL-ISTITHMAR (“SUKUK WAKALAH PROGRAMME”)

---

- (i) a certain percentage of the Shariah-compliant business activities of Bank Muamalat and/or its subsidiaries (collectively the “**Shariah-compliant Business**”), which shall represent the Sukukholders’ interest in the Shariah-compliant Business whereby the investment assets ownership shall be based on proportionate basis via specific percentage (mal musha`); and
- (ii) Commodities (as defined below) purchased and sold under the Shariah principle of Murabahah (“**Commodity Murabahah Investment**”).

The investments described in (i) and (ii) above shall collectively be referred to as the “**Wakalah Investments**”.

“**Commodities**” shall mean Shariah-compliant commodities, which shall include but not limited to crude palm oil or such other acceptable commodities (excluding ribawi items in the category of medium of exchange such as currency, gold and silver) which are provided through the commodity trading platform, Bursa Suq Al-Sila’ and/or such other trading platforms acceptable to the Shariah Adviser.

- 3. The Investment Wakeel shall invest at least 33% of the Sukuk Proceeds into the Shariah-compliant Business.

For the avoidance of doubt, the above percentage of at least 33% is only applicable at the point of initial investment for each tranche of the respective Sukuk Wakalah, subject to the valuation principles set out in the Wakalah Agreement. The Investment Wakeel shall ensure that the Shariah-compliant Business shall at all times be a component of the relevant Wakalah Investments.

- 4. The remaining balance of the Sukuk Proceeds after investment into the Shariah-compliant Business shall be invested into the relevant Commodity Murabahah Investment. The Commodity Murabahah Investment shall be effected as follows:
  - (i) Pursuant to a commodity Murabahah investment agreement between Bank Muamalat as the buyer (“**Buyer**”), the Investment Wakeel and the Sukuk Trustee, the Buyer shall issue a purchase order (“**Purchase Order**”) to the Investment Wakeel and the Sukuk Trustee (both acting on behalf of the Sukukholders) with an irrevocable and unconditional undertaking based on *Wa’d* to purchase the Commodities from the Sukukholders at the Deferred Sale Price (as defined below);
  - (ii) Pursuant to the Purchase Order, the Investment Wakeel (on behalf of the Sukukholders), via a commodity trading participant to be appointed via a commodity trading participant agreement, will purchase the Commodities on spot basis from the commodity supplier(s) at Bursa Suq Al-Sila’ and/or a commodity broker acceptable to the Shariah Adviser (“**Commodity Broker A**”) (“**Commodity Supplier**”) at a purchase price equivalent to the remaining balance of the Sukuk Proceeds after investment into the Shariah-compliant Business (“**Commodity Purchase Price**”). The Commodity Purchase Price shall be in line with the asset pricing requirements stipulated under the Guidelines on Islamic Capital Market Products and Services issued by the SC on 28 November 2022, as amended from time to time (“**ICMPS Guidelines**”);

## BANK MUAMALAT MALAYSIA BERHAD (“ISSUER”)

### PROPOSED ISSUANCE OF (I) SENIOR SUKUK WAKALAH (“SENIOR SUKUK WAKALAH”) AND/OR (II) TIER-2 SUBORDINATED SUKUK WAKALAH (“TIER 2 SUKUK WAKALAH”) AND/OR (III) ADDITIONAL TIER-1 CAPITAL SUKUK WAKALAH (“AT-1 SUKUK WAKALAH”) (COLLECTIVELY, “SUKUK WAKALAH”) UNDER A SUKUK WAKALAH PROGRAMME OF RM5.0 BILLION IN NOMINAL VALUE BASED ON THE SHARIAH PRINCIPLE OF WAKALAH BI AL-ISTITHMAR (“SUKUK WAKALAH PROGRAMME”)

---

- (iii) Upon acquiring the Commodities, the Investment Wakeel (on behalf of the Sukukholders) will thereafter sell those Commodities to the Buyer for a price equivalent to the Commodity Purchase Price plus the aggregate profit margin and shall be payable on deferred payment basis (“**Deferred Sale Price**”);

- (a) In respect of the Senior Sukuk Wakalah and the Tier 2 Sukuk Wakalah:

The Deferred Sale Price shall be equal to the sum of the aggregate Expected Periodic Distribution Amount (as defined below) and 100% of the nominal value of the relevant Senior Sukuk Wakalah or Tier 2 Sukuk Wakalah.

- (b) In respect of the AT-1 Sukuk Wakalah:

The Deferred Sale Price shall be equal to the sum of 100% of the nominal value of the AT-1 Sukuk Wakalah. For the avoidance of doubt, the Deferred Sale Price for AT-1 Sukuk Wakalah shall be payable 99 years after the relevant issue date, and the Issuer shall be given the right to defer such payment upon request made by the Issuer or if required by BNM subject to the Issuer providing the Sukuk Trustee with a notice of deferment of the payment of such Deferred Sale Price or on the Early Redemption Date or on the Enforcement Event Dissolution Date, whichever is the earliest.

“**Expected Periodic Distribution Amount**” means on any relevant Periodic Distribution Date, such amount calculated at the Periodic Distribution Rate on the nominal value of the relevant Sukuk Wakalah based on actual/365 days convention.

- (iv) Upon the purchase of the Commodities, the Buyer, via a commodity trading participant, will immediately sell the Commodities to the commodity buyer(s) at Bursa Suq Al-Sila’ and/or a commodity broker other than Commodity Broker A acceptable to the Shariah Adviser (“**Commodity Broker B**”) (“**Commodity Buyer**”) on spot basis for cash, at a selling price equivalent to the Commodity Purchase Price (“**Selling Price**”).

5. During the tenure of the Sukuk Wakalah, returns generated from the relevant Wakalah Investments (being the returns generated from the investment into the Shariah-Compliant Business and the Commodity Murabahah Investment) up to the Expected Periodic Distribution Amount, shall be distributed periodically in the form of periodic distributions (“**Periodic Distributions**”, and each a “**Periodic Distribution**”).

Any returns from the Wakalah Investments in excess of the Expected Periodic Distribution Amount shall be waived by the Sukukholders and retained by the Investment Wakeel as incentive fees for its services in managing the Wakalah Investments.

In relation to the AT-1 Sukuk Wakalah only, in the event income generated from Wakalah Investments is insufficient to pay the Expected Periodic Distribution Amount, the Investment Wakeel may, at its sole and absolute discretion, provide hibah to the Sukuk Trustee (on behalf of the holders of the AT-1 Sukuk Wakalah).

## BANK MUAMALAT MALAYSIA BERHAD (“ISSUER”)

### PROPOSED ISSUANCE OF (I) SENIOR SUKUK WAKALAH (“SENIOR SUKUK WAKALAH”) AND/OR (II) TIER-2 SUBORDINATED SUKUK WAKALAH (“TIER 2 SUKUK WAKALAH”) AND/OR (III) ADDITIONAL TIER-1 CAPITAL SUKUK WAKALAH (“AT-1 SUKUK WAKALAH”) (COLLECTIVELY, “SUKUK WAKALAH”) UNDER A SUKUK WAKALAH PROGRAMME OF RM5.0 BILLION IN NOMINAL VALUE BASED ON THE SHARIAH PRINCIPLE OF WAKALAH BI AL-ISTITHMAR (“SUKUK WAKALAH PROGRAMME”)

---

6. Bank Muamalat as the obligor (“**Obligor**”) shall grant a master purchase undertaking (“**Purchase Undertaking**”) to the Sukuk Trustee (for the benefit of the Sukukholders), in which the Obligor shall purchase the Sukukholders’ undivided and proportionate beneficial interest in the Shariah-compliant Business at the relevant Exercise Price (as defined below) via a sale and purchase agreement as follows:
- (i) in respect of the Senior Sukuk Wakalah, on the maturity date (“**Scheduled Dissolution Date**”) or the Dissolution Declaration Date, whichever is the earlier;
  - (ii) in respect of the Tier 2 Sukuk Wakalah, on the Scheduled Dissolution Date or the Enforcement Event Dissolution Date, whichever is the earlier;
  - (iii) in respect of the AT-1 Sukuk Wakalah, on the Enforcement Event Dissolution Date or the date of a Capital Disqualification Event, whichever is the earlier.

The “**Exercise Price**” for the purchase of the Shariah-compliant Business in the Wakalah Investments shall be at the fair value of the Shariah-compliant Business including any proportionate returns generated from the investment in the Shariah-compliant Business, on the relevant Scheduled Dissolution Date(s), the Dissolution Declaration Date, the Enforcement Event Dissolution Date or the date of a Capital Disqualification Event, as the case may be.

7. The Sukuk Trustee (acting on behalf of the Sukukholders) shall issue a master sale undertaking (“**Sale Undertaking**”) in favour of the Issuer, under which the Sukuk Trustee shall sell the Shariah-compliant Business to the Issuer at the relevant Senior Sukuk Call Option Redemption Amount or the relevant Redemption Amount (as the case may be), via a sale and purchase agreement on the Senior Sukuk Call Date or the Early Redemption Date (as the case may be).
8. Proceeds of the relevant Wakalah Investments which comprise the Exercise Price, the Senior Sukuk Call Option Redemption Amount or the Redemption Amount (whichever the case may be) and the Deferred Sale Price shall be utilised to redeem the relevant Sukuk Wakalah at the Dissolution Distribution Amount on the Scheduled Dissolution Date, the Dissolution Declaration Date, the Enforcement Event Dissolution Date, the Senior Sukuk Call Date or the Early Redemption Date, as the case may be.

On (i) the Scheduled Dissolution Date; (ii) the Dissolution Declaration Date; (iii) the Enforcement Event Dissolution Date; (iv) the Senior Sukuk Call Date; or (v) the Early Redemption Date, as the case may be, any returns from the relevant Wakalah Investments in excess of the Dissolution Distribution Amount due and payable under the relevant Sukuk Wakalah shall be waived by the Sukukholders and retained by the Investment Wakeel as incentive fee for its services as the Investment Wakeel in managing the relevant Wakalah Investments under the Wakalah Agreement.

In relation to the AT-1 Sukuk Wakalah only, in the event of a Capital Disqualification Event, the Wakalah Investments will be dissolved accordingly and a Mudharabah Venture will be entered into between the Issuer and the Investment Wakeel (acting on behalf of the Sukuk Trustee who in turn is acting on behalf of the AT-1 Sukukholders) as stipulated in the paragraph entitled “*Other terms and conditions - Limitation on Payment*”. For the avoidance of doubt, the dissolution of the Wakalah Investments shall not constitute the redemption of the AT-1 Sukuk Wakalah.

**BANK MUAMALAT MALAYSIA BERHAD (“ISSUER”)**

**PROPOSED ISSUANCE OF (I) SENIOR SUKUK WAKALAH (“SENIOR SUKUK WAKALAH”) AND/OR (II) TIER-2 SUBORDINATED SUKUK WAKALAH (“TIER 2 SUKUK WAKALAH”) AND/OR (III) ADDITIONAL TIER-1 CAPITAL SUKUK WAKALAH (“AT-1 SUKUK WAKALAH”) (COLLECTIVELY, “SUKUK WAKALAH”) UNDER A SUKUK WAKALAH PROGRAMME OF RM5.0 BILLION IN NOMINAL VALUE BASED ON THE SHARIAH PRINCIPLE OF WAKALAH BI AL-ISTITHMAR (“SUKUK WAKALAH PROGRAMME”)**

---

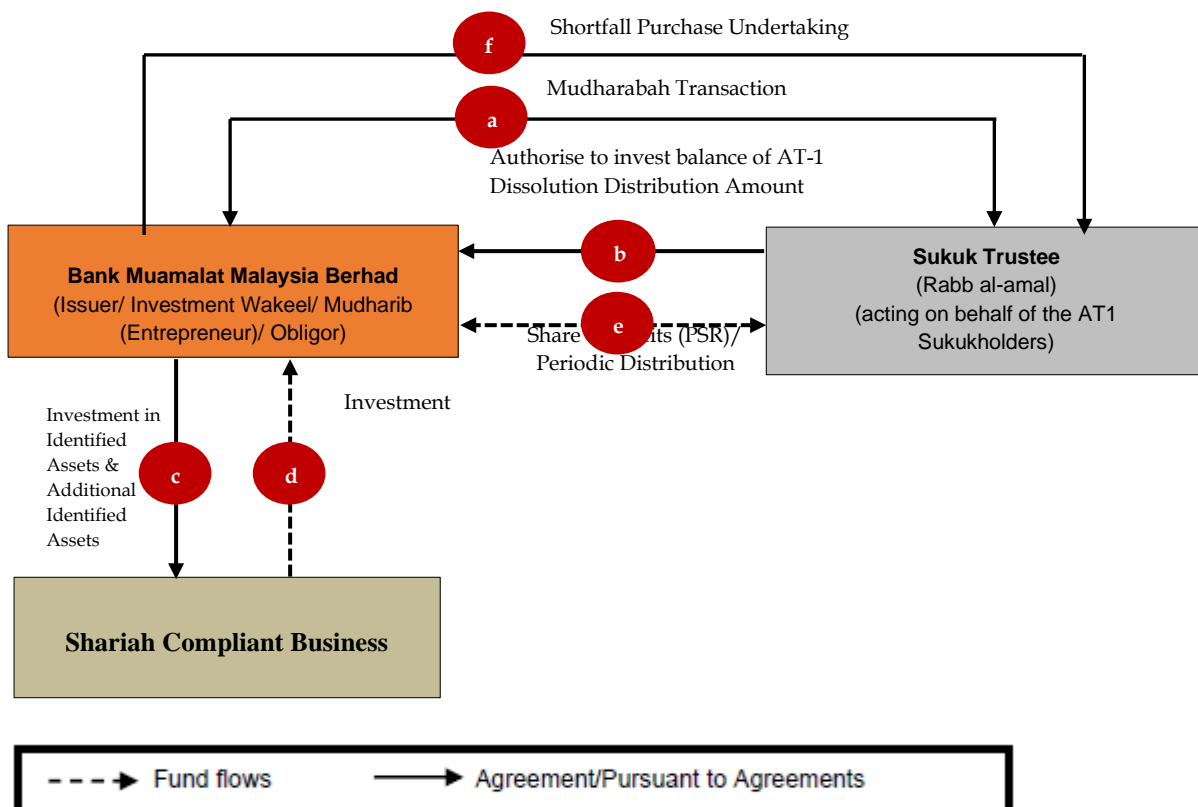
9. The relevant trust in respect of the Trust Assets will be dissolved and the relevant Sukuk Wakalah held by the Sukukholders will be cancelled upon the occurrence of the following events:
- (i) full payment of all amounts due and payable under the Sukuk Wakalah;
  - (ii) a write-off pursuant to Non-Viability Event in respect of the Tier-2 Sukuk Wakalah or AT-1 Sukuk Wakalah; or
  - (iii) a write-off pursuant to Breach of CET-1 Capital Ratio in respect of the AT-1 Sukuk Wakalah.

*[The remainder of this page is intentionally left blank.]*

**BANK MUAMALAT MALAYSIA BERHAD (“ISSUER”)**

**PROPOSED ISSUANCE OF (I) SENIOR SUKUK WAKALAH (“SENIOR SUKUK WAKALAH”) AND/OR (II) TIER-2 SUBORDINATED SUKUK WAKALAH (“TIER 2 SUKUK WAKALAH”) AND/OR (III) ADDITIONAL TIER-1 CAPITAL SUKUK WAKALAH (“AT-1 SUKUK WAKALAH”) (COLLECTIVELY, “SUKUK WAKALAH”) UNDER A SUKUK WAKALAH PROGRAMME OF RM5.0 BILLION IN NOMINAL VALUE BASED ON THE SHARIAH PRINCIPLE OF WAKALAH BI AL-ISTITHMAR (“SUKUK WAKALAH PROGRAMME”)**

**B. Upon Occurrence of Capital Disqualification Event (for AT-1 Sukuk Wakalah only) (if applicable) - Mudharabah**



a.	Upon occurrence of Capital Disqualification Event for AT-1 Sukuk, the Wakalah Investments will be dissolved accordingly and pursuant thereto, the Investment Wakeel (acting on behalf of the Sukuk Trustee who in turn is acting on behalf of the AT-1 Sukukholders) will enter into a Mudharabah agreement with the Issuer in relation to Mudharabah transaction. For the avoidance of doubt, the dissolution of the Wakalah Investments shall not constitute the redemption of the AT-1 Sukuk Wakalah.
b & c.	Under the Mudharabah transaction, the Investment Wakeel (acting on behalf of the Sukuk Trustee who in turn is acting on behalf of the AT-1 Sukukholders) irrevocably authorises the Issuer (as “Mudharib” (entrepreneur)) to, at its sole discretion, invest the balance of the AT-1 Dissolution Distribution Amount (which is equal to 100% of the nominal value of the AT-1 Sukuk Wakalah) in a certain percentage of the Shariah-compliant business activities of Bank Muamalat and/or its subsidiaries under the Mudharabah transaction (“ <b>Identified Assets</b> ”).  The Mudharib shall have the right to substitute from time to time any of the Identified Assets with qualified assets of equal value that are Shariah-compliant and approved by the Shariah Adviser. Under the Mudharabah transaction, the Investment Wakeel (acting on behalf of the Sukuk Trustee who in turn is acting for the AT-1 Sukukholders) (as the Rabb al-mal) and the Issuer (as the

**BANK MUAMALAT MALAYSIA BERHAD (“ISSUER”)**

**PROPOSED ISSUANCE OF (I) SENIOR SUKUK WAKALAH (“SENIOR SUKUK WAKALAH”) AND/OR (II) TIER-2 SUBORDINATED SUKUK WAKALAH (“TIER 2 SUKUK WAKALAH”) AND/OR (III) ADDITIONAL TIER-1 CAPITAL SUKUK WAKALAH (“AT-1 SUKUK WAKALAH”) (COLLECTIVELY, “SUKUK WAKALAH”) UNDER A SUKUK WAKALAH PROGRAMME OF RM5.0 BILLION IN NOMINAL VALUE BASED ON THE SHARIAH PRINCIPLE OF WAKALAH BI AL-ISTITHMAR (“SUKUK WAKALAH PROGRAMME”)**

	Mudharib) shall agree to invest in an identified venture comprising the investment in Identified Assets and the Additional Identified Assets (as defined below) (“ <b>Mudharabah Venture</b> ”).
d & e.	<p>Profits generated from the Identified Assets and Additional Identified Assets (where applicable) will be shared and distributed between the AT-1 Sukukholders as the Rabb al-mal and the Issuer as the Mudharib according to a pre-agreed profit sharing ratio to be determined under the Mudharabah transaction. The loss shall be borne solely by the Rabb al-mal.</p> <p>The Mudharib shall distribute to the AT-1 Sukukholders the profit generated from the Identified Assets (“<b>Identified Assets Profit</b>”) and Additional Identified Assets (“<b>Additional Identified Assets Profit</b>”) in the form of Periodic Distribution on the Periodic Distribution Date.</p> <p><b><u>Periodic Distribution on each Periodic Distribution Date</u></b></p> <p>If the Identified Assets Profit and Additional Identified Assets Profit (where applicable) are equal to or in excess of the relevant Expected Periodic Distribution Amount for the applicable Periodic Distribution period:</p> <p>(i) Full Deferral: The Identified Assets Profit and Additional Identified Assets Profit (where applicable) up to such Expected Periodic Distribution Amount will be applied towards investing in additional identified assets (“<b>Additional Identified Assets</b>”).</p> <p>(ii) Partial Deferral: The Identified Assets Profit and Additional Identified Assets Profit (where applicable) up to the Expected Periodic Distribution Amount which is not deferred will be distributed to the AT-1 Sukukholders and the remaining will be applied towards investing in Additional Identified Assets.</p> <p>(iii) Non-Deferral: The Identified Assets Profit and Additional Identified Assets Profit (where applicable) up to such Expected Periodic Distribution Amount due and payable will be distributed to the AT-1 Sukukholders.</p> <p>Any excess will be paid to the Mudharib as an incentive fee.</p> <p>The Identified Assets and Additional Identified Assets are referring to the investment in the same Identified Assets. The term “Additional” is used to differentiate the amount to be invested i.e. nominal value of the relevant AT-1 Sukuk Wakalah is the amount invested in the Identified Assets and the amount of Expected Periodic Distribution Amount to be deferred in relation to cumulative periodic distribution is the amount invested in the Additional Identified Assets.</p>
f.	If the Identified Assets Profit and Additional Identified Assets Profit (where applicable) is insufficient to pay the relevant portion of the Expected Periodic Distribution Amount for the applicable Periodic Distribution period, pursuant to a shortfall purchase undertaking granted upfront by Bank Muamalat as the Obligor to the Mudharib and the Sukuk Trustee (both acting on behalf of the AT-1 Sukukholders)(“ <b>Shortfall Purchase Undertaking</b> ”), the Mudharabah Venture will be dissolved and the Mudharib (acting on behalf of the AT-1 Sukukholders) shall sell the Identified Assets (and Additional Identified Assets, if applicable) to the Obligor at the relevant exercise price. The relevant exercise price shall be an amount equal to the outstanding nominal value of the AT-1 Sukuk

**BANK MUAMALAT MALAYSIA BERHAD (“ISSUER”)**

**PROPOSED ISSUANCE OF (I) SENIOR SUKUK WAKALAH (“SENIOR SUKUK WAKALAH”) AND/OR (II) TIER-2 SUBORDINATED SUKUK WAKALAH (“TIER 2 SUKUK WAKALAH”) AND/OR (III) ADDITIONAL TIER-1 CAPITAL SUKUK WAKALAH (“AT-1 SUKUK WAKALAH”) (COLLECTIVELY, “SUKUK WAKALAH”) UNDER A SUKUK WAKALAH PROGRAMME OF RM5.0 BILLION IN NOMINAL VALUE BASED ON THE SHARIAH PRINCIPLE OF WAKALAH BI AL-ISTITHMAR (“SUKUK WAKALAH PROGRAMME”)**

---

	<p>Wakalah together with accrued but unpaid and uncanceled Expected Periodic Distribution Amount.</p> <p>(i) Full Deferral: The Mudharib shall use the proceeds of the relevant exercise price to invest in another identified asset (“<b>New Identified Assets</b>”), which shall not comprise the previous Identified Assets which have been purchased by the Obligor pursuant to the Shortfall Purchase Undertaking.</p> <p>(ii) Partial Deferral: The Mudharib shall use the proceeds of the relevant exercise price to distribute such Expected Periodic Distribution Amount which are not deferred and the remaining to be applied towards investing in New Identified Assets, which shall not comprise the previous Identified Assets which have been purchased by the Obligor pursuant to the Shortfall Purchase Undertaking.</p> <p>(iii) Non Deferral: The Mudharib shall use the proceeds of the relevant exercise price to distribute the relevant portion of the Expected Periodic Distribution Amount and the remaining balance will be applied towards investing in New Identified Assets, which shall not comprise the previous Identified Assets which have been purchased by the Obligor pursuant to the Shortfall Purchase Undertaking.</p> <p>A new Mudharabah venture will be created when the proceeds of the relevant exercise price are applied towards investment in the New Identified Assets. The accounting entries associated with the payment of the relevant exercise price pursuant to the Shortfall Purchase Undertaking and investment in the New Identified Assets shall be made in the books of the Issuer as the Mudharib under the Mudharabah transaction.</p>
--	--

*[The remainder of this page is intentionally left blank.]*