

বাংলাদেশ ফরম নং-১৫০৪

বাংলাদেশ ফরম নং-১৫০৪

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[৫২ ধারায় (খ) দফামত রসিদ]

২০২১ সালের ..... নং

ক্রমিক নং

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বাহির নম্বর

৪২

দলিলের নম্বর

বাংলাদেশ বাণিজ্য ক্লিনিকে লিঃ এবং প্রতিষ্ঠানের প্রাণ্যাত্মক পুল ইন্সুলেটেশনের নিকট হইতে প্রাপ্ত।

দলিল প্রকারের দলিল ক্লিনিকে লিঃ এবং প্রতিষ্ঠানের প্রাণ্যাত্মক পুল ইন্সুলেটেশনের অনুকূলে সম্পাদিত।

কি প্রকারের দলিল

৪৭৫৬

দলিল লিখিত সম্পত্তির মূল্য ৬০০.০০০০০০০০

কী তালিকার জমা

টাকা

১ — ২০০৫

কী

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দলিল ফেরৎ লইবার জন্য যে তারিখ

প্রস্তুত থাকিবে।

তারিখ ..... ২০ সাল।

রেজিস্ট্রার/সাব রেজিস্ট্রার

Q

২০২১/২০  
২০২১/২০

এই রসিদখানি উপস্থিত করিলে দলিল ফেরত দেওয়া হইবে।  
উইল ছাড়া অপরাপর দলিল না-দাবী অবস্থায় রেজিস্ট্রার অফিসে দুটি বৎসরের অধিককাল পতিত থাকিলে তাহা আইনানুসারে ধৰ্মস করিয়া ফেলা যাইতে পারিবে।

রেজিস্ট্রারী সম্পূর্ণ হইবার পর এক মাসের অধিককাল কেবল দলিল বা আমমোকারনাম দাবী করা না হইলে প্রতি মাসের বা তাহার কোন অংশের জন্য অতিরিক্ত বায়টি পয়সা ফী দিতে হইবে। প্রত্যক্ষ স্থানেই একটি উর্ধ্ব সংখ্যার বার টাকা পঞ্চাশ পয়সা পর্যন্ত হইতে পারিবে।



মিঃ..... কে অপর পৃষ্ঠায় বর্ণিত রশিদখানি ফেরত দিবেন

এবং উহার বাবদ আমার যদি কোন ফীস ফেরত পাইবার থাকে তাহা উহাকে দিবেন।

অপর পৃষ্ঠায় বর্ণিত দলিলখানি পাইলাম। ফীর তালিকার  
দফতায়তে নিম্নলিখিত ফীস ফেরৎ পাইলাম।

প্রয়োজনমতে কাটিয়া দিতে হইবে।

Md. Ashraful Haque, FCA  
EVP, Head of FAD & CFO  
Islami Bank Bangladesh Limited  
FAD, Head Office, Dhaka.

তারিখে  
মোহর

..... ২০ সাল ১৩



গ্রহণকারীর স্বাক্ষর

রেজিস্ট্রারের স্বাক্ষর



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ষ্ট্রান্স্পোর্ট ভৱার  
হায়দার আলি বগুরী  
রেজিস্ট্রেশন কমপ্লেক্স, তেজগাঁও, ঢাকা  
লাইসেন্স নং-০৮/২০২৬ই

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Date ৬/১2/২২

সাব-রেজিস্ট্রার  
তেজগাঁও, ঢাকা :  
৩/১/২২  
মামুনুল হোস্তান  
৬/১/২২



Md. Ashraful Haque, FCA  
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sd-91/2016/2  
Abu Nayem Md. Ibrahim  
Chief Executive Officer  
SBL Capital Management Ltd.  
Head Office, Dhaka.

Presented for Registration  
at.....AM/PM  
on the.....day of

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(୨) " " "



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ମହାତ୍ମା ଗାଁର  
ମୁଦ୍ରା

ବୁଦ୍ଧିମତ୍ତା ଓ ବିଜ୍ଞାନ

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Abu Nayem Md. Ibrahim  
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Head Office, Dhaka.

This **TRUST DEED** is made in Dhaka on the 21<sup>st</sup> day of November, 2021 of the Christian era.

**BY AND BETWEEN:**

(1) **ISLAMI BANK BANGLADESH LIMITED** a public limited company incorporated under the Companies Act 1994 and scheduled bank in Bangladesh carrying on its commercial banking business subject to the license issued by the Bangladesh Bank under the Bank Companies Act 1991 having its Head Office at Islami Bank Tower, 40, Dilkusha C/A, Dhaka – 1000, Bangladesh (hereinafter called "the Bank" or "**IBBL**" or the "**Issuer & Settlor**", which expression shall include unless it is repugnant to the context or meaning thereof, its successors in interest, legal representatives, administrators and assigns); and

(2) **SBL CAPITAL MANAGEMENT LIMITED** a public limited company incorporated under the Companies Act 1994 and a full-fledged merchant bank conducting its operation under the license issued by Bangladesh Securities and Exchange Commission, having its registered office at 2, D. I. T. Avenue (Extension) 3rd Floor, Motijheel C/A Dhaka – 1000, Bangladesh (hereinafter called the "**Trustee**", which expression shall include where the context admits, all persons for the time being the trustee or trustees of this Trust Deed).

**WHEREAS**

(A) The Issuer, with a license from the Bangladesh Bank under the Bank Companies Act 1991 (Act No. 14 of 1991) to operate as a scheduled bank in Bangladesh, is engaged in the business of commercial banking under the laws of Bangladesh.

(B) In order to strengthen its capital adequacy and for enhancing its long term resource, the Issuer has pursuant to the resolutions of the Board of Directors of the Issuer made in the 299<sup>th</sup> meeting and 300<sup>th</sup> meeting held on 27 April, 2021 and 03 June, 2021 respectively and pursuant to the special resolution passed by its shareholders at the 38<sup>th</sup> Annual General Meeting held on 27<sup>th</sup> June, 2021, has agreed and authorised the creation and issue of BDT 8,000,000,000.00 in aggregate principal amount of unsecured, contingent-convertible, fully paid up, non-cumulative, BASEL III compliant perpetual Bond as part of Additional Tier-1 Regulatory Capital having features as contained under Schedule – 3 of this Trust Deed (the "**Bonds**") to be constituted in relation to this Trust Deed. The Bonds shall be issued in compliance with the BRPD Circular No.-18 dated December 21, 2014 issued by the Bangladesh Bank (the central Bank of Bangladesh) on Basel III Capital Regulations (Guidelines on Risk Based Capital Adequacy, Revised Regulatory Capital Framework for banks in line with Basel III), as amended from time to time covering terms and conditions for issue of perpetual debt instruments for inclusion in Additional Tier 1 capital (Annex 4 of the Guidelines on Risk Based Capital Adequacy, Revised Regulatory Capital Framework for banks in line with Basel III) (hereinafter called "**Basel III Regulations**" or "**Basel III Guidelines**")



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Head Office, Dhaka.

(C) The proceeds of the Bonds shall be utilised by the Issuer for its regular business operations /normal activities of the Issuer (i.e. Bank) as permitted by the laws of the land. The Issuer shall not utilize proceeds of the Bonds for any purpose which may be in contravention of the regulations/ guidelines/ norms issued by the Bangladesh Bank, BSEC and the stock exchanges. However, the funds being raised by the Issuer through the Bonds are not meant for financing any particular project.

(D) The Bonds shall be issued in accordance to and in compliance with the provisions of BSEC Directive No. BSEC/CMRRCD/2009-193/19 dated 23 May, 2021, Bangladesh Securities and Exchange Commission (Debt Securities) Rules, 2021 and further circular, notification, order, rules and regulation issued from time to time and also shall be issued in dematerialised form only as per the CDBL Bye laws and shall be listed with the respective stock exchange(s).

(E) Issuer has decided that Bonds i.e. BDT 8,000,000,000.00 of which BDT 7,200,000,000.00 will be subscribed by the Investors through private placement and BDT 800,000,000.00 will be subscribed by the Investors through public issue/offer.

(F) For the purpose of private placement of Bonds, the Issuer has entered into an agreement with the Investors (the “Subscription Agreement”) subject to the terms and conditions of the Bond Documents and Subscription Agreement. For public offer/issue of the Bonds, the Bondholders’ right and claim shall be established and settled in accordance with the terms and conditions of the Bond Documents including Prospectus/the Information Memorandum and this Trust Deed.

(G) For the purpose of the public issue/offer of the Bonds, the Issuer has entered into an Agreement for Issue Management Services dated 26 July, 2021 with the Issue Managers and dated 27 July, 2021 with the Underwriter for undertaking required financial services in relation to the public issue subjected to the terms and condition as contained therein.

(H) For the purpose of the Private placement/offer of the Bonds, the Issuer has appointed Arrangers and entered into Agreements with the arrangers for undertaking required financial services in relation to the private placement/offer issue subjected to the terms and condition as contained therein.

(I) The BSEC has duly consented to the issuing of the Bonds, through a consent letter dated September 05, 2021 (Ref: BSEC/CI/DS-153/2021/508).

(J) The Bangladesh Bank has duly approved to the issuing of the Bonds, through a letter dated 22 August, 2021 (Ref: বিআরপিডি(বিএফআইএস)৬৬১/১৪বি(পি)/২০২১/৭১৩৮).

(K) The Issuer as Settlor has decided to create a trust for the said Bonds and the Bondholders shall be beneficiary of the said trust and the said trust shall be known as **IBBL 2ND Aftab Nagar PERPETUAL MUDARABA BOND TRUST.**

সাব-রেজিস্ট্রার  
জেলপীঁয়া, ঢাকা,

২৬/১২/২০



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Chief Executive Officer  
SBL Capital Management Ltd.  
Head Office, Dhaka.

- (L) The Issuer shall appoint **SBL CAPITAL MANAGEMENT LIMITED** as Trustee in respect of the Bonds and provide evidences for proper utilization and repayment/redemption of the issue. The Trustee shall be entitled to get fees for their services as provided for herein.
- (M) **SBL CAPITAL MANAGEMENT LIMITED** has, at the request of the Issuer, consented to act as Trustee on the terms and conditions appearing hereinafter.
- (N) The Bondholders hereby authorize the Trustee to act in the capacity of Trustee in order to exercise their rights and remedies of the Bondholders in accordance with this Trust Deed and hereby empower the Trustee to do such acts and sign documents as are required to carry out its duties in such capacity and as detailed in the Bond Documents.
- (O) The Trustee which is registered with the BSEC has, at the request of the Issuer, consented to act as trustee and the BSEC has accorded consent to SBL Capital Management Limited to act as the trustee of the Bonds in its letter dated 16 November, 2021(Ref: BSEC/Reg/Trustee-206/2021/Part-I/356). The Trustee has agreed to act as trustee of this Trust Deed on the following terms and conditions.

**NOW THIS DEED WITNESSES AND IT IS HEREBY DECLARED** as follows:

## 1. DEFINITIONS AND INTERPRETATION

### 1.1 Definitions

In this Trust Deed the following expressions have the following meanings:

**"Appointee"** means any delegate, agent, nominee or custodian appointed pursuant to the provisions of this Trust Deed;

**"Arrangers"** means the Lead Arranger, Co-arrangers, Manager to the Issue, Issue Managers, joint Issue Managers and the Joint Co-Arrangers collectively;

**"Authorised Signatory"** means, the persons authorised by the Board of Directors of the Issuer and notified to the Trustee pursuant to Clause 11.3.10 (*Authorised Signatories*);

**"Beneficial Owners"** mean the Bondholders under this Trust Deed;

**"Bond Documents"** means the Bonds (including, without limitation, the Conditions), the Trust Deed and the Agreement entered into by the Issuer with Central Depository Bangladesh Limited (CDBL) to provide facilities for dematerialization of the Bonds (each a **"Bond Document"**);

**"Bondholder"** means the person in whose name a Bond is registered, who are the person for the time being appearing in the Register of Beneficial Owners as the holder of the Bonds in the CDBL records from time to time;

**"BSEC"** means Bangladesh Securities and Exchange Commission;



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**"Business Day"** has the meaning given to it in the Conditions;

**"CDBL"** means the Central Depository Bangladesh Limited registered as a Depository by the Bangladesh Securities and Exchange Commission under section 4 of The Depositories Act 1999, and regulation 5 of The Depositories Regulations 2000;

**"CDBL Bye Laws"** means the CDBL Bye Laws issued by Central Depository Bangladesh Limited in exercise of the powers conferred by section 18 of the Depositories Act, 1999 that defines the acts and responsibilities of the CDBL, Depository Participants, and Issuers;

**"Closing Date"** shall have the meaning as defined under the respective Subscription Agreements in relation to the subscription of the Bonds under private placement;

**"Conditions"** means the terms and conditions in the form or substantially in the form set out in Schedule 1 (*Terms and Conditions of the Bonds*) and any reference in this Trust Deed to a particular numbered Condition shall be construed in relation to the Bonds accordingly;

**"Deemed Date of Allotment"** means the date of allotment of the Bonds in favour of the respective Bondholder under the public offer;

**"Depository Participants"** means a person entitled to participate in CDBL in accordance with the regulations enacted under the Depositories Act 1999;

**"Event of Default"** means any one of the circumstances described in Condition 10;

**"Extraordinary Resolution"** has the meaning set out in Schedule 2 (*Provisions for Meetings of Bondholders*);

**"Fee Letter"** means the fee letter between the Issuer and the Trustee dated April 28, 2021 and June 17, 2021;

**"Final Settlement Date"** means the date on which all monies payable under the Bonds have been irrevocably and unconditionally paid in full and discharged in full to the satisfaction of the Bondholders and the Trustee;

**"Holder"** has the meaning given to it in the Conditions;

**"IBBL"** means Islami Bank Bangladesh Limited;

**"Information Memorandum"** or **"IM"** means the information memorandum dated 22 September, 2021 which is circulated by the Arrangers to the prospective investors on the instructions of the Issuer;

**"Issue Date"** means the date of issue of the Bonds in favour of the respective Investors on the happening of the Closing Date under private placement and/or Deemed Date of Allotment for subscription under public offer;



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**"Issue Manager"** means **Prime Bank Investment Limited** having its registered office at Tajwar Center (5th Floor), House: 34, Road No: 19/A, Banani, Dhaka-1213 and **UCB Investment Limited**, having its registered office at Plot - CWS-(A)-1, Road No – 34 Gulshan Avenue, Dhaka-1212, collectively; **"Joint Co-Arrangers"** means **Prime Bank Investment Limited** having its registered office at Tajwar Center (5th Floor), House: 34, Road No: 19/A, Banani, Dhaka-1213 and **Islami Bank Capital Management Limited** having its registered office at 63 Dilkusha Commercial Area (5th Floor), Dhaka-1000,collectively;

**"Lead Arranger"** means **UCB INVESTMENT LIMITED**, having its registered office at Plot - CWS-(A)-1, Road No – 34 Gulshan Avenue, Dhaka-1212;

**"Liabilities"** means any loss, damage, cost, charge, claim, demand, expense, judgment, action, proceeding or other liability whatsoever (including, without limitation, in respect of taxes, duties, levies, imposts and other charges) and including any value added tax or similar tax charged or chargeable in respect thereof and legal fees and expenses on a full indemnity basis;

**"Outstanding"** means, in relation to the Bonds, all the Bonds other than:

- (a) those which have been recalled in accordance with this Trust Deed;
- (b) those in respect of which the date for recall in accordance with the provisions of the Conditions has occurred and for which the call moneys (including all profit accrued thereon to the date for such recall) have been duly paid by the Issuer (and, where appropriate, notice to that effect has been given to the Bondholders in accordance with Condition 13(*Notices*)) and remain available for payment in accordance with the Conditions;
- (c) those which have been purchased and surrendered for cancellation as provided in Condition 6 (*Payments*) and notice of the cancellation of which has been given to the Trustee;

*provided that* for each of the following purposes, namely:

- (i) the right to attend and vote at any meeting of Bondholders;
- (ii) the determination of how many and which Bonds are for the time being outstanding for the purposes of Clauses 22.1 (*Legal Proceedings*) and 21.1 (*Waiver*), 10 (*Events of Default*), 12 (*Meetings of Bondholders, Modification, Waiver and Substitution*) and 13 (*Notices*) Schedule 2 (*Provisions for Meetings of Bondholders*); and
- (iii) any discretion, power or authority, whether contained in this Trust Deed or provided by law, which the Trustee is required to exercise in or by reference to the interests of the Bondholders or any of them;



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those Bonds (if any) which are for the time being held by any person (including but not limited to the Issuer or any Subsidiary) for the benefit of the Issuer or any Subsidiary shall (unless and until ceasing to be so held) be deemed not to remain outstanding;

**"Person"** means any individual, corporation, partnership, limited liability company, joint venture, association, joint stock company, trust government or any agency or any other entity;

**"Prospectus"** means any document, including a red-herring prospectus, draft prospectus, information memorandum and/or offer document, submitted to the BSEC by the Issuer communicating the Issuer's terms and conditions for the issue of Bonds to the respective Eligible Investors;

**"Register"** means the register of the Bondholders as per the CDCL Byelaws;

**"Related Party"** means, in respect of any person, any affiliate of that person or any officer, director, employee or agent of that person or any such affiliate;

**"Repay"** shall include **"redeem"** and vice versa and **"repaid"**, **"repayable"**, **"repayment"**, **"redeemed"**, **"redeemable"** and **"redemption"** shall be construed accordingly;

**"Rules"** means Bangladesh Securities and Exchange Commission (Debt Securities) Rules 2021 issued by the Bangladesh Securities and Exchange Commission;

**"this Trust Deed"** means this Trust Deed and the Schedules attached hereto (as from time to time modified in accordance with the provisions contained herein) and (unless the context requires otherwise) includes any deed or other document executed in accordance with the provisions hereof (as from time to time modified as aforesaid) and expressed to be supplemental hereto;

**"Underwriter"** means AIBL Capital Management Limited, having its registered office at Al-Arafah Tower (15th Floor) 63 Purana Paltan, Dhaka-1000;

**"Written Resolution"** means a resolution in writing signed by or on behalf of not less than  $66\frac{2}{3}$  per cent. of Bondholders for the time being outstanding, whether contained in one document or several documents in the same form, each signed by or on behalf of one or more such holders of the Bonds;

## 1.2 **Principles of interpretation**

In this Trust Deed references to:

- 1.2.1 **Statutory modification:** a provision of any statute shall be deemed also to refer to any statutory modification or re-enactment thereof or any statutory instrument, order or regulation made thereunder or under such modification or re-enactment;



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Head Office, Dhaka.

1.2.2 *Additional amounts*: principal and/or profit in respect of the Bonds shall be deemed also to include references to any additional amounts which may be payable under Condition 9 (*Taxation*);

1.2.3 *Tax*: costs, charges, duties or expenses shall include any value added tax or similar tax charged or chargeable in respect thereof as per the law of the land;

1.2.4 *Enforcement of rights*: an action, remedy or method of judicial proceedings for the enforcement of rights of creditors shall include, in respect of any jurisdiction, references to such action, remedy or method of judicial proceedings for the enforcement of rights of creditors available or appropriate in such jurisdictions as shall most nearly approximate thereto;

1.2.5 *Clauses and Schedules*: a Schedule or a Clause or sub-clause, paragraph or sub-paragraph is, unless otherwise stated, to a schedule hereto or a clause or sub-clause, paragraph or sub-paragraph hereof respectively;

1.2.6 *Principal*: principal shall, when applicable, include premium;

1.2.7 *Currency*: all references to "BDT" or "Taka" are to the lawful currency of the People's Republic of Bangladesh ("Bangladesh") at all times;

1.2.8 *Gender*: words denoting the masculine gender shall include the feminine gender also, words denoting individuals shall include companies, corporations and partnerships and words importing the singular number only shall include the plural and in each case *vice versa*;

1.2.9 *Continuing*: a Default is "**continuing**" if it has not been remedied or waived;

1.2.10 *Persons*: a person includes a reference to that person's legal personal representative, successors and permitted assigns and transferees; and

1.2.11 *Agreement*: an agreement or a document includes any agreement or document executed in accordance with the provisions thereof and expressed to be supplemental thereto;

### 1.3 **The Conditions**

In this Trust Deed, unless the context requires or the same are otherwise defined, words and expressions defined in the Conditions and not otherwise defined herein shall have the same meaning in this Trust Deed.

### 1.4 **Headings**

The headings and sub-headings are for ease of reference only and shall not affect the construction of this Trust Deed.



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Islami Bank Bangladesh Limited  
FAD, Head Office, Dhaka.

Sd/ ১/২০১৬/১  
Abu Nayem Md. Ibrahim  
Chief Executive Officer  
SBL Capital Management Ltd.  
Head Office, Dhaka.

#### 1.5 The Schedules

The schedules attached hereto are the part of this Trust Deed and shall have effect accordingly.

#### 2. RELATION BETWEEN THE PARTIES

Islami Bank Bangladesh Limited as Issuer & Settlor has agreed to appoint **SBL Capital Management Limited** as Trustee for the **IBBL 2ND PERPETUAL MUDARABA BOND TRUST** for the purpose of issuance of unsecured bond of BDT 8,000,000,000.00 in the nature of debenture for augmenting Additional Tier 1 Capital (as the term defined in the Guidelines on Risk Based Capital Adequacy, Revised Regulatory Capital Framework for banks in line with Basel III issued by Bangladesh Bank) and overall capital of the Bank for strengthening its capital adequacy and for enhancing its long-term resources, and the Trustee shall act as trustee for the benefit of the Beneficiaries subject to this Trust Deed.

#### 3. GOVERNING LAW AND JURISDICTION:

##### 3.1 Law

This Trust Deed and the Conditions and all non-contractual obligations arising from or connected with them are governed by, and shall be construed in accordance with, the laws of Bangladesh and the courts of Bangladesh shall have exclusive jurisdiction in case of any disputes arising out of or in connection to this Trust Deed between the Parties.

#### 4. TRUST

##### 4.1 Creation of the Trust

The Issuer, acting as settlor, hereby declares and confirms that it has simultaneously with the execution of this Trust Deed settled and kept apart an amount of BDT 100,000.00 (the "Trust Assets") TO HAVE AND HOLD the same together with all additions or accretions thereto UPON the Trust and confirms that it will transfer said amount, together with all additions or accretions thereto, and the investments representing the same would be applied and governed by the provisions of this Trust Deed and the Trustee has consented to act on the provisions set out herein.

##### 4.2 Acceptance of the Trust

The Trustee hereby declares and confirms that it shall hold and stand possessed of the Trust Assets UPON trust and subject to the powers, provisions, agreements and declarations herein contained.

##### 4.3 Beneficiaries

The Trust Assets shall be held for the benefit of the Bondholders from time to time (the "Beneficiaries") for distribution in accordance with applicable law.

##### 4.4 Name of the Trust

The Trust hereby created shall be called the "**IBBL 2ND PERPETUAL MUDARABA BOND TRUST**". There shall be a seal of the Trust under the name and style of "IBBL



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Abu Nayem Md. Ibrahim  
Chief Executive Officer  
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Head Office, Dhaka.

**2ND PERPETUAL MUDARABA BOND TRUST**" and all acts shall be done and all books of account of the Trust shall be maintained, kept and operated under the foregoing name. The purpose of the Trust is the protection, preservation and representation of rights, interest and liabilities of the Beneficiaries under the Bonds

**4.5 Registered Address of the Trust**

Unless otherwise decided by the Issuer and the Trustee, the registered address of the Trust shall be at 2 DIT Avenue (Extension), 3<sup>rd</sup> Floor, Motijheel C/A, Dhaka. Trustee may change registered address of the Trust with the consent of the Issuer and prior notification to the Beneficiaries.

**4.6 Date of Commencement of the Trust**

The Trust hereby created shall be established from the date of this Trust Deed.

**4.7 Date of Termination of the Trust**

- 4.7.1 The Trust shall only be extinguished when all liabilities, if any, are paid in full in accordance with this Trust Deed and the Conditions.
- 4.7.2 The Bonds are perpetual securities in respect of which there is no fixed redemption date and the Issuer shall only have the right to repay them in accordance with the Condition 7 by exercising its call option. Any exercise of call option of the Bonds is subject to the prior consent of Bangladesh Bank.
- 4.7.3 Notwithstanding anything to the contrary in this Trust Deed or the other Bond Documents, the Settlor may revoke the Trust with the express consent of all Beneficiaries of the Trust and the permission from the BSEC.

**4.8 Objects and Undertakings of the Trust**

The Trust has been created with the following objects and the Trustee covenants as follows:

- 4.8.1 to hold the benefit of the covenants made by the Issuer in this Trust Deed and the Conditions on trust for the Bondholders;
- 4.8.2 to open such accounts as the Trustee deems necessary for discharging the functions of Trustee;
- 4.8.3 to manage and administer the Bonds in accordance with the terms of this Trust Deed and to execute, acknowledge, confirm or endorse any agreements, documents, deeds, instruments and papers in connection therewith;
- 4.8.4 to convene any meeting of the Bondholders in accordance with the provisions of the Trust Deed and the Conditions, and to facilitate the proceedings of such meeting as it deems appropriate in accordance with the terms of this Trust Deed;



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*Sd. 9/1/2016/1*  
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Chief Executive Officer  
SBI Capital Management Ltd.  
Head Office, Dhaka.

- 4.8.5 to implement, give effect to and facilitate the Conditions and such other documents, deeds and agreements in contemplation thereof or in connection therewith;
- 4.8.6 upon receipt of the instructions of such requisite majority of the Bondholders in accordance with the terms of this Trust Deed, to sell or otherwise dispose of the Trust Assets and close any bank accounts that may have been opened in pursuance of this Trust Deed after the distribution of amounts standing to their credit; and
- 4.8.7 to do all such other acts, deeds and things as may be necessary and incidental to the above provisions unless such acts require the prior consent of the Bondholders in accordance with the terms of this Trust Deed.

## 5. COSTS AND EXPENSES

### 5.1 Costs and Expenses of the Issue

- 5.1.1 *Expenses to the Issue:* All costs and expenses in connection with the issue of Bonds is on account of the Issuer. Issuer shall reimburse to the Trustee all costs and expenses incurred by the Trustee at the time of Issue of Bond. Before incurring any cost, the Trustee will obtain written consent from the Issuer.

### 5.2 Costs and Expenses of the Trustee

- 5.2.1 *Expenses of the Trustee:* The Issuer shall also pay or discharge all costs, charges and expenses incurred by the Trustee with prior consent from Issuer in relation to the preparation and execution of, the exercise of its powers and the performance of its duties under, and in any other manner in relation to, this Trust Deed, including but not limited to any stamp, issue, registration, documentary and other taxes or duties paid or payable by the Trustee in connection with any action taken or contemplated by or on behalf of the Trustee for enforcing, or resolving any doubt concerning, or for any other purpose in relation to, this Trust Deed. Before incurring any cost, the Trustee will obtain written consent from the Issuer.

## 6. TERMS OF APPOINTMENT OF TRUSTEE WITH RIGHTS, DUTIES AND OBLIGATIONS

It is expressly declared as follows:

### 6.1 Trustee's Rights

- 6.1.1 *Applicable Law:* Notwithstanding anything contained in this Trust Deed the Trustee shall have all such rights and powers granted to it under the applicable law including but is not limited to the Bangladesh Securities and Exchange Commission (Debt Securities) Rules 2021 together with all its amendment, modification or ratification thereof.



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*Sd/ Md. Ibrahim*  
Abu Nayem Md. Ibrahim  
Chief Executive Officer  
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Head Office, Dhaka.

## 6.2 Trustee's powers and duties

6.2.1 The Trustee shall have to perform the following duties and responsibilities, namely:

- (a) it shall act on behalf and for the exclusive interest of the Bondholders/Beneficiaries;
- (b) it shall ensure compliance of the Issuer as per the requirements of the Rules;
- (c) it shall monitor timely payment of all dues of the Issuer to the Bondholders in terms of the IM or the terms and conditions of the issue of Bonds under the Rules;
- (d) it shall call the Bondholders'/Beneficiaries' meeting and shall enforce the decisions within such time of any default or any act of the Issuer which may affect the interest of the Bondholders/Beneficiaries as specified in this Trust Deed and in the IM;
- (e) delay in payment of any dues by the Issuer, which is not approved by the Trustee shall be treated as final default, in such a case the Trustee shall enforce its rights over the credit enhancement or collateral securities and other securities or guarantees of the Issuer observing due legal process and thereafter the trustee shall dispose-off the same to pay the proceeds proportionately to the Bondholders/Beneficiaries after deduction of costs related thereto;
- (f) in case the delay is approved by the Trustee for a certain period upon any reasonable ground, the Trustee shall ensure repayment of the dues within the approved delay period along with interest for the delay period at a rate of 2% (two percent) per annum above the usual rate of return of the debt instrument;
- (g) in case a downgrade of credit rating (i.e. below the rating trigger) of the Issue under surveillance rating, the Trustee shall ensure the collection of risk premium from the Issuer or originator for the Bondholders/Beneficiaries as per declaration in this Trust deed or IM, aimed at securing the lender claims from the borrower's higher risk level;
- (h) it shall submit an annual compliance report to the Commission regarding the activities of the Issuer including repayment of dues to the Bondholders/Beneficiaries;
- (i) it shall take adequate steps for redress of grievances of the Bondholders/Beneficiaries within one month of the date of receipt of the complaints and shall keep the Commission informed about the number, nature and other particulars of the complaints received and the manner in which such complaints have been redressed;



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*Sd/*  *Md. Ibrahim*  
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(j) it shall be liable to sue or to be sued on behalf of the Bondholders/Beneficiaries: Provided that if any loss incurred due to negligence of Trustee in case of litigation or recovery process, the Trustee shall bear the loss; and

(k) it may, if required, inspect or call for books of accounts, records, registers of the Issuer and the Trust Asset to the extent necessary for discharging its obligation.

6.2.2 This Trust Deed shall be preserved in the Trustee's office for observation of the Bondholders/Beneficiaries.

6.2.3 This Trust Deed or appointment of the Trustee shall not be varied or modified without prior approval of the BSEC.

6.2.4 The BSEC may, considering the appeal of two third of the Bondholders/Beneficiaries by value through written request or through a resolution taken in a general meeting, in the event of negligence of Trustee's duties, replace the Trustee of an issue by a new trustee: Provided that the Trustee shall be given an opportunity of being heard before cancellation of its appointment.

6.2.5 The BSEC may, in the event of negligence of Trustee's duties or in the public interest, if it thinks fit, replace the Trustee of an issue by a new trustee: Provided that the Trustee shall be given an opportunity of being heard before cancellation of its appointment.

6.2.6 The Trustee can resign with prior approval of BSEC which shall not be effective until appointment of a new trustee and handing over charges by the resigning trustee.

6.2.7 The Trustee shall cease to exist as trustee of an issue upon full and final settlement of the Bonds/Issue or at the end of the Final Settlement Date.

### 6.3 Representation and Warranties of the Trustee

6.3.1 The Trustee hereby represents and warrants to the Issuer that:

(a) Corporate Status

The Trustee is a duly organized and validly existing company incorporated in Bangladesh under the Companies Act, 1994 and has the power and authority to transact the business in which it is engaged and to do all things necessary or appropriate to consummate the transactions contemplated by this Trust Deed.



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(b) Corporate Power and Authority

The Trustee has the corporate power to execute, deliver and comply with the provisions of this Trust Deed and it has taken all necessary corporate and other action to authorise the execution, delivery and performance by it under the provisions of this Trust Deed and such other documents as have been executed and delivered by it in connection with the Issue.

(c) No Violation

Neither the execution nor delivery by the Trustee of this Trust Deed nor the other documents as have been executed and delivered in connection with the Issue by the Trustee, will contravene, in any material respect, any provision of the Bangladesh Securities and Exchange Commission (Debt Securities) Rules 2021

## 7. TRUSTEE FEE

### 7.1 Remuneration

7.1.1 *Remuneration:* The Issuer shall pay to the Trustee remuneration as set out in the Fee Letter for its services as trustee as from the date of execution of this Trust Deed. Such remuneration shall be payable on each anniversary from the date hereof in each year end. Such remuneration shall accrue from day to day and be payable (in priority to payments to the Bondholders) up to and including the date when, all the Bonds having become due for the profits in relation to the Bonds to the date of payment have been paid to the Trustee, *provided that* if any cheque, payment of the moneys due in respect thereof is improperly withheld or refused, remuneration will commence again to accrue;

7.1.2 *Extra Remuneration:* In the event of the occurrence of an Event of Default or the Trustee (after prior approval from the Issuer to the extent reasonably practicable in the circumstances) considering it expedient or necessary or being requested by the Issuer to undertake duties which the Trustee and the Issuer agree to be of an exceptional nature or otherwise outside the scope of the normal duties of the Trustee under this Trust Deed, the Issuer shall pay to the Trustee such additional remuneration as shall be agreed between them;

## 8. THE BONDS (MODUS OPERANDI OF THE ISSUE)

### 8.1 The Issuance of Mudaraba Bond

Notwithstanding anything contained anywhere in this Trust Deed, the Bonds shall be issued in electronic dematerialised form as per the CDBL Bye Laws and shall be listed in the stock exchanges gradually or in a whole amount complying with respective regulations of the stock exchange(s) in this regard as to be finalised and guided by the



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BSEC from time to time. The Issuer shall apply to the Central Depository Bangladesh Ltd (CDBL) for dematerialization of the allotted securities/bonds in order to enable the Bondholders to hold and transfer their respective units/bonds in dematerialized form.

The Bond shall be rated by a Credit Rating Agency and its periodical surveillance rating shall be done by the said Credit Rating Agency in line with the provisions of the Credit Rating Companies Rules, 1996 and other applicable laws and rules notified in respect thereof from time to time up to the full and final redemption or conversion of the issued securities.

#### 8.2 Entitlement to treat Registered Holder as owner

The Register/CDBL records shall be prima facie evidence of any matter in relation to the ownership of the Bonds. Each of the Issuer and the Trustee may deem and treat the registered holder of a Bond as the absolute owner of such Bond, free of any equity, set-off or counterclaim on the part of the Issuer against the original or any intermediate Holder of such Bond. 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 Bonds.

#### 9. CALL-OPTION FEATURES

Each Bond shall be redeemed in accordance with Condition 7 (*Exercise of Call-Option by the Issuer*).

#### 10. LISTING OF BOND

The Bonds shall be listed with stock exchange(s) after Deemed Date of Allotment and or after subscription closing date as per instructions of the regulators.

#### 11. TRANSFER OF BONDS

Bonds are transferable subject to the terms and conditions set out in the Bond Documents. Each Bond shall be transferred in accordance with the CDBL Byelaws and Condition 4 below. The transferee(s) should ensure that the transfer formalities are completed prior to the Record Date. In the absence of the same, coupon/profit/return will be paid/ redemption will be made to the person, whose name appears in the records of the CDBL at the Record Date. In such cases, any claims in relation to the coupon/profit payments, if any, by the transferee(s) should need to be settled with the transferor(s) and not with the Issuer.

#### 12. LIST OF BENEFICIAL OWNERS

The Issuer shall request the Central Depository Bangladesh Limited (CDBL) to provide a list of Beneficial Owners as at the end of the Record Date. This shall be the list, which shall be considered for payment of coupon/profit/return or repayment of principal amount on maturity, as the case may be.



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#### 13. FUTURE ISSUANCE OF BOND (I.E.BORROWINGS)

The Issuer shall be entitled, from time to time, to make further issue of bonds and/or Bonds and other such instruments to the public/members of the Issuer / banks / financial institutions / bodies corporate /mutual funds and / or any other person(s) of the above without obtaining the approval of the Bondholders and/or the Trustee, subjected to prior approval of BSEC or any concerned authority.

#### 14. BONDHOLDER NOT A SHAREHOLDER

The Bondholders will not be entitled to any rights and privileges of shareholders other than those available to them under statutory requirements. The Bonds shall not confer upon the holders the right to receive notice, or to attend and vote at the general meetings of shareholders of the Issuer. If, however, any resolution affecting the rights attached to the Bonds is placed before the members of the Issuer, such resolution will first be placed before the Bondholders through the Trustee for their consideration.

#### 15. TAX DEDUCTION AT SOURCE

All payments in respect of the obligations of the Issuer towards payment to the Bondholders shall be made as per the prevailing laws of the land.

#### 16. RIGHTS DUTIES AND OBLIGATIONS OF THE ISSUER

##### 16.1 Covenant to Repay

The Issuer covenants with the Trustee that it will, as and when the profit payment under the Bonds become due for payment, unconditionally pay or procure to be paid to or to the order of the Trustee in Bangladesh Taka in immediately available freely transferable funds, the profit payments of the Bonds becoming due for payment on that date and shall (subject to the provisions of the Conditions) until all such payments (both before and after judgment or other order) are duly made unconditionally pay or procure to be paid to or to the order of the Trustee as aforesaid on the dates provided for in the Conditions profit on the principal amount of the Bonds or any of them outstanding from time to time as set out in the Conditions *provided that*:

- 16.1.1 every payment of profit in respect of the Bonds or any of them made to the Bondholders shall satisfy, to the extent of such payment;
- 16.1.2 if any payment of profit in respect of the Bonds is made after the due date, payment shall be deemed not to have been made until either the full amount is paid to the Bondholders or, if earlier, the seventh day after notice has been given to the Bondholders in accordance with the Conditions that the full amount has been received by the Trustee; and



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16.1.3 in case of the Issuer exercising the call option, where payment of the whole or any part of the principal amount due in respect of any Bond is improperly withheld or refused penalty shall accrue at applicable rate of 2.00 % p.a. for the Bond on the whole or such part of such principal amount from the date of such withholding or refusal until the date on which such principal amount due is paid to the Bondholders.

The Trustee will hold the benefit of this covenant and the covenants in Clause 16.2(*Covenant to comply with Trust Deed, Conditions and Schedules*) and Clause 16.3(*Covenants by the Issuer*) on trust for the Bondholders.

**16.2 Covenant to comply with Trust Deed, Conditions, Schedules and applicable law**

16.2.1 The Issuer hereby covenants with the Trustee to comply with, perform and observe all those provisions of this Trust Deed, the Conditions and the other Schedules which are expressed to be binding on it and to perform and observe the same. The Bonds are subject to the provisions contained in this Trust Deed, all of which shall be binding upon the Issuer and the Bondholders and all persons claiming through or under them respectively. The Bondholders and all persons claiming under or through them respectively will also be entitled to the benefit of, and will be bound by, this Trust Deed and the other Bond Documents and will be deemed to have notice of all of the provisions of the Bond Documents applicable to them.

16.2.2 The Issuer hereby covenants with the Trustee to comply with, perform and observe all those provisions of the applicable law including but is not limited to the Bangladesh Securities and Exchange Commission (Debt Securities) Rules 2021. The Issuer agrees that Bondholders and all persons claiming under or through them respectively will also be entitled to the benefit of, and will be bound by, the applicable law and will be deemed to have notice of all of the provisions of the applicable law applicable to them.

16.2.3 The Trustee shall itself be entitled to enforce the obligations of the Issuer under the Bonds and the Conditions and the applicable law as if the same were set out and contained in this Trust Deed which shall be read and construed as one document with the Bonds.

**16.3 Covenants by the Issuer**

The Issuer hereby covenants with the Trustee that, so long as any of the Bonds remain outstanding, it will:

**16.3.1 Books of account**

At all times keep and procure that all its Subsidiaries keep such books of account as may be necessary to comply with all applicable laws and so as to enable the financial statements of the Issuer to be prepared and allow, subject to



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confidenceability obligations under applicable law, the Trustee and any person appointed by it free access to the same at all reasonable times and to discuss the same with responsible officers of the Issuer;

16.3.2 Event of Default

Give notice in writing to the Trustee forthwith upon becoming aware of any Event of Default and without waiting for the Trustee to take any further action;

16.3.3 Corporate Governance

Comply in all material respects with the corporate governance guidelines set out by the Bangladesh Bank and the Bangladesh Securities and Exchange Commission.

16.3.4 Information

So far as permitted by applicable law, at all times give to the Trustee such information, opinions, certificates and other evidence as it shall require and in such form as it shall require in relation to Issuer for the performance of its obligations under the Bond Documents;

16.3.5 Execution of further Documents

So far as permitted by applicable law, at all times execute all such further documents and do all such further acts and things as may be necessary at any time or times in the opinion of the Trustee to give effect to the provisions of this Trust Deed;

16.3.6 Notices to Bondholders

Send or procure to be sent to the Trustee not less than 5 (five) business days prior to the date of publication , one copy of each notice to be given to the Bondholders in accordance with the Conditions and, upon publication, send to the Trustee two copies of such notice;

16.3.7 Notification of non-payment

Notify the Trustee forthwith in the event that it does not, on or before the due date for payment in respect of the Bonds or any of them, pay unconditionally the full amount in the relevant currency of the moneys payable on such due date on all such Bonds;



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#### 16.3.8 Notification of late payment

In the event of the unconditional payment to the Trustee of any sum due in respect of the Bonds or any of them being made after the due date for payment thereof, forthwith give notice to the Bondholders that such payment has been made;

#### 16.3.9 Notification of Call Exercise Date

Not less than 30 (thirty) days prior to the Call Exercise Date in respect of any Bond, give to the Trustee notice in writing of the amount of such redemption or purchase pursuant to the Conditions and duly proceed to redeem or purchase such Bonds accordingly;

#### 16.3.10 Authorised Signatories

Upon the execution hereof and thereafter forthwith upon any change of the same, deliver to the Trustee a list of the Authorised Signatories of the Issuer, together with certified specimen signatures of the same; and

#### 16.3.11 Payments

Pay moneys payable by it to the Trustee hereunder without set off, counterclaim, deduction or withholding, unless otherwise compelled by laws of the land.

### 17. RIGHTS DUTIES AND OBLIGATIONS OF THE BONDHOLDERS

- 17.1 Each investor under private placement of Bonds, shall enter into a separate Subscription Agreement with the Issuer and shall be bound by the terms and conditions contained in such Subscription Agreement containing in details the rights and obligations of the investors, and which shall be an integral part of this Trust Deed.
- 17.2 The rights of the Bondholder are several and any debt or other obligation arising under this Trust Deed at any time from the Issuer to any other Bondholder(s) shall be a separate and independent debt. Each Bondholder will be entitled to protect and enforce its individual rights independently of any other Bondholder and it shall not be necessary for any other Bondholder(s) to be joined as an additional party in proceedings for such purpose.
- 17.3 Each Bondholder has the right to demand information from the Issuer as set out in this Trust Deed and the Condition attached in Schedule 1 (*Terms and Conditions of the Bonds*).
- 17.4 Each Bondholder has the right to receive profit on the Bond on the Profit Payment Date as set out in the Condition attached in Schedule 1 (*Terms and Conditions of the Bonds*).
- 17.5 Each Bondholder has the right to attend meeting of the Bondholders and vote therein in



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accordance with Condition 12 (*Meetings of Bondholders, Modification, Waiver and Substitution*).

17.6 The Issuer shall fully indemnify the Bondholder(s) from and against any expense, loss, damage or liability which any of them may incur as per provisions of this Trust Deed in connection with the enforcement, protection or preservation of any right or claim of the Bondholders under the Transaction Documents.

#### **18. DATE OF TERMINATION OF THE TRUST**

The Trust shall continue to exist until all liabilities including the principal, premium (in case of exercise of the call option by the Issuer) and profit are repaid in full in accordance with the terms and conditions of the Bonds and this Trust Deed.

#### **19. APPOINTMENT AND RETIREMENT OF TRUSTEE**

##### **19.1 Appointment of Trustees**

Subject to Clause 19.6 (*BSEC approval required*) below, the power of appointing new trustees of this Trust Deed shall be vested in the Issuer but no person shall be appointed who shall not previously have been approved by an Extraordinary Resolution. Any appointment of a new trustee hereof shall as soon as practicable thereafter be notified by the Issuer to the Bondholders.

##### **19.2 Retirement of Trustees**

Subject to Clause 19.6(*BSEC approval required*) below, any Trustee for the time being of this Trust Deed may retire at any time upon giving not less than three calendar months' notice in writing to the Issuer without assigning any reason there for and without being responsible for any costs occasioned by such retirement. The retirement of any Trustee shall not become effective unless there remains a trustee hereof (being a trust corporation) in office after such retirement. The Issuer hereby covenants that in the event of the only trustee hereof which is a trust corporation giving notice under this Clause it shall use its best endeavours to procure a new trustee, being a trust corporation, to be appointed and if the Issuer has not procured the appointment of a new trustee within 30 days of the expiry of the Trustee notice referred to in this Clause 14.2, the Trustee shall be entitled to procure forthwith a new trustee.

##### **19.3 Removal of Trustees**

The BSEC may, on the application of the Bondholders together have the power, exercisable by Extraordinary Resolution, to remove any trustee or trustees for the time being hereof. The removal of any trustee shall not become effective unless a successor trustee is appointed prior to such removal. Such removal of Trustee shall not become effective unless a successor is appointed. In addition to that, such removal shall not affect any antecedent claim till the date of removal.



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#### 19.4 **Powers additional**

The powers conferred by this Trust Deed upon the Trustee shall be in addition to any powers which may from time to time be vested in it by general law or as the holder of any of the Bonds.

#### 19.5 **Merger**

Any corporation into which the Trustee may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Trustee shall be a party, or any corporation succeeding to all or substantially all the corporate trust business of the Trustee, shall be the successor of the Trustee hereunder, provided such corporation shall be otherwise qualified and eligible under this Clause, without the execution or filing of any paper or any further act on the part of any of the parties hereto. In such case the Trustee will notify the Issuer and Bondholders in writing immediately after decision of the Board of the Trustee

#### 19.6 **BSEC approval required**

Notwithstanding anything to the contrary in this Clause 19, no trustee hereunder may be appointed or removed, and no trustee hereunder may retire without the prior written approval of the BSEC.

### 20. **MEETING OF BONDHOLDERS**

Each Bondholder is entitled to participate in the meeting of the Bondholders and vote in accordance with Condition 12 (*Meetings of Bondholders, Modification, Waiver and Substitution*).

### 21. **AMENDMENTS OF TRUST DEED**

#### 21.1 **Waiver**

The Trustee may, without any consent or sanction of the Bondholders and without prejudice to its rights in respect of any subsequent breach, condition, event or act, from time to time and at any time, but only if and in so far as in its opinion the interests of the Bondholders shall not be materially prejudiced thereby, authorise or waive, on such terms and conditions (if any) as shall seem expedient to it, any breach or proposed breach of any of the covenants or provisions contained in this Trust Deed or the Bonds or determine that any Event of Default shall not be treated as such for the purposes of this Trust Deed; any such authorisation, waiver or determination shall be binding on the Bondholders and the Trustee shall cause such authorisation, waiver or determination to be notified to the Bondholders as soon as practicable thereafter in accordance with the Condition relating thereto; *provided that* the Trustee shall not exercise any powers conferred upon it by this Clause in contravention of any express direction by an Extraordinary Resolution or of a request in writing made by the holders of not less than  $66\frac{2}{3}$  per cent. in aggregate principal amount of the Bonds then outstanding (but so that no such direction or request shall affect any authorisation, waiver or determination previously given or made) or so as to authorise or waive any such breach or proposed breach relating to any of the matters



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the subject of the Reserved Matters as specified and defined in Schedule 2 (*Provisions for Meetings of Bondholders*).

#### 21.2 Modifications

The Trustee may from time to time and at any time without any consent or sanction of the Bondholders concur with the Issuer in making (a) any modification to this Trust Deed (other than in respect of Reserved Matters as specified and defined in Schedule 2 (*Provisions for Meetings of Bondholders*) or any provision of this Trust Deed referred to in that specification), or the Bonds which in the opinion of the Trustee it may be proper to make provided the Trustee is of the opinion that such modification will not be materially prejudicial to the interests of the Bondholders or (b) any modification to this Trust Deed or the Bonds if in the opinion of the Trustee such modification is of a formal, minor or technical nature or made to correct a manifest error. Upon approval of the BSEC, any such modification shall be binding on the Bondholders and, unless the Trustee otherwise agrees, the Issuer shall cause such modification to be notified to the Bondholders as soon as practicable thereafter in accordance with the Conditions.

### 22. ENFORCEMENT

#### 22.1 Legal Proceedings

The Trustee may at any time, at its discretion and without further notice, institute such proceedings against the Issuer as it may think fit to recover any amounts due in respect of the Bonds which are unpaid or to enforce any of its rights under this Trust Deed or the Conditions but it shall not be bound to take any such proceedings unless (a) it shall have been so directed by an Extraordinary Resolution or a Written Resolution and (b) it shall have been indemnified and/or secured to its satisfaction against all liabilities, proceedings, claims and demands to which it may thereby become liable and all costs, charges and expenses which may be incurred by it in connection therewith and *provided that* the Trustee shall not be held liable for the consequence of taking any such action and may take such action without having regard to the effect of such action on individual Bondholders. Only the Trustee may enforce the provisions of the Bonds or this Trust Deed and no Bondholder shall be entitled to proceed directly against the Issuer unless the Trustee, having become bound so to proceed, fails to do so within a reasonable time and such failure is continuing.

#### 22.2 Evidence of Default

If the Trustee (or any Bondholder where entitled under this Trust Deed so to do) makes any claim, institutes any legal proceeding or lodges any proof in a winding-up or insolvency of the Issuer under this Trust Deed or under the Bonds, proof therein that, as regards any specified Bond the Issuer has made default in paying any principal due in respect of such Bond shall (unless the contrary be proved) be sufficient evidence that the Issuer has made the like default as regards all other Bonds in respect of which a corresponding payment is then due and for the purposes of the above a payment shall be



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a "corresponding" payment notwithstanding that it is due in respect of a Bond of a different denomination from that in respect of the above specified Bond.

## 23. PAYMENTS

### 23.1 Application of Moneys

All moneys received by the Trustee in respect of the Bonds or amounts payable under this Trust Deed will despite any appropriation of all or part of them by the Issuer (including any moneys which represent principal or profit in respect of Bonds which have become void under the Conditions) be held by the Trustee on trust to apply them:

- 23.1.1 first, in payment or satisfaction of the costs, charges, expenses and Liabilities incurred by, or other amounts owing to, the Trustee in the preparation and execution of the trusts of this Trust Deed (including remuneration of the Trustee) as agreed by the Issuer but not paid by the Issuer;
- 23.1.2 secondly, in or towards payment *paripassu* and rateably of all arrears of profit remaining due and unpaid in respect of the Bonds;
- 23.1.3 thirdly, in or towards payment *paripassu* and rateably of all principal remaining due and unpaid in respect of the Bonds; and
- 23.1.4 fourthly, the balance (if any) in payment to the Issuer for itself.

If the Trustee holds any moneys which represent principal or profit in respect of Bonds which have become void under the Conditions then, except where a Default or Event of Default has occurred and is continuing, such moneys shall be returned to the Issuer for itself.

### 23.2 Payment to Bondholders

The Trustee shall give notice to the Bondholders of the date fixed for any payment. Subject to Clause 16.2(*Covenant to comply with Trust Deed, Conditions and Schedules*), payment to be made in respect of the Bonds by the Issuer or the Trustee may be made in the manner provided in the Conditions and this Trust Deed and any payment so made shall be a good discharge to the extent of such payment, by the Issuer or the Trustee, as the case may be. On making payment in respect of the Bonds, the Trustee on behalf of the Issuer or if necessary the Issuer shall give intimation to CDBL for making necessary updates in the CDBL System and the respective BO Accounts by reducing the balances against such payments.



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## 24. NOTICES

### 24.1 Addresses for notices

All notices and other communications hereunder shall be made in writing and in English (by letter or fax) and shall be sent as follows:

24.1.1 *Issuer:* If to the Issuer, to it at:

**ISLAMI BANK BANGLADESH LIMITED**  
Head Office  
Islami Bank Tower  
40, Dilkusha C/A  
Dhaka - 1000  
Bangladesh

Attention: The Managing Director & CEO.

24.1.2 *Trustee* if to the Trustee, to it at:

**SBL CAPITAL MANAGEMENT LIMITED**  
2, D. I. T. Avenue (Extension) 3rd Floor  
Motijheel C/A, Dhaka – 1000  
Bangladesh

Attention: The Managing Director & CEO.

### 24.2 Effectiveness

Every notice or other communication sent in accordance with Clause 24.1 shall be effective as follows if sent by letter, it shall be deemed to have been delivered 7 days after the time of despatch and if sent by fax it shall be deemed to have been delivered at the time of despatch *provided that* any such notice or other communication which would otherwise take effect after 4.00 p.m. on any particular day shall not take effect until 10.00 a.m. on the immediately succeeding Business Day in the place of the addressee.

Any notice or other communication sent via email to the other party shall be followed up with a fax or a letter, failing which, such notice or other communication shall not be deemed duly delivered.



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#### 25. **SEVERABILITY**

In case any provision in or obligation under this Trust Deed shall be invalid, illegal or unenforceable in any jurisdiction, the validity, legality and enforceability of the remaining provisions or obligations, or of such provision or obligation in any other jurisdiction, shall not in any way be affected or impaired thereby.

#### 26. **COUNTERPARTS**

This Trust Deed may be executed in any number of counterparts, each of which shall be deemed an original.

**IN WITNESS WHEREOF** this **Trust Deed** has been executed as a deed by the parties hereto and is intended to be and is hereby delivered on the date first before written.



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## SCHEDULE 1

### TERMS AND CONDITIONS OF THE BONDS

THIS OBLIGATION IS NOT A DEPOSIT AND IS NOT INSURED BY ANY DEPOSIT INSURANCE SCHEME. THIS OBLIGATION IS SUBORDINATED TO CLAIMS OF DEPOSITORS AND OTHER CREDITORS, IS UNSECURED, AND IS INELIGIBLE AS COLLATERAL FOR A LOAN/INVESTMENT FACILITY BY ISLAMI BANK BANGLADESH LIMITED.

*The following, subject to amendment and save for the paragraphs in italics, are the Terms and Conditions of the Bonds:*

The issue of the BDT 8,000,000,000.00 aggregate principal amount of unsecured, contingent-convertible, fully paid-up, non-cumulative, BASEL III compliant perpetual Bond (the "**Bonds**") of ISLAMI BANK BANGLADESH LIMITED (the "**Issuer**") was authorised by the Board of Directors of the Issuer on its 299<sup>th</sup> meeting and 300<sup>th</sup> meeting held on 27 April, 2021 and 03 June, 2021 respectively and pursuant to the special resolution passed by its shareholders at the 38<sup>th</sup> Annual General Meeting held on 27 June, 2021. The Bonds are constituted by the trust deed (as amended or supplemented from time to time) the "**Trust Deed**" to be dated on or about 21<sup>st</sup> November, 2021 made between the Issuer and SBL Capital Management Limited as trustee for the holders of the Bonds (the "**Trustee**", which term shall, where the context so permits, include all other persons or companies for the time being acting as trustee or trustees under the Trust Deed) relating to the Bonds. The statements in these terms and conditions of the Bonds (these "**Conditions**") include summaries of, and are subject to, the detailed provisions of the Trust Deed. Unless otherwise defined in these Conditions, terms used in these Conditions have the meaning specified in the Trust Deed. Copies of the Trust Deed are available for inspection during usual business hours at the principal office for the time being of the Trustee (presently at 2, D. I. T. Avenue (Extension) 3rd Floor, Motijheel C/A Dhaka – 1000) and at the registered office of the Trustee. The Bondholders are bound by, and are deemed to have notice of, all the provisions of the Trust Deed applicable to them.

#### 1. Certain Definitions

"**AAOIFI**" means the Auditing and Accounting Organization of Islamic Financial Institution.

"**Additional Profit Rate**" is 2.50% per annum.

"**Affiliate**" means, in relation to any Person, a Subsidiary of that Person or a Holding Company of that Person or any other Subsidiary of any Holding Company of that Person.

"**Applicable Profit Rate**" for any Profit Period is the Additional Profit Rate and the Benchmark Mudaraba Term Deposit Profit Rate on the relevant Profit Rate



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Determination Date for such Profit Period. However, Applicable Profit Rate for any Profit Period shall be within the Profit Range.

**"Authorisation"** means an authorisation, consent, approval, resolution, licence, exemption, filing, notarisation or registration.

**"Bangladesh Bank"** means the central bank in Bangladesh under the Bangladesh Bank Order 1972 (President's Order No. 127 of 1972).

**"Bangladesh Bank Rating Grade"** means rating grade of Bangladesh Bank mapping with the rating of external credit rating agencies.

**"Basel Capital Accord"** means the Report on International Convergence of Capital Measurement and Capital Standards dated July 1988 of the Basel Committee on Banking Regulations and Supervisory Practices, as may be amended, modified, supplemented or replaced from time to time, together with the pronouncements of the Basel Committee on Banking Supervision thereon from time to time.

**"BB Approval"** means the approval from the Bangladesh Bank issued vide letter ref. বিআরপিডি(বিএফআইএস)৬৬১/১৪বি(পি)/২০২১/৭১৩৮ dated 22 August, 2021.

**"BDT" and "Bangladesh Taka"** denote the lawful currency for the time being of Bangladesh.

**"Benchmark Mudaraba Term Deposit Profit Rate"** for any Profit Period means the rate which shall be determined by the Trustee and notified to the Issuer and all Investors on every Profit Rate Determination Date in the following method:-

The average of yearly deposit rate (1 year but < 2 year) of scheduled Islamic banks (excluding foreign Islamic banks, 4<sup>th</sup> Generation Islamic Banks, any Z-category Islamic Banks enlisted in capital market or any Islamic bank going into OTC Market or are Delisted) will be considered for Benchmark Mudaraba Term Deposit Profit Rate fixation. The latest published deposit rates of Banks to be collected from "Announced Interest/Profit Rate Chart of the Scheduled Banks (Deposit Rate)" published by Bangladesh Bank in its website.

Trustee will calculate and notify the Benchmark Mudaraba Term Deposit Profit Rate to the Issuer and the Subscribers, at the Profit Rate Determination Date. Benchmark Mudaraba Term Deposit Profit Rate for the first Profit Period, will be calculated and circulated on the Issue Date.

**"Bond Documents"** means the Bonds (including, without limitation, the Conditions), the Trust Deed and each Subscription Agreement (each a **"Bond Document"**).

**"Bondholders"** has the meaning given in Condition 3(B) (*Title*).

**"BSEC"** means the Bangladesh Securities & Exchange Commission.



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**"Business Day"** means a day other than a Friday or Saturday or any other Government Holiday on which commercial banks are open for business in Dhaka, Bangladesh.

**"Call Exercise Date"** means the date on which issuer shall redeem the Bonds pursuant to exercise of the call option under Condition 7 (A) (*Exercise of Call-Option by the Issuer*).

**"Call Option Eligibility"** means:

- (1) Issuer being able to replace the Bonds with capital of the same or better quality that are sustainable for the income capacity of the Issuer, or,
- (2) Capital position of the Issuer is, as per Capital Adequacy Guidelines, above the minimum requirements after a call option of the Bonds is exercised.

**"Capital Adequacy Guidelines"** means the Guideline of Risk Based Capital Adequacy (Revised Regulatory Capital Framework in line with Basel III) of Bangladesh Bank or any successor guidelines or law.

**"Conversion Period"** means the period between the date of issuance of the Conversion Notice and the date when the Issuers consolidated CET-1 ratio reaches the regulatory requirement of 4.5% upon exercising the Loss Absorption Option.

**"Conversion Strike Price"** means average of 180 Business Days' market price of Issuer's ordinary shares prior to the 3<sup>rd</sup> quarter end date on which Issuer's consolidated CET-1 falls below Bangladesh Bank requirement (currently of 4.5%) or Par Value (BDT 10) whichever is higher.

**"Core Labour Standards"** means the requirements as applicable to the Issuer under the laws of Bangladesh on child and forced labour, discrimination and freedom of association and collective bargaining.

**"Credit Rating Agency"** means Alpha Credit Rating Limited or any other reputable credit rating agency in Bangladesh acceptable to the Issuer and the Trustee.

**"Default Profit Rate"** means the incremental charge at rate of 2% per annum payable by the Issuer to the Bondholders higher than the Profit Rate and be payable on the amount not paid on the due date up till the date of actual payment.

**"Deposit Insurance Scheme"** means the scheme under the Deposit Insurance Trust Fund.

**"Deposit Insurance Trust Fund"** means trust fund established, preserved and maintained by the Bangladesh Bank under the Bank Insurance Deposit Act 2000 (Act No. 18 of 2000).

**"Delisted"** means delisting of securities or removal of securities of a listed company from a stock exchange. As a consequence of delisting, the securities of that company would no longer be traded at that stock exchange.



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**"Eligible Investors"** shall mean

- (a) Public financial institutions which are duly authorized to invest in Bonds as per Bangladesh Bank regulations
- (b) Mutual Funds, Insurance Companies, Scheduled Commercial Banks, financial institutions, pension funds, corporate bodies, primary dealers, non-resident Bangladeshis and individuals,
- (c) Any other persons who are eligible to subscribe.

**"Environmental Law"** means any applicable law in **Bangladesh** which relates to the pollution or protection of the environment or harm to or the protection of human health or the health of animals or plants.

**"Environmental Permits"** means any permit, licence, consent, approval or other authorisation and/or the filing of any notification, report or assessment required under any Environmental Law for the operation of the business of any member of the Group conducted on or from the properties owned or used by any member of the Group.

**"Financial Indebtedness"** means any indebtedness for or in respect of:

- (a) moneys borrowed;
- (b) any amount raised by acceptance under any acceptance credit facility or dematerialised equivalent;
- (c) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument;
- (d) the amount of any liability in respect of any lease or hire purchase contract which would, in accordance with AAOIFI, be treated as a finance or capital lease;
- (e) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis);
- (f) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing;
- (g) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (and, when calculating the value of any derivative transaction, only the marked to market value shall be taken into account); and
- (h) any amount raised by the issue of redeemable shares.

**"Foreign Islamic Banks"** means those Islamic banks which are not incorporated in the jurisdiction of Bangladesh but has been given license to carry on its banking business within the territory of Bangladesh."



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**"4<sup>th</sup> Generation Islamic Banks"** shall include the schedule bank(s) who has been granted license by Bangladesh Bank to undertake Islamic banking business within the territory of Bangladesh and such license has been issued on or after the year 2013.

**"Group"** means the Issuer and its Subsidiaries from time to time.

**"Guarantee"** means any obligation, contingent or otherwise, of any Person directly or indirectly guaranteeing any Financial Indebtedness of any Person and any obligation, direct or indirect, contingent or otherwise, of such Person:

- (a) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness of such Person (whether arising by virtue of partnership arrangements, or by agreements to keep-well, to purchase assets, goods, securities or services, to take-or-pay or to maintain financial statement conditions or otherwise); or
- (b) entered into for the purpose of assuring in any other manner the obligee of such Indebtedness of the payment thereof or to protect such obligee against loss in respect thereof (in whole or in part);

provided, however, that the term "guarantee" shall not include endorsements for collection or deposit in the ordinary course of business. The term "guarantee" used as a verb has a corresponding meaning. The term "guarantor" shall mean any Person guaranteeing any obligation.

**"Holder"** has the meaning given in Condition 4 (*Transfer*).

**"Holding Company"** means, in relation to a company, corporation or entity, any other company, corporation or entity in respect of which it is a Subsidiary.

**"Investment Loss Reserve"** means, at any time, the total reserve established to cover potential losses from outstanding Investments at such time.

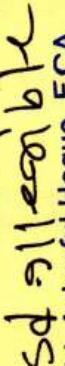
**"Investments"** means any credit facilities or any other transaction having the commercial effect of an investment.

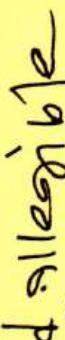
**"Loss Absorption Option"** means the options as mentioned under Condition 8 upon occurrence of the Trigger Point Condition.

**"Market Disruption Event"** means at or about on the Profit Rate Determination Date for the relevant Profit Period the Benchmark Mudaraba Term Deposit Profit Rate is not available.

**"Material Adverse Effect"** means a material adverse effect on the business, conditions (financial or otherwise), operations, performance, assets or prospects of (i) the Issuer or the Group (taken as a whole) or (ii) the ability of the Issuer to perform its obligations under the Bond Documents; or the legality, validity or enforceability of any or all of the Bond Documents or any or all of the rights or remedies of any of the Trustee or the Bondholders under any or all of the Bond Documents.



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**"Month"** means a period starting on one day in a calendar month and ending on the numerically corresponding day in the next calendar month, except that:

- (a) if the numerically corresponding day is not a Business Day, that period shall end on the next Business Day in that calendar month in which that period is to end if there is one, or if there is not, on the immediately preceding Business Day; and
- (b) if there is no numerically corresponding day in the calendar month in which that period is to end, that period shall end on the last Business Day in that calendar month.

The above rules will only apply to the last Month of any period.

**"OTC Market"** means over the counter market where facilities are provided by an exchange for the purpose of buying or selling of unlisted or delisted securities from the stock exchanges.

**"Person"** means any individual, corporation, partnership, limited liability Company, joint venture, association, joint - stock company, trust, unincorporated organisation, government or any agency or political subdivision thereof or any other entity.

**"Profit Costs"** means, for any Relevant Period, the aggregate amount of the accrued profit, commission, fees, discounts, prepayment penalties or premiums and other finance payments in respect of money borrowed by the Issuer whether paid, payable or capitalised by the Issuer in respect of that Relevant Period.

**"Profit Payment Date"** means the date profit is payable by the Issuer on the Bond to the Bondholders. The first profit/coupon payment period shall commence from the Issue Dates and ending on the 31<sup>st</sup> December of the respective year of the Issue Date. Thereafter, the annual profit/coupon payment will be made as per Gregorian calendar year (i.e. Profit period/Coupon Period will be from 01 January to 31 December or up to Issuer Call date, or regulatory call date, if exercised).

**"Profit Period"** means each period beginning on (and including) the Issue Date or any Profit Payment Date and ending on (but excluding) the next Profit Payment Date.

**"Profit Range"** means 06.00% to 10.00% per annum subject to having available distributable profit or the range to be determined /fixed by the regulators from time to time.

**"Profit Rate"** for any Profit Period means the aggregate of the Additional Profit Rate and the Benchmark Mudaraba Term Deposit Profit Rate on the relevant Profit Rate Determination Date for such Profit Period.

**"Profit Rate Determination Date"** for any Profit Period, means 5 (five) Business Days prior to a Profit Period. However, the Profit Rate for the first Profit Period, shall be calculated and determined on the respective Issue Dates.



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**"Record Date"** means 15 days prior to each Profit Payment Date or the Call Exercise Date (as applicable) as the record date or other due date for the establishment of any entitlement to receive any profit or other distribution declared, paid or made, or any rights granted, in respect of the Bonds to the registered holders as per the Register.

**"Register"** has the meaning given in Condition 3(A) (*Form and Denomination*).

**"Relevant Period"** means each period of 12 months ending on the last day of any financial year of the Issuer.

**"Security Interest"** means:

- (a) a mortgage, charge, pledge, lien or other encumbrance securing any obligation of any person;
- (b) any arrangement under which money or claims to money, or the benefit of, a bank or other account may be applied, set off or made subject to a combination of accounts so as to effect discharge of any sum owed or payable to any person; or
- (c) any other type of preferential arrangement (including any title transfer and retention arrangement) having a similar effect.

**"Senior Creditors"** has the meaning given in Condition 2 (*Status*).

**"Shares"** means the fully paid up shares of the Issuer.

**"Social Law"** means any law, rule or regulation (including international treaty obligations) applicable in Bangladesh concerning (i) labour, (ii) social security, (iii) the regulation of industrial relations (between government, employers and employees), (iv) the protection of occupational as well as public health and safety, (v) the regulation of public participation, (vi) the protection and regulation of ownership of land rights (both formal and traditional), immovable goods and intellectual and cultural property rights, (vii) the protection and empowerment of indigenous peoples or ethnic groups, (viii) the protection, restoration and promotion of cultural heritage, (ix) all other laws, rules and regulations providing for the protection of employees and citizens.

**"Subscription Agreement"** means each of the subscription agreement entered into between the Issuer and holders of the Bonds under private placement.

**"Subsidiary"** means, in relation to any company, corporation or entity, a company, corporation or entity:

- (a) which is controlled, directly or indirectly, by the first-mentioned company, corporation or entity;
- (b) more than half of the issued share capital of or equity interest in which is beneficially owned, directly or indirectly, by the first-mentioned company, corporation or entity; or



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(c) which is a Subsidiary of another Subsidiary of the first-mentioned company, corporation or entity,

and for this purpose, a company, corporation or entity shall be treated as being controlled by another if that other company, corporation or entity is able to direct its affairs and/or to control the composition of its board of directors or equivalent body.

**"Tier 1 Capital"** means the core capital of the Issuer as construed under the Basel Capital Accord and as implemented under the laws of Bangladesh and currently consisting of the aggregate of the paid-in share capital, disclosed reserves (which are made up of capital surplus and retained earnings) and, certain innovative instruments after deducting from that aggregate, intangible assets and equity investments in unconsolidated banking and financial institutions.

**"Tier 2 Capital"** means the supplemental capital of the Issuer as construed under the Basel Capital Accord and as implemented under the laws of Bangladesh.

**"Trigger Point Condition"** means if the Issuer's consolidated CET-1 ratio falls below Bangladesh Bank requirement (currently of 4.50%) and stays below for 03 (Three) successive quarters;

**"Trigger Point Condition Date"** means the end date of successive 03 (Three) quarters during which Trigger Point Condition exists. Once the Trigger Point Condition has been reached and exercised, the cycle will start again.

**"Z-category Islamic Banks"** means such scheduled banks which have failed to hold the current annual general meetings or have failed to declare any dividend or which are not in operation continuously for more than six months or whose accumulated loss after adjustment of revenue reserve, if any, is negative and exceeded its paid up capital: Provided further that the words, 'or whose accumulated loss after adjustment of revenue reserve, if any, is negative and exceeded its paid up capital' shall not be applicable for the companies which have declared dividend out of the current profits in the last English calendar year and held annual general meeting(s) relating to all outstanding financial year(s) despite having such accumulated loss exceeding the paid up capital.

## 2. Status

The Bonds shall constitute direct, unconditional obligations of the Issuer and shall at all times rank *paripassu* and without any preference or priority among themselves. The payment obligations of the Issuer in respect of the Bonds (on account of profit or otherwise) will be subordinated to all unsubordinated payment obligations of the Issuer in the manner described below but will rank *paripassu* with all other subordinated payment obligations of the Issuer which do not rank or are not expressed by their terms to rank junior to the payment obligations of the Issuer under the Bonds and in priority to all claims of shareholders of the Issuer.



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The Bonds shall be distributed to Eligible Investors comprising of financial institutions, corporates and high net worth individuals via private placement and public offering and may only be transferred to another Eligible Investor. The rights of the holders of Bonds against the Issuer (including any profit) are subordinated and junior in right of payment to its obligations (i) to the claims of investors in equity shares; (ii) be subordinated to the claims of depositors and general creditors of the bank; (iii) be subordinated to the claims of Bank's existing non-convertible, listed, debt instrument Mudaraba Perpetual Bond (MPB) of BDT 3,000 million (i.e. 1<sup>st</sup> Mudaraba Perpetual Bond of the Issuer); and (iv) neither secured nor covered by a guarantee of the issuer nor related entity or other arrangement that legally or economically enhances the seniority of the claim vis-à-vis bank creditors. However, shall remain superior to the claims of investors in equity shares and perpetual non-cumulative preference shares, if any, of the Issuer whether currently outstanding or issued at any time in the future. In the event of any insolvency, receivership, conservatorship, reorganisation, readjustment of debt or similar proceedings or any liquidation or winding up of or relating to the Issuer, whether voluntary or involuntary, all such obligations of the Issuer shall be entitled to be paid in full before any payment shall be made to the Bondholders in respect of the Bonds. In the event of any such proceedings, after payment in full of all sums owing on such prior obligations, the Bondholders and any other payment required to be made to a creditor in respect of indebtedness which ranks or is expressed to rank *paripassu* with the Bonds, shall be entitled to be paid from the remaining assets of the Issuer, the unpaid profit before any payment or other distribution, whether in cash, property or otherwise, shall be made on account of any capital stock or any obligations of the Issuer ranking junior to the Bonds. Nothing herein shall impair the obligation of the Issuer, which is absolute and unconditional, to pay the profit on the Bonds according to these Conditions. For this purpose, "**Senior Creditors**" shall mean creditors of the Issuer (including depositors) other than creditors in respect of indebtedness where, by the terms of such indebtedness, the claims of the holders of that indebtedness rank or are expressed to rank *paripassu* with, or junior to, the claims of the Bondholders.

The Bonds are not a deposit and are not insured by the Deposit Insurance Scheme as per The Bank Deposit Insurance Act 2000. The Bonds are ineligible for as collateral for a loan by the Issuer.

Each Bondholder unconditionally and irrevocably waives any right of set-off, counterclaim, abatement or other similar remedy which it might otherwise have, under the laws of any jurisdiction, in respect of such Bond. No collateral is or will be given for the payment obligations under the Bonds and any collateral that may have been or may in the future be given in connection with other indebtedness of the Issuer shall not secure the payment obligations under the Bonds.

Sponsor shareholders of the Issuer or their Affiliate or a related party over which the Issuer exercises control or significant influence (as defined under relevant Accounting



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Standards) or the employees' retirement benefit funds of the Issuer are ineligible for subscription or purchase of Bonds.

### 3. Form, Denomination and Title

#### (A) Form and Denomination

The Bonds, (each, a "series") are issued in registered form in a minimum denomination of 1,440,000 units for private placement and 160,000 units for public issue and integral multiples thereof. The Bonds shall be issued in dematerialised form as per the CDBL Bye Laws and shall be listed in the stock exchanges complying with respective regulations of the stock exchange(s) in this regard and subjected to guidelines/notification as formulated by BSEC. The Issuer shall apply to Central Depository Bangladesh Ltd (CDBL) for dematerialization of the allotted securities/bonds in order to enable the Bondholders to hold and transfer the Bonds in dematerialized form.

#### (B) Title

Title to the Bonds passes only by transfer and registration in the Register to any other Eligible Investors. A registered Bondholder shall (except as otherwise required by law) be treated as the absolute owner of such Bond for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any other interest therein and no person shall be liable for so treating such Bondholder. In these Terms and Conditions "**Bondholder**" and (in relation to a Bond) "**holder**" means the person in whose name a Bond is registered in the Register as owner of the Bond.

### 4. Transfers of Bonds

#### (A) Transfer of Bonds in dematerialized form as per CDBL Bye Laws

A Bond may be transferred to another Person in Bangladesh (a "**Transferee**") in the CDBL System upon initiation and upon issuance of a duly completed Transfer Request Form 14 to CDBL as referred to under Bye Law 11.5 under the CDBL Bye Laws. On receipt of a valid Transfer Request Form 14, the Participant or CDBL, in the case of Direct Accounts, shall enter a Transaction into the CDBL System in accordance with the User Manual. On the Settlement Date specified in the Transaction, the Bonds will be debited from the balance in the delivering Account and credited to the receiving Account. For the purpose of this paragraph, the following definitions shall mean:

- i. "**CDBL System**" means all systems and application programs relevant to the operations of CDBL including all of the computer hardware and software maintained and used by CDBL and the software used by a Participant, or an Issuer or his agent to communicate with the CDBL System;
- ii. "**CDBL Participant**" means any Person entitled to participate in CDBL under the CDBL Bye Laws;



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- iii. **“Settlement”** means the completion of a Transaction by delivery of Bonds from one Account to another;
- iv. **“Settlement Date”** means a Business Day when the Settlement of a Transaction is due to take place;
- v. **“Transaction”** means any transaction in the CDBL System which causes a debit or credit to be made to an Account which may be effected by:
  - (a) an electronic message, or
  - (b) a set of electronic messages of a kind specified by CDBL for use in the CDBL System;
- vi. **“User Manual”** means the CDBL User Manual issued by CDBL for the Issuer as amended from time to time;

## 5. Profit

### (A) Calculation of Profit

- (i) The Bonds bear profit from the Issue Date at the Applicable Profit Rate on the principal amount of the Bonds. Profit is payable in arrears on each Profit Payment Date or within 60 days there from and shall not be cumulative. The Trustee shall notify the Bondholders in accordance with Condition 13 (Notices) the Applicable Profit Rate for a Profit Period on the Profit Rate Determination Date. Profit will be calculated annually. The Profit Rate will be re-fixed annually based on the determination of Benchmark Mudaraba Term Deposit Profit Rate.
- (ii) If profit is required to be paid in respect of a Bond on any date other than an Profit Payment Date, it shall be calculated by applying the Profit Rate to the outstanding principal amount of such Bond, multiplying the product by the relevant Day Count Fraction, where "**Day Count Fraction**" means, in respect of any period for which profit is to be calculated, the actual number of days in the relevant period divided by 365. In case of a leap year, during the tenor of the bonds, then the number of days shall be counted as 366 days (actual/ actual day count convention) for a whole 1-year period.

### (B) Market Disruption Event

If a Market Disruption Event occurs in relation to a Bond for any Profit Period, then the Benchmark Mudaraba Term Deposit Profit Rate will be determined by the Trustee in consultation with the Issuer. If such rate is unavailable then the Issuer shall negotiate in good faith with the Trustee in order to arrive at a mutual agreement upon the Applicable Profit Rate. However, if the Issuer and Trustee is unable to arrive at an agreed rate within 2 (two) Business Days of negotiation the previous auction rate as published in the Bangladesh Bank website shall be



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applicable as Benchmark Mudaraba Term Deposit Profit Rate for the said Profit Period.

## 6. Payments

### (A) Calculation of Profit

- (a) The Issuer hereby covenants that from (and including) the Issue Date up to (but excluding) the Call Exercise Date as per Condition 7(A), the Issuer will pay to the Bondholders profit on each Bond at the Profit Rate, provided however that all payment of profit shall be subject to having distributable profit after making payments to creditors senior to the Bondholders and Profit Range shall be proportionately adjusted based on such available distributable profits of the Issuer; provided further that obligation of the Issuer for making payment of coupon shall be subject to loss absorption obligation of the Bondholders as per clause 8(A).
- (b) The Issuer shall pay to the Bondholders, profit/coupon payments annually every year from the Issue Date subject to term set out in this Trust Deed. However, if such payment date for payment of the profit/coupon in respect of the Bonds is not a Business Day, then the payment of such profit/coupon shall be made on successive Business Day.
- (c) Notwithstanding anything contained to the contrary in this Trust Deed, in case the Bank/ the Issuer has made the Coupon/profit / return payment through direct credit/ /National Payment Switch Bangladesh (NPSB)/Bangladesh Electronic Funds Transfer Network (BEFTN)/Real Time Gross Settlement (RTGS)/ Bangladesh Automated Cheque Processing Systems (BACPS) transfer and the same is declined by the Bondholder's bank, it shall not be considered to be an Event of Default.
- (d) Trustee will notify the amount of the Profit Payment to the Issuer 10 (ten) days prior to any Profit Payment Date.
- (e) If the Issuer has written down any part of the Bond, until such part is written up, the Issuer may not (a) declare or pay a dividend on any of its ordinary shares or preference shares, or (b) redeem, purchase, reduce or otherwise acquire any of their respective ordinary shares, preference shares or other securities ranking, as to the right of repayment of principal *paripassu* with or junior to the Bondholders, provided however that, writing down a part of the Bonds shall not hinder rights of the Issuer to:
  - (i) The re-capitalization of the Issuer;



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- (ii) The Issuer's right to make payments on other instruments ranking in senior to the Bondholders;
- (iii) The Issuer's right to making distributions to shareholders for a period that extends beyond the point in time that profit on the Bonds are resumed; and
- (iv) The normal operation of the Issuer or any restructuring activity (including acquisitions/ disposals).

(f) Every payment by the Issuer to the Bondholders in respect of the profit payments under the Bonds 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 profit payment.

**(B) *Redemption Payments on exercise of Issuer's Call Option***

Upon issuance of Call-Option Exercise Notice as per Condition 7(A) hereunder, on the Call Exercise Date, the Issuer shall make payment of the principal and/or any accrued and unpaid Profit payments by transfer to the registered account of the Bondholder or by a BDT cheque drawn on a bank that processes payments in BDT mailed to the registered address of the Bondholder if it does not have a registered account. Profit on Bonds due on a Profit Payment Date will be paid to the holder shown on the Register at the close of business on the Record Date. For the purposes of this Condition, a Bondholder's "**registered account**" means the BDT account maintained by or on behalf of it with a bank that processes payments in BDT, details of which appear on the Register at the close of business, in the case of principal and profit due otherwise than on a Profit Payment Date, on the second Business Day before the due date for payment and, in the case of profit due on a Profit Payment Date, on the relevant Record Date, and a Bondholder's "**registered address**" means its address appearing on the Register at that time.

**(C) *Payments subject to applicable laws***

All payments in respect of the Bonds are subject in all cases to any applicable laws and regulations of Bangladesh, but without prejudice to the provisions of Condition 10(*Events of Default*). No commissions or expenses shall be charged to the Bondholders in respect of such payments.

**(D) *Default Profit Rate and Delay In Payment***

If the Issuer fails to pay any sum in respect of the Bonds within 60 days when the same becomes due and payable, Issuer shall pay Default Profit Rate for the default period.



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**(E) Stopping of Dividend Payment**

During any non-payment of the profit of the Bonds by the Issuer, the Issuer shall not, (i) declare or pay any dividends or distributions or redeem, purchase, acquire or make a liquidation payment on any of the Issuer's capital stock or (ii) make any payment of principal of or profit or premium, if any, on, or repay, repurchase or redeem, any debt securities of the Issuer (including other junior subordinated debt securities or other junior subordinated debt) or (iii) make any guarantee payments on any guarantee by the Issuer of the debt securities of any of its Subsidiaries (including under other guarantees of junior subordinated debt securities or other junior subordinated debt).

For avoidance of doubt, the dividend stopper will not:

- (a) Stop payment on another instrument/Bond(s) where the payments on such other instrument /bond(s) are not fully discretionary;
- (b) Prevent distribution to shareholders for a period that extends beyond the point in time at which dividends/profit /coupon on the Additional Tier 1 instrument/Bond are resumed;
- (c) Impede the normal operation of the Issuer (i.e. Issuer or any restructuring activity (including acquisitions/ disposals /amalgamation/ re-constitution etc); or
- (d) Impede the full discretion that the Issuer has, at all times, to cancel the distributions or payments on the bonds nor act in a way that could hinder the re-capitalization of the Issuer.

**(F) Place and Mode of Payment by the Issuer**

- (a) All coupon/profit and other monies payable by the Issuer to the Bondholders shall be paid to the Bondholders in any of the following manner:
  - (i) The bank details will be obtained from CDBL for payments. The Bondholders should immediately update their bank account details as appearing on the record of their respective Depository Participants. Failure to do so may result in delays in credit of the payments to Bondholders at their sole risk and the Issuer shall not have any responsibility and undertake any liability for such delays on part of the Bondholders.
  - (ii) Any payments to be made to the Bondholders, including payment of coupon/profit shall be made by the Issuer using the services of National Payment Switch Bangladesh (NPSB), Bangladesh Electronic Funds Transfer Network (BEFTN), or Real Time Gross Settlement (RTGS), Bangladesh Automated Cheque Processing Systems (BACPS) or direct creditor other mechanisms permitted under the regulations/circulars



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issued by the BSEC, into such bank account of a Bondholder as may be notified to the Issuer.

**(G) *Restriction on Preferential Payments***

The Issuer shall pay and discharge all its liabilities to the Bondholders under this Trust Deed without preferring one over the other.

**7. Exercise of Call-Option by the Issuer**

**(A) *Call-Option***

Subject to Issuer having achieved Call Option Eligibility and obtaining prior approval of Bangladesh Bank, after the 10<sup>th</sup> (tenth) anniversary of the Issue Date, the Issuer may, by giving not less than 30 nor more than 60 days' notice to the Trustee of the Call Exercise Date ("Call-Option Exercise Notice"), which notice shall be irrevocable, elect to redeem all of the Bonds at their principal amount together with any outstanding payments. No partial redemption of the Bonds shall be allowed under any Call-Option Exercise Notice by the Issuer.

Upon receipt of the Call-Option Exercise Notice as per Condition 7 (A), Trustee will notify the amount of the redemption payment, i.e., principal amount of the Bonds together with any outstanding payments to the Issuer 15 (fifteen) days prior to intended Call Exercise Date.

When issued in dematerialized form, give proper intimation to CDBL for making necessary updates in the CDBL System and the respective BO Accounts for reducing the balances against such Call-Option.

**8. Loss Absorption upon a Trigger Point Condition**

**(A) *Loss Absorption Features***

The instrument has principal loss absorption features in case the Trigger Point Condition is satisfied through conversion to common shares.

**(B) *Option for Conversion***

Within 2 (two) Business Days of the end of the 3rd Quarter when Common Equity Tier 1 (CET-1) Ratio remains below 4.50%, Issuer shall notify the Trustee that in the event that the Trigger Point Condition is met, the Loss Absorption Option shall be exercised ("Loss Absorption Option Indication Notice"). Within 2 (two) Business Days of the approval of the audited financials which confirms fulfilment of the Trigger Point Condition, the Issuer shall notify the Trustee of the need for exercising Loss Absorption Option by notifying the Conversion Strike Price, number of Bonds to be converted, expected end date of the Conversion Period ("Conversion Notice"); and the Trustee shall within 2



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(two) Business Days of the receipt of the Conversion Notice, notify the Bondholders about the receipt of the Conversion Notice.

**(C) Notices to be given**

All notices are validly given if:

- i. Mailed to bondholders at their respective address in the register,
- ii. Published for three consecutive days in one English newspaper and one Bengali newspaper; each having wide circulation in Bangladesh,
- iii. Emailed to bondholders at their respective addresses set out in the Issuer Register provided that such notices will only be considered as validly given when followed up with hard copies of the notices being mailed to the bondholders or published for three consecutive days in a leading newspaper as aforesaid.

Any such notice shall be deemed to have been given on the 7 (seventh) day after being so mailed or on the later of the date of such publications.

**(D) Number of Bonds to be converted**

After the Trigger Point Condition Date, the Loss Absorption Option shall be exercised upon conversion of the outstanding principal of the Bonds to common shares at the Conversion Strike Price by such amount which shall not exceed the amount which would be required to bring the consolidated Common Equity Tier 1 (CET 1) ratio to 4.5% of risk weighted asset.

CET-1 on Trigger Point Condition Date will be considered to identify the shortfall percentage and it will be converted into common shares eventually. If an issue in relation to issuance of a fractional share arises upon conversion, the Issuer will round the number of shares issuable, up to the next whole number. Fractional lot size will also be rounded to the next whole number.

**(E) Payment Suspension**

In case of the event of exercise of Loss Absorption Option of the Bond, any payment of profit in between the Trigger Point Condition Date and publication date of audited financials will be suspended. The Bondholder will not be eligible for the profit payment if the same situation prevails (Issuer's consolidated CET-1 ratio remains below the regulatory requirement of 4.5%) after the publication of audited financials. In case of exercise of the Loss Absorption Option, the portion of Bonds that will be required to be converted, no such profit shall be paid on such converted Bonds. The portion of the Bonds that shall not be converted, payment will resume from next Profit Payment Date for that non-



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converted portion, but subject to CET-1 Ratio reaching 4.50% or above, and profit will be paid along with previous coupon for this portion.

No penal/additional/delay fee shall be charged on the Issuer for the period when profit(s) payment was suspended.

## 9. Taxation

All tax will be paid or deducted as per prevailing law of the land.

## 10. Events of Default

### (A) *Events of Default*

The Trustee at its sole discretion may, and if so requested in writing by the holders of not less than  $66\frac{2}{3}$  percent in principal amount of the Bonds then outstanding or if so directed by an Extraordinary Resolution shall (subject to being indemnified and/or secured by the holders to its satisfaction), give notice to the Issuer that the Bonds are, and they shall accordingly thereby become, immediately due and repayable at their principal amount and any accrued profit (due and unpaid) if:

#### (i) Default in Performance of Covenants and Conditions:

If a default has occurred in the performance of any covenants, conditions or agreement on the part of the Bank/Issuer under this Trust Deed or any other agreement in relation to the Issue and such default has continued for a period of 30 (thirty) days after notice in writing thereof has been given to the Bank/Issuer by the Bondholders/Trustee.

#### (ii) Supply Of Misleading Information:

If (a) any information given by the Issuer in the Information Memorandum or (b)any other information furnished or warranties provided by the Issuer to the Arranger, Underwrite, Issue Manager, Bondholders/Trustee under this Trust Deed or any other agreement in relation to the Issue, is/are misleading or incorrect in any material respect.

#### (iii) Inability to pay Debts/Insolvency:

If any proceeding for taking the Issuer into liquidation or insolvency, either voluntarily or compulsorily, have been commenced or the Issuer is voluntarily or involuntarily dissolved.



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(iv) Non-Payment:

If a default is made in the payment of any principal or in the payment of any profit due remain unpaid for thirty days from the due date in respect of the Bonds.

(v) Cease to Carry on its Business:

If the Bank ceases or threatens to cease to carry on its business or gives notice of its intention to do so.

Notwithstanding anything contained to the contrary above, any action or exercise of any right or performance of any duty by the Trustee or the Bondholders in relation to any Events of Default as listed above, shall be subject to the provisions of the Bangladesh Bank Circulars/Guidelines and/or the written instructions received from the Bangladesh Bank in this regard.

## 11. Enforcement

### (A) *Proceeding*

At any time after the Bonds have become due and repayable, the Trustee may take such proceedings against the Issuer as it may think fit to enforce repayment of the Bonds and to enforce the provisions of the Trust Deed, but it will not be bound to take any such proceedings unless (a) it shall have been so requested in writing by the holders of not less than  $66\frac{2}{3}$  per cent. in principal amount of the Bonds then outstanding or shall have been so directed by an Extraordinary Resolution of the Bondholders and (b) it shall have been indemnified and/or secured to its satisfaction. No Bondholder will be entitled to proceed directly against the Issuer unless the Trustee, having become bound to do so, fails to do so within a reasonable period and such failure shall be continuing.

### (B) *Application of Moneys*

All moneys recovered by the Trustee in respect of the Bonds or amounts payable under the Trust Deed will be held by the Trustee on trust to apply them (subject to the terms of the Trust Deed):

- (a) first, in payment or satisfaction of the costs, charges, expenses and liabilities incurred by, or other amounts owing to, the Trustee in relation to the preparation and execution of the Trust Deed (including remuneration of the Trustee) agreed between the Trustee and the Issuer but not paid by the Issuer;



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- (b) secondly ,in or towards payment paripassu and rateably of all amounts remaining due and unpaid in respect of the Bonds; and
- (c) thirdly, the balance (if any) in payment to the Issuer for itself.

## **12. Meetings of Bondholders, Modification, Waiver and Substitution**

### **(A) Meetings**

The Trust Deed contains provisions for convening meetings of Bondholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of the Bonds or the provisions of the Trust Deed. The quorum at any such meeting for passing an Extraordinary Resolution will be two or more persons holding or representing over  $66\frac{2}{3}$  percent in principal amount of the Bonds for the time being outstanding or at any adjourned such meeting not less than 33 percent, in principal amount of the Bonds for the time being outstanding. An Extraordinary Resolution passed at any meeting of Bondholders will be binding on all Bondholders, whether or not they are present at the meeting. The Trust Deed provides that a written resolution signed by or on behalf of the holders of not less than  $66\frac{2}{3}$  percent of the aggregate principal amount of Bonds outstanding shall be as valid and effective as a duly passed Extraordinary Resolution.

### **(B) Modification and Waiver**

The Trustee may agree, without the consent of the Bondholders, to (i) any modification (except as mentioned in Condition 12(A) (*Meetings*) above) to, or the waiver or authorisation of any breach or proposed breach of, these Conditions or the Trust Deed which is not, in the opinion of the Trustee, materially prejudicial to the interests of the Bondholders or (ii) any modification to the Bonds or the Trust Deed which, in the Trustee's opinion, is of a formal, minor or technical nature or to correct a manifest error or to comply with mandatory provisions of law. Any such modification, waiver or authorisation will be binding on the Bondholders and, unless the Trustee agrees otherwise, any such modifications will be notified by the Issuer to the Bondholders as soon as practicable thereafter.

### **(C) Interests of Bondholders**

In connection with the exercise of its functions (including but not limited to those in relation to any proposed modification, authorisation, waiver or substitution) the Trustee shall have regard to the interests of the Bondholders as a class and shall not have regard to the consequences of such exercise for individual Bondholders and the Trustee shall not be entitled to require, nor shall any Bondholder be entitled to claim, from the Issuer or the Trustee, any



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indemnification or payment in respect of any tax consequences of any such exercise upon individual Bondholders except to the extent provided for in Condition 9(*Taxation*) and/or any undertakings given in addition thereto or in substitution therefor pursuant to the Trust Deed.

**(D) Certificates/Reports**

Any certificate or report of any expert or other person called for by or provided to the Trustee (whether or not addressed to the Trustee) in accordance with or for the purposes of these Conditions or the Trust Deed may be relied upon by the Trustee as sufficient evidence of the facts therein (and shall, in absence of manifest error, be conclusive and binding on all parties) notwithstanding that such certificate or report and/or engagement letter or other document entered into by the Trustee and/or the Issuer in connection therewith contains a monetary or other limit on the liability of the relevant expert or person in respect thereof.

*In the event of the passing of an Extraordinary Resolution in accordance with Condition 12(A) (Meetings), a modification, waiver or authorisation in accordance with Condition 12(B)(Modifications and Waiver) the Issuer will procure that the Bondholders be notified in accordance with Condition 13.*

**(E) Severability**

If at any time any provision of this deed of Trust is or becomes illegal, invalid or unenforceable in any respect, neither the legality, validity or enforceability of the remaining provisions of this deed of Trust shall in anyway be affected or impaired thereby.

**13. Notices**

All notices are validly given if:

- (i) mailed to the Bondholders at their respective addresses in the Register; or
- (ii) emailed to the Bondholders at their respective addresses set out in the Issuer Register provided that such notices will only be considered as validly given unless followed up with hard copies of the notices being mailed to the Bondholders or published for three consecutive days in a leading newspaper as aforesaid.

Any such notice shall be deemed to have been given on the third day after being so mailed or on the later of the date of such publications.



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Islami Bank Bangladesh Limited  
FAD, Head Office, Dhaka

Sd/-  
Abu Nayem Md. Ibrahim  
Chief Executive Officer  
SBL Capital Management Ltd.  
Head Office, Dhaka.

#### **14. Indemnification**

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility, including provisions relieving it from taking proceedings to enforce repayment unless indemnified to its satisfaction. The Trustee is entitled to enter into business transactions with the Issuer and any entity related to the Issuer without accounting for any profit.

#### **15. Inconsistency**

In the event of any inconsistency between the provisions of any Bond Document and the Rules, the latter shall prevail.

#### **16. Governing Law and jurisdiction**

These Conditions and the Trust Deed and all non-contractual obligations arising from or connected with them are governed by, and shall be construed in accordance with, the laws of Bangladesh and the courts of Bangladesh shall have exclusive jurisdiction in case of any disputes arising out of or in connection to this Trust Deed between the Parties.



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## SCHEDULE 2 PROVISIONS FOR MEETINGS OF BONDHOLDERS

### 1. Definitions

In this Trust Deed and the Conditions, the following expressions have the following meanings:

**"Block Voting Instruction"** means, in relation to any Meeting, a document in the English language issued by the Trustee;

- (a) Certifying that each registered holder of certain specified Bonds (each a **"Relevant Bond"**) or a duly authorised person on its behalf has instructed the Trustee that the votes attributable to each Relevant Bond held by it are to be cast in a particular way on each resolution to be put to the Meeting and in each case that, during the period of 48 hours before the time fixed for the Meeting, such instructions may not be amended or revoked;
- (b) listing the total principal amount of the Relevant Bonds, distinguishing for each resolution between those in respect of which instructions have been given to vote for, or against, the resolution; and
- (c) authorising a named individual or individuals to vote in respect of the Relevant Bonds in accordance with such instructions;

**"Chairman"** means, in relation to any Meeting, the individual who takes the chair in accordance with paragraph 6 (*Chairman*);

**"Extraordinary Resolution"** means a resolution passed at a Meeting duly convened and held in accordance with this Schedule by a majority of not less than  $66\frac{2}{3}\%$  percent of the votes cast;

**"Form of Proxy"** means, in relation to any Meeting, a document in the English language available from the Trustee signed by a Bondholder or, in the case of a corporation, executed under its seal or signed on its behalf by a duly authorised officer and delivered to the Trustee not later than 48 hours before the time fixed for such Meeting, appointing a named individual or individuals to vote in respect of the Bonds held by such Bondholder;

**"Meeting"** means a meeting of Bondholders (whether originally convened or resumed following an adjournment);



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Abu Nayem M.d. Ibrahim  
Chief Executive Officer  
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**"Proxy"** means, in relation to any Meeting, a person appointed to vote under a Block Voting Instruction or a Form of Proxy other than:

- (a) any such person whose appointment has been revoked and in relation to whom the Trustee has been notified in writing of such revocation by the time which is 48 hours before the time fixed for such Meeting; and
- (b) any such person appointed to vote at a Meeting which has been adjourned for want of a quorum and who has not been re-appointed to vote at the Meeting when it is resumed;

**"Reserved Matter"** means any proposal:

- (a) to reduce or cancel the amount of principal or other amounts payable on any date in respect of the Bonds;
- (c) to effect the exchange, conversion or substitution of the Bonds of such series for, or the conversion of the Bonds of such series into shares, bonds, or other obligations or securities of the Issuer or any other person or body corporate formed or to be formed; or
- (d) to change the quorum required at any Meeting or the majority required to pass an Extraordinary Resolution with respect to any Bond Specific Matters or to sign a Written Resolution or otherwise required in respect of any matter that is expressed under any Bond Document as requiring the consent or instructions of the Holders of at least 66 $\frac{2}{3}$  per cent in aggregate outstanding principal amount of the Bonds;

**"Relevant Fraction"** means:

- (a) for all business including voting on an Extraordinary Resolution, more than 66 $\frac{2}{3}$  percent;

*provided, however, that*, in the case of a Meeting which has resumed after adjournment for want of a quorum, it means:

- (i) for all business the fraction of the aggregate principal amount of the outstanding Bonds represented or held by the Voters actually present at the Meeting; and
- (ii) for voting on any Extraordinary Resolution, not less than 33 percent;

**"Voter"** means, in relation to any Meeting, a Proxy or (subject to paragraph 4 (*Record Date*)) a Bondholder; *provided, however, that* (subject to paragraph 43 (*Record Date*)) any Bondholder which has appointed a Proxy under a Block Voting Instruction or Form of Proxy shall not be a **"Voter"** except to the extent that such appointment has been revoked and the Trustee notified in writing of such revocation at least 48 hours before the time fixed for such Meeting;



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**"Written Resolution"** means a resolution in writing signed by or on behalf of [not less than  $66\frac{2}{3}$  percent] of holders of Bonds who for the time being are entitled to receive notice of a Meeting in accordance with the provisions of this Schedule, whether contained in one document or several documents in the same form, each signed by or on behalf of one or more such holders of the Bonds;

**"24 hours"** means a period of 24 hours including all or part of a day (disregarding for this purpose the day upon which such Meeting is to be held) upon which banks are open for business in both the place where the relevant Meeting is to be held and such period shall be extended by one period or, to the extent necessary, more periods of 24 hours until there is included as aforesaid all or part of a day upon which banks are open for business as aforesaid; and

**"48 hours"** means 2 consecutive periods of 24 hours.

## 2. Issue of Block Voting Instructions and Forms Of Proxy

The holder of a Bond may require the Trustee to issue a Block Voting Instruction by delivering to the Trustee written instructions not later than 48 hours before the time fixed for the relevant Meeting. Any holder of a Bond may obtain an uncompleted and unexecuted Form of Proxy from the Trustee. A Block Voting Instruction and a Form of Proxy cannot be outstanding simultaneously in respect of the same Bond.

## 3. Record Date

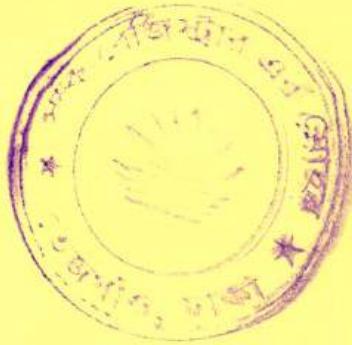
The Issuer may fix a record date for the purposes of any Meeting or any resumption thereof following its adjournment for want of a quorum provided that such record date is not more than 10 days prior to the time fixed for such Meeting or (as the case may be) its resumption. The person in whose name a Bond is registered in the Register at close of business on the record date shall be deemed to be the Holder of such Bond for the purposes of such Meeting, notwithstanding any subsequent transfer of such Bond or entries in the Register.

## 4. Convening of Meeting

The Issuer or the Trustee may convene a Meeting at any time, and the Trustee shall be obliged to do so upon the request in writing of one or more Bondholders of a series holding not less than one tenth of the aggregate principal amount of the outstanding Bonds of such series. Every Meeting shall be held on a date, and at a time and place, approved by the Trustee.

## 5. Notice

At least 21 days' notice (exclusive of the day on which the notice is given and of the day on which the relevant Meeting is to be held) specifying the date, time and place of the Meeting shall be given to the Bondholders (with a copy to the Issuer) where the Meeting is convened by the Trustee or, where the Meeting is convened by the Issuer, the Trustee. The notice shall set out the full text of any resolutions to be proposed and shall state that



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a Bondholder may appoint a Proxy either under a Block Voting Instruction by delivering written instructions to the Trustee or by executing and delivering a Form of Proxy to the Specified Office of the Trustee, in either case until 48 hours before the time fixed for the Meeting. The notice shall be given in accordance with Condition 13.

#### **6. Chairman**

An individual (who may, but need not, be a Bondholder) nominated in writing by the Trustee may take the chair at any Meeting but, if no such nomination is made or if the individual nominated is not present within 15 minutes after the time fixed for the Meeting, those present shall elect one of themselves to take the chair failing which, the Issuer may appoint a Chairman. The Chairman of an adjourned Meeting need not be the same person as was the Chairman of the original Meeting.

#### **7. Quorum**

The quorum at any Meeting shall be at least the number of Voters representing or holding not less than the Relevant Fraction of the aggregate principal amount of the outstanding Bonds unless the business of such meeting includes consideration of proposals relating inter alia to a Reserved Matter, in which case the quorum for passing an Extraordinary Resolution will be two or more persons holding or representing not less than 75 per cent in principal amount of the Bonds for the time being outstanding.

#### **8. Adjournment for want of quorum**

If within 15 minutes after the time fixed for any Meeting a quorum is not present, then:

- (a) in the case of a Meeting requested by Bondholders, it shall be dissolved; and
- (b) in the case of any other Meeting (unless the Issuer and the Trustee otherwise agree), it shall be adjourned for such period (which shall be not less than 14 days and not more than 42 days) and to such place as the Chairman determines (with the approval of the Trustee); *provided, however, that:*
  - (i) the Meeting shall be dissolved if the Issuer and the Trustee together so decide; and
  - (ii) no Meeting may be adjourned more than once for want of a quorum.

#### **9. Adjourned Meeting**

The Chairman may, with the consent of, and shall if directed by, any Meeting adjourn such Meeting from time to time and from place to place, but no business shall be transacted at any adjourned Meeting except business which might lawfully have been transacted at the Meeting from which the adjournment took place.

#### **10. Notice following adjournment**

Paragraph 5 (*Notice*) shall apply to any Meeting which is to be resumed after adjournment for want of a quorum save that:



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- (a) 10 days' notice (exclusive of the day on which the notice is given and of the day on which the Meeting is to be resumed) shall be sufficient; and
- (b) the notice shall specifically set out the quorum requirements which will apply when the Meeting resumes.

It shall not be necessary to give notice of the resumption of a Meeting which has been adjourned for any other reason.

#### **11. Participation**

The following may attend and speak at a Meeting:

- (a) Voters;
- (b) representatives of the Issuer and the Trustee;
- (c) the financial advisers of the Issuer and the Trustee;
- (d) the legal counsel to the Issuer and the Trustee and such advisers; and
- (e) any other person approved by the Meeting or the Trustee.

#### **12. Show of hands**

Every question submitted to a Meeting shall be decided in the first instance by a show of hands. Unless a poll is validly demanded before or at the time that the result is declared, the Chairman's declaration that on a show of hands a resolution has been passed, passed by a particular majority, rejected or rejected by a particular majority shall be conclusive, without proof of the number of votes cast for, or against, the resolution. Where there is only one Voter, this paragraph shall not apply and the resolution will immediately be decided by means of a poll.

#### **13. Poll**

A demand for a poll shall be valid if it is made by the Chairman, the Issuer, the Trustee or one or more Voters representing or holding not less than one fiftieth of the aggregate principal amount of the outstanding Bonds. The poll may be taken immediately or after such adjournment as the Chairman directs, but any poll demanded on the election of the Chairman or on any question of adjournment shall be taken at the Meeting without adjournment. A valid demand for a poll shall not prevent the continuation of the relevant Meeting for any other business as the Chairman directs.

#### **14. Votes**

Every Voter shall have:

- (a) on a show of hands, one vote; and
- (b) on a poll, one vote in respect of each BDT 1,000,000.00 in aggregate face amount of the outstanding Bond(s) represented or held by him.



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*Sd/-*  
Md. Ashraful Haque

Abu Nayem Md. Ibrahim  
Chief Executive Officer  
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Unless the terms of any Block Voting Instruction state otherwise, a Voter shall not be obliged to exercise all the votes to which he is entitled or to cast all the votes which he exercises in the same way. In the case of a voting tie the Chairman shall have a casting vote.

#### **15. Validity of Votes by Proxies**

Any vote by a Proxy in accordance with the relevant Block Voting Instruction or Form of Proxy shall be valid even if such Block Voting Instruction or Form of Proxy or any instruction pursuant to which it was given has been amended or revoked, *provided that* the Trustee has not been notified in writing of such amendment or revocation by the time which is 24 hours before the time fixed for the relevant Meeting. Unless revoked, any appointment of a Proxy under a Block Voting Instruction or Form of Proxy in relation to a Meeting shall remain in force in relation to any resumption of such Meeting following an adjournment; *provided, however, that* no such appointment of a Proxy in relation to a Meeting originally convened which has been adjourned for want of a quorum shall remain in force in relation to such Meeting when it is resumed. Any person appointed to vote at such a Meeting must be re-appointed under a Block Voting Instruction or Form of Proxy to vote at the Meeting when it is resumed.

#### **16. Powers**

A Meeting shall have power (exercisable only by Extraordinary Resolution), without prejudice to any other powers conferred on it or any other person:

- (a) to approve any Reserved Matter;
- (b) to approve any proposal by the Issuer for any modification, abrogation, variation or compromise of any provisions of this Trust Deed or the Conditions or any arrangement in respect of the obligations of the Issuer under or in respect of the Bonds;
- (c) to approve the substitution of any person for the Issuer (or any previous substitute) as principal obligor under the Bonds;
- (d) to waive any breach or authorise any proposed breach by the Issuer of its obligations under or in respect of this Trust Deed or the Bonds or any act or omission which might otherwise constitute an Event of Default under the Bonds;
- (e) to remove any Trustee;
- (f) to approve the appointment of a new Trustee;
- (g) to authorise the Trustee (subject to its being indemnified and/or secured to its satisfaction) or any other person to execute all documents and do all things necessary to give effect to any Extraordinary Resolution;



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Abu Nayem Md. Ibrahim  
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- (h) to discharge or exonerate the Trustee from any liability in respect of any act or omission for which it may become responsible under this Trust Deed or the Bonds;
- (i) to give any other authorisation or approval which under this Trust Deed or the Bonds is required to be given by Extraordinary Resolution; and
- (j) to appoint any persons as a committee to represent the interests of the Bondholders and to confer upon such committee any powers which the Bondholders could themselves exercise by Extraordinary Resolution.

#### **17. Extraordinary Resolution binds all holders**

An Extraordinary Resolution shall be binding upon all Bondholders, whether or not present at such Meeting, and each of the Bondholders shall be bound to give effect to it accordingly. Notice of the result of every vote on an Extraordinary Resolution shall be given to the Bondholders (with a copy to the Issuer and the Trustee) within 14 days of the conclusion of the Meeting.

#### **18. Minutes**

Minutes of all resolutions and proceedings at each Meeting shall be made. The Chairman shall sign the minutes, which shall be *prima facie* evidence of the proceedings recorded therein. Unless and until the contrary is proved, every such Meeting in respect of the proceedings of which minutes have been summarised and signed shall be deemed to have been duly convened and held and all resolutions passed or proceedings transacted at it to have been duly passed and transacted.

#### **19. Written Resolution**

A Written Resolution shall take effect as if it were an Extraordinary Resolution.

#### **20. Further regulations**

Subject to all other provisions contained in this Trust Deed, the Trustee may without the consent of the Issuer or the Bondholders prescribe such further regulations regarding the holding of Meetings of Bondholders and attendance and voting at them as the Trustee may in its sole discretion determine.



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### SCHEDULE -3

#### FEATURES OF IBBL 2<sup>ND</sup> PERPETUAL MUDARABA BOND

1.	Issuer	Islami Bank Bangladesh Limited (the “IBBL”/ the “Bank”/ the “Issuer”).
2.	Name of the Instrument	IBBL 2 <sup>nd</sup> Perpetual Mudaraba Bond.
3.	Issue Type	Unsecured, Subordinated, Contingent-Convertible, Fully paid up, Non-Cumulative, BASEL III compliant Perpetual Debt Instrument (i.e. Bond) for inclusion in Additional Tier1 Capital as regulatory capital.
4.	Issue size	BDT 800,00,00,000 only.
5.	Face Value/ Issue Price	BDT 5,000 only per Bond.
6.	Mode of Issue	BDT 720,00,00,000 only (90% of total Issue size) for private placement/offer and BDT 80,00,00,000 only (10% of total Issue size) for public issue/offer.
7.	Market Lot	01 (one) unit/bond and in multiple of 01 unit/bond thereafter.
8.	Maturity Period/Tenor	The Bond is perpetual i.e. there is no maturity date and there are no step-ups or other incentives to redeem.
9.	Nature of Instrument and status of the Bond	Unsecured debt instrument. The Bonds are neither secured nor covered by a guarantee of the Issuer (i.e. the Bank) nor related entity or other arrangement that legally or economically enhances the seniority of the claim of the holders of the Bondholders vis-à-vis other creditors of the Issuer (i.e. the Bank). Bondholders will not be entitled to receive notice of or attend or vote at any meeting of shareholders of the Issuer or participate in the management of the Issuer.



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10.	Purpose and Objectives	Augmenting <b>Additional Tier 1 Capital</b> (As per the terms defined in Basel III Regulations/Guidelines/Bangladesh Bank RBCA Guidelines-2014) and over all capital of the Issuer (i.e. Bank) for strengthening its capital adequacy and for enhancing its long-term resources in accordance with Bangladesh Bank Guidelines.
11.	Issuance Mode	Dematerialized form.
	Redemption date	Not applicable as the Bonds are perpetual and there shall be no redemption/maturity date.
12.	Details of the utilization of the proceeds	The funds being raised by the Issuer (i.e. Bank) through the present Issue are not meant for financing any particular project. The Bank (i.e. the Issuer) shall utilize the proceeds of the Issue for its regular business activities. The Issuer (i.e. Bank) shall not utilize proceeds of the Issue for any purpose which may be in contravention of the regulations/ guidelines/ norms issued by the Bangladesh Bank and Bangladesh Securities and Exchange Commission.
13.	Deemed Date of Allotment	For private placement/offer on the subscription closing date upon realisation of proceeds of subscription money in the designated bank account(s) and for public offer/issue on such date to be decided/fixed later based on regulatory approvals.
14.	Transferability	Transfer and transmission of the Bonds shall be subject to the Depositories Act. 1999, the rules made thereunder, the byelaws, rules and regulations of the Depositories as amended from time to time.
15.	Seniority of Claims/ Seniority of the Instrument/ Claim Settlement in the event of Liquidation or Wind- up	Unsecured Additional Tier 1 Bonds (as the term is defined in the Basel III Guidelines under pertinent Bangladesh Bank Guidelines, to the extent applicable.)  The Claims of the Bondholders shall:  (i) be superior to the claims of investors in equity shares;



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		<ul style="list-style-type: none"> <li>(ii) be subordinated to the claims of depositors and general creditors of the bank;</li> <li>(iii) be subordinated to the claims of Bank's existing non-convertible, listed, debt instrument <b>Mudaraba Perpetual Bond (MPB) of BDT 3,000 million (i.e. 1<sup>st</sup> mudaraba perpetual Bond of the Issuer)</b>;</li> <li>(iv) pari passu without preference amongst themselves and other unsecured debt instruments classifying as Additional Tier 1 Capital and Tier 2 in terms of Basel III Guidelines whether currently outstanding or issued at any time in the future.; and</li> <li>(v) neither secured nor covered by a guarantee of the issuer nor related entity or other arrangement that legally or economically enhances the seniority of the claim vis-à-vis bank creditors.</li> </ul> <p>The instrument cannot contribute to liabilities exceeding assets if such a balance sheet test forms part of a requirement to prove insolvency under any law or otherwise.</p> <p>Tier 1 Capital and Tier 2 Capital shall have the meaning ascribed to such terms in the Basel III Guidelines.</p>
16.	Listing Status	The Bonds shall be listed with stock exchange(s) after deemed date of allotment and or after subscription closing date (on main board and/or ATB- Alternative Trading Board as per instructions of the regulators).
17.	Convertibility	Contingent Convertible on pre-specified trigger point (as fixed/ to be fixed by the Bangladesh Bank/regulator(s) from time to time).
18.	Redemption/Principal Repayment Amount	Not applicable. However, in case of Redemption on account of exercise of Call Option or Otherwise, in accordance with Bangladesh Bank Basel III Guidelines/instructions, the Bond shall be redeemed at Par along with coupon/profit accrued till one day prior to the



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		call option date, subject to fulfillment of terms and conditions as mentioned in Bangladesh Bank Guidelines.
19.	Late Redemption	Not Applicable. Since the instrument is perpetual in nature i.e. there is no maturity date; late redemption is not applicable unless and until it is eligible for call option criteria.
20.	Put Option	Not Applicable.
21.	Put Date	Not Applicable.
22.	Put Price	Not Applicable.
23.	Issuer Call Option	Can be exercised only after ten years of issuance, with prior approval from the Bangladesh Bank.
24.	Call Option Eligibility/ Condition for exercise of call option	<p>The Call Option may be exercised subject to following conditions:</p> <p>(a) To exercise the Call Option, the Bank (i.e. the Issuer) must receive prior approval of Bangladesh Bank; and</p> <p>(b) The Bank (i.e. the Issuer) shall not exercise Call Option unless:</p> <p>(i) The Bond is replaced 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 Bank (i.e. the Issuer); or</p> <p>(ii) The Bank (i.e. the Issuer) demonstrates that its capital position is well above the minimum capital requirements after the call option is exercised.</p>
25.	Tax Call and Regulatory Call	The Issuer/Bank may call the instrument/bond due to the occurrence of Tax events or Regulatory event only if it is permitted by Bangladesh Bank.



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 Chief Executive Officer  
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26.	Call Option Price	At par.
27.	Repurchase/ Buy-Back/ Redemption	<p>(1) Principal amount of the Bonds may be repaid (e.g. through repurchase or buy-back or redemption) only with prior approval of Bangladesh Bank;</p> <p>(2) The Bank may repurchase/buy-back/redeem the instrument /Bond only if:</p> <ul style="list-style-type: none"> <li>a) It replaces the Bond 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 Bank (i.e. the Issuer); or</li> <li>b) The Bank (i.e. the Issuer) demonstrates that its capital position is well above the minimum capital requirements after the repurchase/ buy-back/ redemption.</li> </ul>
28.	Re-capitalization	The Bonds shall not have any features that hinder re-capitalization, such as provisions which require the Bank (i.e. the Issuer) to compensate investors if a new instrument is issued at a lower price during a specified time frame.
29.	Lead Arranger ( for Private Placement/ Offer)	<b>UCB Investment Limited.</b>
30.	Joint Co- Arrangers ( for Private Placement/ Offer)	<b>Prime Bank Investment Limited and Islami Bank Capital Management Limited.</b>
31.	Issue Managers (jointly) for public offer/issue	<b>Prime Bank Investment Limited and UCB Investment Limited.</b>
32.	Underwriter(s)	<b>AIBL Capital Management Limited.</b>
33.	Trustee	<b>SBL Capital Management Limited.</b>



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 Chief Executive Officer  
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34.	Legal Advisor	<b>Barrister Md. Mydul H. Khan.</b>
35.	Credit Rating Agency	<b>Alpha Credit Rating Limited.</b>
36.	Credit Rating of the Issue	<b>AA+, Outlook: Stable</b>
37.	Prohibition on Purchase/ Funding in Bonds	<p>Neither the Bank (i.e. Issuer) nor a related party over which the bank exercises control or significant influence (as defined under relevant Accounting Standards) should purchase the instrument, nor can the bank directly or indirectly should fund the purchase of the instrument.</p> <p>The same restriction will also apply to the employees' retirement benefit funds of the issuing bank. Bank should also not grant advances against the security of the instrument issued by them.</p>
38.	Profit/Coupon Type	Floating Rate.
39.	Benchmark Profit Rate/ Coupon Rate/ Rate of Return/ Profit Distribution	<p>The total profit on the Bonds will be calculated by Benchmark Mudaraba profit rate/coupon rate plus a predetermined additional profit rate/margin as described in below mechanism:</p> <p>Rate of return will be calculated based on the latest available published deposit rate in Bangladesh Bank website. The average of yearly deposit rate (1 year but &lt; 2 year) of scheduled Islamic banks (1st Generation, 2nd Generation and 3rd Generation banks only) will be considered excluding foreign Islamic banks and any Z-category Islamic Banks enlisted in capital market. Furthermore, if any Islamic bank goes into OTC Market/ delisted, that will be excluded from rate of return calculation as well.</p> <p>The Benchmark rate will be calculated/fixed by the Trustee on every "Profit/Coupon Reset Date" or "Profit Rate/Coupon Rate Determination Date" and notified to the</p>



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		Issuer (i.e. the Bank) and all Investors/Bondholders on every Profit Reset Date.
40.	Additional profit rate/ margin with Benchmark Profit Rate/ Coupon Rate	2.50% p.a.
41.	Rate of Return/Coupon Range (i.e. floor rate and ceiling rate)	Return Ceiling: 10%  Return Floor: 6% (subject to having available distributable profit)
42.	Exercise of Rate of Return/ Coupon/Profit Rate Discretion	Any return/coupon/profit will be distributed subject to having available distributable profit of the Issuer/Bank/IBBL.
43.	Profit/Coupon Payment Frequency	Profit will be paid to the bondholders annually within 60 days after due date and shall not be cumulative. However, the first profit/coupon payment period will be from the issue date/subscription closing date/deemed date of allotment up to the ensuing 31 December of the respective year of issue date/subscription closing date/deemed date of allotment. Thereafter, annual profit/coupon payment will be made as per Gregorian calendar year (i.e. Profit period/Coupon Period will be from 01 January to 31 December or up to Issuer Call date, or regulatory call date, if exercised).
44.	Coupon Payment Dates	On the Anniversary of the closing each Gregorian calendar year, subject to Bangladesh Bank Guidelines (up to Call option date, in case Call option is exercised by the Bank).
45.	Profit/Coupon rate Reset date/ Profit rate/ Coupon Rate determination date	The first rate will be determined at the date of the issuance of the Bond or subscription closing date (for private placement/offer) or deemed date of allotment (for public offer/issue) whichever comes first. From thereon, the rate will be re-fixed annually on 05(five) business days before the first day of any profit/coupon period for which a rate of return/coupon/profit is to be determined.



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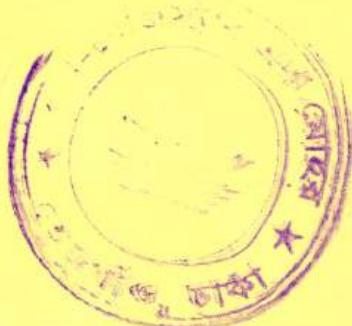
46.	Computation of Profit/Coupon/Day count Basis	The total Profit/Coupon for each of the Profit/Coupon periods shall be computed as per actual day count on the face value of principal outstanding at the coupon/profit rate. In case of a leap year, if February 29 falls during the tenor of the bonds then the number of days shall be reckoned as 366 days (actual/ actual day count convention) for a whole 1-year period.
47.	Settlement	Payment of Rate of Return/ Coupon/Profit and repayment/ redemption of principal shall be made by the way of cheque(s)/warrant(s)/demand draft(s)/Bank Payment Order(s) / credit through direct credit/ BACPS/ BD-RTGS/ BEFTN mechanism or any other permitted method at the discretion of the Issuer/IBBL/Bank.
48.	Record Date	15 days prior to each Coupon Payment Date, and Call Option Due Date. In the event the Record Date falls on a day which is not a Business Day, the immediately succeeding Business Day shall be considered as the Record Date. All bondholders/debt holders who are registered at Central Depository Bangladesh Limited, or if the bonds are not deposited in the depository, the persons whose name is recorded in the registers of the Issuer/Bank as on the relevant coupon/profit payment Record Date are eligible to receive coupon/profit for that relevant period.
49.	Shari'ah Approval	Shari'ah views and opinion from Bank's Shari'ah Supervisory Committee has been obtained.
50.	Penalty rate on delay repayment (as fixed by the Regulator)/Events of Default	In case of a default in payment of profit/coupon and/or principal redemption on the respective due dates (except in circumstances as mentioned in the Bangladesh Bank issued Basel III Guidelines), 2% p.a. (two percent per annum) as an extra above the usual documented Coupon Rate/profit rate of the bond will be paid to the bond holders as per rule 14(1-h) of Bangladesh Securities and Exchange (Debt Securities) Rules, 2021. However, it is clarified that any non-payment of Coupon/Profit /Return and or principal on account Bangladesh Bank Guidelines on Basel III capital regulation, Coupon/Profit Rate/Rate of Return Discretion



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		and other events of this term sheet, shall not be deemed to be an event of default and no such default penalty.
51.	Coupon/Profit Rate/Rate of Return Discretion	<ul style="list-style-type: none"> <li>(i) The bank (i.e. the Issuer) shall have full discretion at all times to cancel distributions/payments to the bondholder/ investors;</li> <li>(ii) Cancellation of Coupon/ discretionary payments shall not be an event of default as per serial no. 50 of this Term Sheet;</li> <li>(iii) Bank shall have full access to cancel payments to meet obligations as they fall due;</li> <li>(iv) Cancellation of distributions/payments shall not impose restrictions on the bank except in relation to distributions to common stakeholders;</li> <li>(v) Coupons/Profits shall be paid out of distributable items; and</li> <li>(vi) The Coupons/Profits shall not be cumulative i.e., Coupons/Profits missed in a year will not be paid in future years, even if adequate profit is available and the level of CRAR conforms to the regulatory minimum. When Coupons/Profits are paid at a rate lesser than the prescribed rate, the unpaid amount will not be paid in future years, even if adequate profit is available and the level of CRAR conforms to the regulatory minimum.</li> </ul>
52.	Dividend Stopper Clause Common Equity Holders' Dividend Stopper Clause	<p>Dividend Stopper Clause will be applicable to this instruments (i.e. Bonds) and will stop common equity holders' dividend payments on common shares in the event the holders of additional Tier 1 instruments (i.e. Bonds) are not paid profit/coupon either due to exercise of Issuer's Coupon Discretion or otherwise. For avoidance of doubt, the dividend stopper will not:</p> <ul style="list-style-type: none"> <li>(a) Stop payment on another instrument/Bond(s) where the payments on such this other instrument /Bond(s) are not fully discretionary;</li> <li>(b) Prevent distribution to shareholders for a period that extends beyond the point in time at which</li> </ul>



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		<p>dividends/profit /coupon on the Additional Tier 1 instrument/Bond are resumed;</p> <p>(c) Impede the normal operation of the Bank (i.e. Issuer or any restructuring activity (including acquisitions/disposals /amalgamation/ re-constitution etc.); or</p> <p>(d) Impede the full discretion that the bank has, at all times, to cancel the distributions or payments on the bonds nor act in a way that could hinder the re-capitalization of the Bank.</p>
53.	Loss Absorption Feature	<p>The AT-1 Capital qualifying Perpetual bond has a "Loss Absorption Feature" that will activate a loss absorption mechanism through "conversion of the bonds into common shares" at an objective per-specified "Trigger Point". Unless the Trigger Point takes place, this mechanism will never be activated. If the Trigger-Point or Trigger-Date is reached, the shortfall amount to maintain minimum required <b>consolidated</b> CET-1 Capital of Total <b>Risk-Weighted Assets (RWA)</b> will be converted into Common Shares as per Bangladesh Bank requirement from time to time (Currently of 4.50%).</p>
54.	Loss Absorption Methodology	<p>CET-1 on Trigger Point Condition Date will be considered to identify the shortfall percentage, which would be required to bring the <b>consolidated</b> Common Equity Tier 1 (CET-1) ratio to 4.50% of <b>RWA</b> and it will be converted into common shares at the Conversion Strike Price (CET-1 ratio always to be fixed as per Bangladesh Bank requirement from time to time).</p> <p>If a fractional share issuance arises upon conversion, the issuer will round the number of shares issuable, up to the next whole number. Fractional lot size will also be rounded to the next whole number.</p>
55.	Trigger Point for Loss Absorption Condition:	<p>If the bank's <b>consolidated</b> CET-1 falls below Bangladesh Bank requirement (Currently of 4.50%) and stays below for 03 (Three) successive quarters, it would be the Trigger Point Condition and the 3<sup>rd</sup> quarter-end date of consecutive below-minimum CET-1 Ratio would be the Trigger Point</p>



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		Condition Date. Once the Trigger Point Condition has been met and Loss Absorption feature has been exercised, the cycle will start again.
56.	Payment Suspension Methodology	<p>In case of the event of exercise of Loss Absorption feature of the Bond, any coupon payment in between the Trigger Point and publication date of audited financials will be suspended. The bondholder will not be eligible for the coupon payment if the same situation prevails (Bank's consolidated CET-1 ratio remains below the regulatory requirement of 4.5%) after the publication of audited financials. In case of conversion on Trigger Point Condition, the portion that will be required to be converted into equity shares, Coupon Payment will never resume back for that portion. The portion that shall not be converted, payment will resume from next coupon date for that non-converted portion, but subject to CET-1 Ratio remaining reaching 4.50% or above, and coupon will be paid along with previous coupon for this portion.</p> <p>No penal/additional/delay fee shall be charged on the Issuer for the period when coupon(s) payments are suspended.</p>
57.	Calculation basis	Shortfall percentage of the consolidated common equity tier 1 (CET-1) ratio on trigger point condition date will be calculated based on audited financial statements of the Issuer.
58.	Conversion Strike Price	Average of 180 business days market price prior to the Trigger Point Condition Date or par value (currently BDT 10/-) whichever is higher.
59.	Governing Law and Jurisdiction	The instrument/Bond is governed by and shall be construed in accordance with the Bangladesh Securities and Exchange Commission (Debt Securities) Rules, 2021. Any dispute arising thereof shall be subject to the jurisdiction of the competent courts of Bangladesh.
60.	Applicable Bangladesh Bank Guidelines	The instrument/Bond is being made in pursuance of "Guidelines on Risk Based Capital Adequacy (Revised Regulatory Capital Framework for banks in line with Basel



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		III)" on Basel III capital regulations issued by Bangladesh Bank vide BRPD Circular No- 18 dated December 21, 2014 ( herein after Basel III Regulations/ Basel III Guidelines/ Bangladesh Bank RBCA Guidelines-2014) covering criteria for inclusion of instruments in Regulatory Capital (Specific Eligibility Criteria to Qualify As Additional Tier 1 Capital stated in ANNEX-4 of Bangladesh Bank RBCA Guidelines-2014). The issue of Bonds and terms and conditions of the Bonds will be subject to the applicable guidelines/orders /rules/circulars issued by Bangladesh Bank and Bangladesh Securities and Exchange Commission from time to time.
61.	Regulatory Approval	Upon approval from the Bangladesh Securities and Exchange Commission and No-Objection Certificate from Bangladesh Bank, the Bank (i.e. Issuer) will issue the Bonds.
62.	Validity of the Consent (to be issued by BSEC)	The consent for issuance of securities under private offer shall remain valid for 06 (six) months from the date of consent or for such a period as determined by the Commission in the consent letter. The consent for issuance of securities under public issue shall remain valid for 03 (three) months from the date of consent or for such a period as determined by the Commission in the consent letter.
63.	BDT	All references to "BDT" or "Tk." are to the Bangladeshi Taka, the official currency of Bangladesh.
64.	Basel Accords	Global minimum standards for the prudential regulation of banks set by the Basel Committee on Bank Supervision, housed with the Bank for International Settlements. The Basel Accords do not have legal force. The standards need to be incorporated into local legal frameworks through each jurisdiction's rule-making process within the predefined time frame established by the Basel Committee on Bank Supervision. There are three main sets of these agreements, which are commonly known as Basel I, II, and III.



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65.	Basel III	<p>Means the Basel III International regulatory framework for banks. Basel III framework was drafted by the Basel Committee on Banking Supervision, which is a Committee of Bank of International Settlements. It is the risk-based capital framework to be followed by banks across countries and it has been designed to be risk sensitive across various types of banking assets, including securitization exposure. Basel III is based on the following three mutually reinforcing pillars that allow banks and supervisors to evaluate properly the various risks that banks face:</p> <ul style="list-style-type: none"><li>(i) minimum capital requirements, which seek to refine the present measurement framework;</li><li>(ii) supervisory review of an institution's capital adequacy and internal assessment process; and</li><li>(iii) market discipline through effective disclosure to encourage safe and sound banking practices.</li></ul>
66.	Basel III Regulations/ Basel III Guidelines/ Bangladesh Bank RBCA Guidelines-2014	<p>BRPD Circular No.-18 dated December 21, 2014 issued by the Bangladesh Bank (the central Bank of Bangladesh) on Basel III Capital Regulations (Guidelines on Risk Based Capital Adequacy, Revised Regulatory Capital Framework for banks in line with Basel III), as amended from time to time covering terms and conditions for issue of perpetual debt instruments for inclusion in Additional Tier 1 capital (Annex 4 of the Guidelines on Risk Based Capital Adequacy, Revised Regulatory Capital Framework for banks in line with Basel III).</p> <p>In the case of any discrepancy or inconsistency between the terms of the Bonds or any other Transaction Document and the Basel III Guidelines, the provisions of the Basel III Guidelines as per Bangladesh Bank shall prevail. The issue of Bonds and the terms and conditions of the Bonds will primarily be subject to and governed by the applicable guidelines issued by the Bangladesh Bank from time to time and the Rules and Regulations of Bangladesh Securities and Exchange Commission as amended from time to time.</p>



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67.	Common Equity Tier 1 (CET-1) capital	Common Equity Tier 1 Ratio means the common equity Tier 1 capital ratio as determined by the Bangladesh Bank, the Central Bank of Bangladesh.
68.	Additional Tier 1 (AT1) capital	Capital instruments that meet the criteria for inclusion in the additional tier 1 capital as defined by the Bangladesh Bank, the Central Bank of Bangladesh.



SIGNATURES

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ISSUER

ISLAMI BANK BANGLADESH LIMITED

Witness

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2.

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**TRUSTEE**

**SBL CAPITAL MANAGEMENT  
LIMITED**

**Witness**

By: desirable

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Date: 23 December 2021

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ପ୍ରକାଶନକାରୀ  
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କମ୍ପ୍ୟୁଟର  
ଆପ୍ଲିକେସନ୍ସ -  
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