

TERMS AND CONDITIONS GOVERNING ISLAMIC ACCOUNTS

These Terms and Conditions contain two parts namely:

Part A (General Terms and Conditions) and Part B (Specific Terms and Conditions)

IT IS AGREED AS FOLLOWS:

PART A: GENERAL TERMS AND CONDITIONS

(This Part A is applicable for all Islamic accounts)

1 DEFINITIONS AND INTERPRETATIONS

1.1 In these Terms and Conditions Governing Islamic Accounts, unless the context otherwise requires, the following shall apply:-

- i) "account" means any Islamic deposit account which the customer may open with the Bank from time to time;
- ii) "Bank" means Sumitomo Mitsui Banking Corporation Malaysia Berhad (Co. No.201001042446 (926374-U)) and includes its successors and assigns;
- iii) "Business day" means a day (other than Saturday, Sunday or a public holiday) on which banks in Malaysia and, if applicable, the country of the currency of the transaction, are open for general business;
- iv) "Customer" means the customer/applicant as referred to in the application form for the opening of the account and shall include, as applicable, the Customer's administrators, receivers, managers, liquidators, successors-in-title, assigns, and the authorised signatories of the Customer as appointed by the Customer from time to time;
- v) "Net Incremental" means the net amount received by the Bank after deducting any direct or indirect cost.
- vi) "person" includes any corporation, firm, partnership, association, society, institution and other business concern, statutory body, governmental authority and individual;
- vii) "prevailing industry requirements and practices" means the requirements, regulations and practices prevailing from time to time in relation to the Bank's business and operations and includes, without limitation, the rules of eSPICK, RENTAS and PayNet;
- viii) "Profit" means the profit rate of a particular transaction;
- ix) "Return Advice" is an advice issued by the Bank when a returned cheque cannot be represented due to technical reasons;
- x) "*Shariah* Principles" means the Islamic principles of banking and finance as adopted and approved by the Shariah Committee of the Bank and / or by

the Shariah Advisory Council of Bank Negara Malaysia under Part VII Chapters 1 and 2 of the Central Bank of Malaysia Act 2009;

- xi) "Terms and Conditions" means the terms and conditions set out in this Part A and shall include any amendments, variations and supplements made from time to time.
- xii) "Transaction Documents" means the documents required by the Bank to be completed in relation to the account including but not limited to the relevant transaction documents to comply with the *Shariah* Principles applicable under the account;
- xiii) words importing the singular shall include the plural and words importing the masculine shall include the feminine and neuter, and vice versa;
- xiv) where the expression "prevailing" is used to describe any amount or rate payable to/by the Bank at any point in time, it shall refer to the amount or rate prescribed by the Bank to apply or be in force at such time;
- xv) headings are for ease of reference only and shall not affect the interpretation of any provision contained in these Terms and Conditions; and

2 ACCOUNT OPENING AND OPERATION

- 2.1 In order to open and maintain an account, the Customer must complete and submit to the Bank such prescribed forms, information, evidence and documents as may be required by the Bank from time to time. The opening, maintenance and closure of each account is at all times subject to the Bank's approval and review from time to time.
- 2.2 For the purpose of account opening or subscription to any services offered by the Bank in relation to the account, the Customer hereby explicitly and voluntarily consents to the Bank conducting credit checks and verifying any information provided by the Customer with any party including any credit bureau or any organisation, corporation or body.
- 2.3 The Bank will be entitled to rely on any document that indicates the persons authorised to act on behalf of the Customer in respect of any account ("authorised signatories"). Each authorised signatory will (subject to any written mandate received and accepted by the Bank) be authorised on behalf of the Customer to:-

- i) open, operate, maintain and close accounts;
 - ii) overdraw accounts (to the extent permitted by the Bank);
 - iii) negotiate, agree to, execute and deliver any agreement relating to any accounts or services provided by the Bank, including but not limited to specific agreements relating to services, guarantees, undertakings, and indemnities such as relating to missing documents, or the delivery of documents; and
 - iv) give instructions in relation to any account or any transaction thereon, including, without limitation, for the payment, remittance, transfer or withdrawal of funds.
- 2.4 The Customer shall adhere to the Bank's security procedures for issuance of instructions to the Bank, to enable the Bank to verify that such instructions are authentic. A security procedure may require the use of call back procedures, technical devices, digital signatures, identifying words or numbers, encryption, or similar security devices. The Customer acknowledges that such security procedures will be used to verify the authenticity of, and not to detect errors in, any instructions. The Customer agrees to safeguard such security procedures and to make them available only to its authorised signatories. The Customer shall be bound by any instruction which has been authenticated through any such security procedure.
- 2.5 The Bank is not obliged to confirm any instruction issued or purportedly issued by the Customer. If the Customer chooses to confirm an instruction, any confirmation must be clearly marked as such, and, if there is any discrepancy between an instruction and a confirmation, the terms of the instruction will prevail. The Bank may, in its discretion (but is not obliged to), use any other means to confirm any instruction or purported instruction, even if any security procedure appears to have been followed. If the Bank is not satisfied with any confirmation, it may decline to honour an instruction without further reference to the Customer.

3 DEPOSITS

- 3.1 The Bank may refuse to accept or may decline any cash or cheque or financial instrument for deposit / collection. The Bank may reasonably not accept deposits in any currency, limit the amount which may be deposited, or return any deposit.
- 3.2 Foreign cheques and other financial instruments received for collection will be credited after the Bank is satisfied that it has received payment. Cheques and other financial instruments drawn on local banks may be credited when deposited but, unless the Bank's prior written approval has been obtained, may not be drawn against until the proceeds have been received in the account to the Bank's satisfaction. Crossed cheques to the order of third

parties which bear on their face the words "account payee" or "a/c payee" will not be accepted by the Bank for the account of the Customer. Other financial instruments to the order of third parties which bear endorsements other than the Customer's may be accepted at the discretion of the Bank, in which case the Customer will bear full responsibility for the validity and effectiveness of all endorsements.

- 3.3 All cheques and financial instruments deposited are received by the Bank as agent, and in the absence of any express agreement in writing between the Bank and the Customer to the contrary, only for collection and subject to final payment. The Bank will present cheques and financial instruments in accordance with prevailing industry requirements and practice, and may at its discretion refrain from presenting, demanding, collecting or giving notice of non-payment or dishonour with respect to any cheque or financial instrument on any day which is not a Business day. The Bank may immediately or at any time the Bank deems appropriate, debit the Customer's account if any cheque or other financial instrument is dishonoured or returned to the Customer, even if this creates a temporary Excess. Dishonoured cheques and other financial instruments may be returned by post to the last address of the Customer notified to the Bank at the Customer's risk and expense.
- 3.4 Deposits must be made in the manner prescribed or permitted by the Bank. The Customer acknowledges and agrees that the Bank may establish guidelines from time to time in relation to methods for making deposits and the Customer agrees to comply with such guidelines. Without prejudice to the generality of the foregoing, the Customer acknowledges that such guidelines may include, without limitation, the type of instruments which are eligible for deposit, the time(s) for acceptance and collection of deposited documents, and when such instruments will be sent for clearing. The Bank will be responsible or liable for any consequences of the Customer relying on such method of deposit including, without limitation, any delay in clearing the instrument and any loss of the instrument in each case caused directly by the Bank's gross negligence or wilful misconduct, but without limiting Clause 9 not otherwise. The Bank will not be responsible for the actions of other banks or clearing houses, or the loss or destruction of any cheque or financial instrument in the possession of other banks or clearing houses, or whilst in transit.
- 3.5 All deposit products which are included under the definition of Islamic Deposit under the Islamic Financial Services Act 2013 ("IFSA") are protected by Perbadanan Insurans Deposit Malaysia ("PIDM") up to RM250,000 for each depositor.

4 WITHDRAWALS, REMITTANCES AND TRANSFERS

4.1 The Bank may debit an account for all withdrawals whether the account is in credit or not, but the Bank is not bound to honour any withdrawal request if:-

- i) there are insufficient funds in the account (unless the Bank has expressly agreed with the Customer to the contrary); or
- ii) the withdrawal request, in the Bank's opinion:-
 - a) bears signature(s) different from the specimen signature(s) furnished to the Bank notwithstanding that the withdrawal request is or appears to have been made by the authorised signatory(ies) of the Customer; or
 - b) the withdrawal request is or otherwise appears to be irregular in any way; or
 - c) the Bank is requested by any regulatory or governmental body or by order of court to freeze the account or disallow any withdrawal.

Any payment made by the Bank pursuant to a withdrawal request purportedly signed by the Customer or its authorised signatory(ies) shall be a complete discharge and will absolve the Bank from any liability to the Customer or to any other party.

4.2 No withdrawals may be made except at the branch where an account is maintained. Withdrawals shall be made in such manner and on such terms and conditions as prescribed by the Bank from time to time.

4.3 No alteration whatsoever may be made to cheques. The Bank is not bound to clear or honour any cheque or withdrawal request which bears or appears to bear any form of alteration (whether countersigned by the Customer or otherwise).

4.4 Withdrawals, remittances and transfers of funds in a foreign currency are subject to availability and adequate notice being received by the Bank, and to payment of the Bank's prescribed commission and/or charges. If the Bank, in its absolute discretion, accepts a funds transfer instruction issued by the Customer for payment in a currency other than the currency of the account, the Bank may debit such account for the equivalent amount of the foreign currency transferred at the Bank's prevailing rate of exchange or as otherwise agreed.

4.5 In relation to each remittance and/or transfer of funds:

- i) notwithstanding any other provision contained in these Terms and Conditions, neither the Bank nor its correspondents or agents shall be liable for any loss or damage due to (a) errors, delays or defaults of any kind in the transmission or delivery of messages or instructions by any means; (b) any act, decree, regulation or law of any relevant government or governmental agency; (c) any failure to locate or error in identifying the named payee; (d) non-receipt of funds by the payee's bank; (e) any interruption,

omission, error or delay in the transmission of funds; or (f) any cause whatsoever beyond the control of the Bank, its correspondents or agents;

- ii) the Bank may agree to accept a request by the Customer for the refund or repurchase of the transferred funds or the draft, as the case may be. If the Bank agrees to repurchase a draft, it shall be on the condition that the Bank must first receive the original draft duly endorsed by the Customer and that the repurchase shall be at the prevailing buying rate for the currency in question. All repurchases and refunds shall be made after deducting the Bank's costs, charges, expenses and commissions and shall be subject to the Bank being in possession of the funds, in respect of which the payment instructions are issued, free from any exchange or other restriction;
- iii) where a remittance or transfer is in a currency other than the currency of the country to which the remittance or transfer is made, payment shall be made in the currency of that country at the buying rate of the Bank's correspondent or agent (unless otherwise agreed between the payee and the correspondent or agent);
- iv) if a draft is lost stolen or destroyed, the Customer will provide the Bank with an acceptable bond or indemnity in favour of the Bank in connection with any request by the Customer for issuance of a replacement draft or a refund of the amount of the original draft;
- v) save where such loss or damage is directly caused by the gross negligence or wilful misconduct of itself or its employees: (a) The Customer undertakes to indemnify and to keep the Bank indemnified against all losses, claims, actions, proceedings, demands, damages, costs and expenses ("Liabilities") incurred or sustained by the Bank arising out of or in connection with the Bank acting on any remittance or funds transfer. (b) The Bank shall not be liable for any Liabilities arising out of or in connection with acting on any remittance or funds transfer;
- vi) any remittance or funds transfer requests, inclusive of those not submitted on the Bank's standard forms, will be subject to the Bank's prevailing terms and conditions for remittances and funds transfers, including those specified above;
- vii) all applications are subject to the Bank's approval;
- viii) any payment of funds shall be subject to the laws and regulations of the country where the payment is to be made;
- ix) the Bank is not responsible for any currency restriction or for delays/losses caused by or resulting from any act of any government or

governmental agency or failure of any clearing, settlement or payment system or for the diminution in value or unavailability of funds; and

- x) there may be fees, duties, charges and costs other than as charged by the Bank such as by the authorities or correspondent / agent banks that are to be borne by the Customer.

4.6 The Customer acknowledges the withdrawal of any monies in an existing account insured by PIDM will not be protected by PIDM if it is a withdrawal or if used for the subsequent purchase of or transfer after first time purchase or transfer, to a:

- i) deposit account payable or opened outside Malaysia;
- ii) deposit account held by a financial institution conducting Labuan banking business or Labuan Islamic banking business;
- iii) deposit account held by a non-deposit taking member of PIDM; and
- iv) non-deposit or investment account.

5 AUTHORISED SIGNATORIES

5.1 Where the account has two (2) or more authorised signatories, if the Bank receives contrary or conflicting instructions from any signatory, it may immediately (but shall not be obliged to) refuse to act except on the instructions of all signatories ('joint instructions') despite that the account mandate provides for single or joint signatories. In such an instance, the Bank will treat all previous signing instructions as having been cancelled and the Bank will not be required to act until it receives such instructions signed by all signatories. Pending the receipt of such joint instructions, the Bank may refuse to honour any debit or transfer (automated or otherwise) of funds from the account.

5.2 Subject to any written mandate to the contrary pre-agreed between the Bank and the joint account holders, the Bank has the right but is not obliged:-

- i) debit any joint account with any cheques or financial instruments drawn, accepted or made by any one of the joint account holders and to carry out any instructions of any one of the joint account holders in connection with the joint account, despite that this may result in a temporary Excess-on the joint account;
- ii) credit any joint account with funds belonging to, and cheques and financial instruments payable to, any one or more of the joint account holders;

5.3 The Bank may in its discretion:-

- i) make at the request of any joint account holder any advance to any joint account holder by way of loan/financing, excess or otherwise;
- ii) refuse to permit any withdrawal from or any transaction on any joint account in the event (1)

any joint account holder becomes insolvent, is unable to meet its debts when they fall due or analogous proceedings are instituted in respect of any joint account holder; (2) any liquidator, receiver, manager, special administrator has been appointed over any joint account holder or all or any part of its assets; (3) any moratorium being declared in respect of the debts or liabilities of any joint account holder; or (4) any joint account holder enters into an assignment, composition or scheme of arrangement with its creditors.

6 REPRESENTATIONS AND WARRANTIES OF THE CUSTOMER

6.1 The Customer makes the following representations and warranties to the Bank from and after the date of these Terms and Conditions which are deemed to be repeated at all times (having regard to the circumstances existing at the time of repetition) so long the account remains valid and maintained with the Bank:

- i) **Status:** the Customer is a corporation, duly incorporated and validly existing under the law of its jurisdiction of incorporation and the Customer has the power to own its assets and carry on its business as it is being conducted;
- ii) **Powers and authorisation:** the Customer has the powers and legal authority and has obtained all governmental, statutory, regulatory or corporate authority, consents, licences, approvals (including approvals of the Controller of Foreign Exchange, if applicable), authorisations, waivers and disclaimers which are and shall be in full force and effect to the Bank's satisfaction to execute and deliver, and perform their respective obligations under the Transaction Documents to which they are a party, which constitute valid and binding obligations of the Customer enforceable in accordance with their respective terms;
- iii) **Binding obligation:** the obligations expressed to be assumed by the Customer in the Transaction Documents are legal, valid, binding and enforceable obligations;
- iv) **Non-conflict:** the entry into and performance of the Transaction Documents by the Customer do not and will not conflict with:
 - a) any law or regulation or any official or judicial order applicable to the Customer or any of its assets is subject; or
 - b) the Customer or any of its subsidiaries' constitutional documents; or
 - c) any agreement or instrument binding upon the Customer or any of its subsidiaries' assets and/or any laws and/or borrowing / financing limits or restrictions to which they are subject to in their respective jurisdiction

and no litigation, arbitration or administrative proceedings or claim, actions, investigations or enquiries are presently current or pending or threatened against the Customer;

- v) **Validity:** all authorisations required or desirable to enable the Customer to lawfully enter into, exercise their rights and comply with their obligations in the Transaction Documents to which they are a party have been obtained or effected and are in full force and effect;
- vi) **Immunity:** the Customer and their respective assets are not entitled to claim immunity from suits, execution, attachment or other legal process in any proceedings taken in its jurisdiction of incorporation in relation to the Transaction Documents to which the Customer is a party to;
- vii) **No connected parties:**
 - a) The Customer's directors or officers are not related as parent, spouse, child or relative (as defined under section 2 of the IFSA and the Financial Services Act 2013 ("FSA")) to any employee of the Bank or its subsidiaries; and
 - b) The Customer is not aware of a director or officer (or their parent, spouse, child or relative as defined under section 2 of the IFSA and FSA) of the Bank maintaining a material interest in the Customer;
- viii) **Exclusive Purpose:** The account shall be exclusively applied towards the purpose stated in the application form for account opening/placement and shall at all times be used for *Shariah* compliant purposes and will not be used in any manner which is in contravention with the religion of Islam;
- ix) **Winding Up:** no winding up proceedings have been commenced against the Customer and no steps have been taken or are being taken to appoint a receiver or a receiver and manager or a liquidator to take over or to wind up or dissolve the Customer;
- x) **Disclosure:** the Customer has fully disclosed in writing to the Bank all facts relating to the Customer, which the Customer knows or should reasonably know and which are material for disclosure to the Bank in the context of the account;
- xi) **Information:** all documents, particulars, declarations and other information furnished by the Customer in connection with the application for the account opening/placement is accurate and correct in all respects and were honestly made after due and careful enquiry by the Customer;

xii) **FATCA status:** the Customer is not and shall not become resident for tax purposes in the United States of America and that its payment (or any part of it) under these Terms and Conditions is not from sources within the United States of America for US federal income tax purpose (including without limitation to the United States Foreign Account Tax Compliance Act ("FATCA") (as may be amended, re-enacted or replaced from time to time);

xiii) **Deduction:** the Customer is not required by any applicable law to make any deduction or withhold any amounts payable by it to the Bank under these Terms and Conditions and in relation to the transactions contemplated pursuant to the Transaction Documents which will rank equally (*pari passu*) with the claims of all its other unsecured creditors save for those whose claims are preferred solely by any bankruptcy, insolvency, liquidation or other laws of general application.

6.2 Survival

The representations and warranties set out in Clause 6.1 shall be correct and accurate in all respects and shall survive the execution and delivery of these Terms and Conditions.

7 CUSTOMER'S DUTIES

7.1 The Customer shall promptly notify the Bank in writing of:-

- i) any variation to his signature or that of the authorised signatories;
- ii) any change in the mandate for any account or any signature requirements;
- iii) any change of authorised signatories;
- iv) any change to the Customer's address or other relevant particulars including, without limitation, any change of partners or directors, corporate or other approvals and any amendments to constitutive documents.

The Bank shall be entitled to a reasonable period of time (of at least seven (7) Business days from receipt) to process any notification of change. The Bank shall not be responsible or liable for any loss or damage suffered or incurred by the Customer in the course of the notice period for processing such variations and/or changes.

7.2 A statement of account will be rendered to the Customer once a month or on such periodic basis as the Bank may from time to time determine, where one or more transactions have taken place in that period in relation to the account. Where the Bank determines that the Customer's account has been inactive for at least one year or such other period as may from time to time be prescribed by the Bank, no

statement of account will be sent in relation to such inactive account. The Customer shall notify the Bank in writing if the Customer does not receive any statement of account within seven (7) days of the expected date of receipt.

- 7.3 In the case of current accounts for which cheque books are issued, the Customer shall immediately notify the Bank in writing if the Customer does not receive a cheque book which he has requested, within two (2) weeks from the date of his request.
- 7.4 If any seal or stamp used by the Customer in operating any account is stolen, misplaced or lost, the Customer shall immediately notify the Bank in writing. The Bank shall not be responsible or liable for any loss, damage, costs or expenses incurred by the Customer as a result of any payment made or transaction carried out on an account pursuant to use of such seal or stamp, prior to the Bank receiving such written notice.
- 7.5 The Customer shall examine all debit, credit and other entries in each statement of account, transaction advice, deposit advice and other record ("Records") and inform the Bank immediately in writing of any errors in or omissions from or unauthorised debits or credits in the Records. The contents of each Record shall be taken as accurate and shall be conclusive and binding against the Customer and the Bank shall be free from all claims in respect of it unless the Customer:-
 - i) informs the Bank in writing of any errors or omissions or unauthorised debits or credits within the period specified on the Record for such notification or, in the absence of such specification, within seven (7) days of the date of the Record; and
 - ii) provides the Bank with all information and evidence necessary for the Bank to investigate the alleged error, omission or unauthorised debit or credit.

The Bank reserves the right upon notice to the Customer to add to and/or amend any entries in a Record. The Bank will not be responsible for the Customer's reliance on any entries in a Record which are subsequently added to or amended by the Bank, and a Record so amended shall be binding on the Customer. The Bank may demand a refund of and/or debit any account and/or set off any credit balance in any account for any overpayment to the Customer arising from any error, omission or unauthorised debit or credit in a Record.

- 7.6 The Customer acknowledges that the Bank may maintain its records in electronic form (including by way of scanned or electronic reproductions of any forms, documents, instructions or communications delivered to or by the Bank), and accepts that such electronic records shall be final and conclusive and binding on the Customer.

8 SET OFF

- 8.1 Subject to *Shariah* Principles, if the Bank accepts or incurs Liability on an account of the Customer, (whether the Liability is in Malaysia or elsewhere, or present or future, or actual or contingent, or primary or collateral, or several, or jointly with any other person), or the Customer fails to make payment of any amount due to the Bank or fails to return any amount wrongly credited to the account, the Bank may, without prejudice to any other rights and remedies available to it or under the terms of any other agreement, or in law or customarily enjoyed by bankers (and is irrevocably and unconditionally authorised by the Customer to) immediately and with 7 days' notice:-

- i) set off the monies standing in any of the Customer's accounts against all or part of the Liabilities although the relevant accounts are held in different jurisdictions, or are held in a different currency from the Liabilities, and the Bank is authorised to effect any conversions at the Bank's own rate of exchange then prevailing;
- ii) refuse any withdrawals from the accounts or other transactions on the accounts or earmark any amounts credited or expected to be credited to the Customer's accounts until the Liabilities have been discharged in full; and/or
- iii) combine or consolidate any or all of the Customer's accounts regardless of where the accounts are located or are held in a different currency from the Liabilities, and the Bank is authorised to effect any conversions at the Bank's own rate of exchange then prevailing.

The Customer shall be liable to the Bank for any shortfall and for all costs, charges and expenses (including legal fees on a full indemnity basis) incurred by the Bank in connection with this Clause or incidental to set-off, combination or sale and will immediately on demand pay such amounts to the Bank.

9 INDEMNITY AND EXCLUSION OF LIABILITY

- 9.1 Save as directly due to the gross negligence or wilful default of the Bank, the Customer shall indemnify the Bank and its agents, employees, officers and directors, and keep each of them indemnified in full from and against:-

- i) any claims, judgments, suits, proceedings, actions and demands; and
- ii) any losses, damages, costs and expenses (including legal fees on a full indemnity, solicitor and client basis and any applicable taxes),

suffered or incurred by the Bank as a direct or indirect result of (1) the Bank's acceptance or execution of any request, instruction or direction of the Customer or any of its authorised signatories; (2) any breach of these Terms and Conditions by the

Customer or any misrepresentation on the part of the Customer; (3) the Bank guaranteeing any endorsement or discharge on a cheque or other financial instrument presented for collection (and each such guarantee given by the Bank shall be deemed to have been given at the Customer's express request); and (4) the Bank's payment of any taxes, profit or penalty otherwise due from the Customer and paid on the Customer's behalf or for which the Bank has no responsibility under these Terms and Conditions.

9.2 Except directly due to the Bank's gross negligence or wilful default, the Bank shall not be liable for any loss, damage, costs or expenses incurred by the Customer, including, without limitation:

- i) as a result of computer breakdown, mechanical failure or malfunction, interruption or disruption of services, material alteration of withdrawal requests or other reasons of any kind through no fault of the Bank;
- ii) where the Bank is prevented from acting as a result of governmental restrictions or as a result of requirements by all applicable laws and regulations, natural disaster, strike, war or other circumstances beyond the Bank's control; or
- iii) arising from the exercise by the Bank of its rights under these Terms and Conditions.

Without prejudice to the above, the Bank shall not be liable for the presentation for payment or any payment on any altered and/or forged cheque, Image Return Document ("IRD") or other financial instrument, where the alteration and/or forgery is attributable to or was made possible by the Customer's own negligence or default. The Bank shall not be responsible for any loss by fraudulent or unauthorised drawings.

10 BANK CHARGES, LEGAL COSTS ETC

10.1 The Bank may from time to time impose a charge at its prevailing rate for any service provided by it and/or in relation to the opening, operation, maintenance or closing of the account, and handling garnishee orders, injunctions and other court orders, proceedings or regulatory requests relating to the account. Without prejudice to the generality of the foregoing, the Bank may, in its discretion, levy a commission in lieu of exchange and/or handling charge (in each case at its prevailing rate) on the value of currency, cheques and other monetary instruments denominated or expressed in a currency other than the currency of the jurisdiction in which the relevant account is held which are accepted for deposit or paid on withdrawal or which are presented to the Bank for clearing or collection. The Bank reserves the right to impose a charge on any account where the credit balance falls below the minimum balance prescribed by the Bank from time to time for such accounts and on accounts closed

within 3 months (or such other period as may be specified by the Bank) of opening and on Dormant Account.

10.2 The Customer shall pay all fees, costs and expenses (including legal fees on a full indemnity, solicitor and client basis and any applicable taxes) incurred by the Bank in connection with protecting or enforcing its rights and/or resolving any disputes relating to any account.

10.3 All payments by the Customer shall be made free and clear of and without deduction or withholding in respect of any tax or levies. If any service tax or indirect tax or any other similar tax is now or in the future chargeable by law with respect to any matter referred to in these Terms and Conditions, the Customer shall pay such tax, and the Customer shall indemnify the Bank against such payment if the Bank is required by law to make payment of the same.

10.4 The Bank is authorised to debit any account for all charges, fees, taxes, and any other sums payable to the Bank, although such debiting may result in the account being overdrawn.

11 DISCLOSURE

11.1 The Customer agrees that the Bank may disclose information relating to the Customer, and the Customer's accounts, banking facilities and services, and transactions as required or permitted by law, or as may be approved by the Bank Negara Malaysia.

11.2 The Customer also expressly consents to the disclosure by the Bank and / or its officers of information relating to the Customer, and the Customer's accounts, banking facilities and services, transactions to the following persons who may be within or outside Malaysia:

- i) the Bank's holding company, branches, representative offices, subsidiaries and any of its related corporations within Section 7 of the Companies Act 2016 (collectively, including the Bank, "SMBC Group", any of which, "SMBC Group Company") or affiliates in any jurisdiction;
- ii) any SMBC Group Company's insurer / takaful operator or insurance / takaful broker; credit protection provider; rating agency; actual and potential participant / sub-participation, assignee, transferee, acquirer, successor-in-title;
- iii) any SMBC Group Company's service provider, contractor, agent, including debt collection agency; professional advisor (including legal adviser, valuer, auctioneer and auditors); payment network / platform provider; intermediary, correspondent, agent, receiving / beneficiary bank, other financial institution; clearing houses; clearing or settlement system; market counterparty;

- iv) a joint account holder, guarantor, third party security provider, party proposing payment of indebtedness of the Customer; a party that is co-guarantor, co-security provider with the Customer; recipient / payee of the Customer's payment;
- v) a regulatory authority (including tax authority), law enforcement body whether within and outside Malaysia having jurisdiction over an SMBC Group Company, including a body or bureau or authority established by the regulatory authority / law enforcement body such as the Credit Bureau established by the Bank Negara Malaysia;
- vi) Any credit bureau, credit reporting agency;

For the purposes of:

- a) the provision / facilitation / improvement / development of products and services to the Customer (including carrying out any Customer's instruction) or any SMBC Group Company, including outsourcing or obtaining services, market survey by an SMBC Group Company, consolidation / arrangement of operations within SMBC Group;
- b) risk mitigation; investigation of any crime / potential crime, irregularity, error, mistake, governance issue;
- c) any sale of asset or business, or corporate exercises; and
- d) compliance with any contractual, regulatory and legal requirements whether within or outside Malaysia including towards settlement of the Customer's indebtedness.

11.3 The Customer may withdraw or revoke its consent for the disclosure of its information at any time by giving at least seven (7) days prior written notice to the Bank, save for releases of information which has already occurred prior to the expiry of the notice period and where such disclosure is necessary for the Bank to comply with any legal or contractual requirements under or in relation to these Terms and Conditions.

11.4 This Clause 11 shall survive the closure or suspension of any account and the termination of these Terms and Conditions.

12 AGENTS & AGENTS' FEES

12.1 The Bank may use the services of any bank or agent in Malaysia or elsewhere as it deems advisable in connection with any collection for or other banking business of the Customer. Such bank or agent shall be the agent of the Customer and all charges and fees incurred in connection to it and shall be for the Customer's account. The Customer's continued usage of the services shall be taken as its acceptance of such charges and fees.

13 LICENCES

13.1 The Customer shall obtain, comply with the terms and conditions of, and renew all authorisations, approvals licences and consents (the "Licences") required in relation to all dealings involving the Bank and its business. Upon renewal, a copy of each renewed Licence shall be submitted to the Bank.

13.2 The Customer confirms that it shall not and does not intend to utilise the account(s) or funds paid out from it or to be credited into it in connection with any export, transshipment, transiting or brokering of any strategic items (as described in the Strategic Trade Act 2010), including arms and related material, and other activities that will or may facilitate the design, development and production of weapons of mass destruction and their delivery systems unless it holds the relevant and valid Licences required under the Strategic Trade Act 2010.

For this purpose the Customer irrevocably indemnifies and undertakes to keep the Bank indemnified against any penalties, sanctions or losses incurred by the Bank in connection with any breach or non-compliance by the Customer with the Strategic Trade Act 2010.

14 SUSPENSION & CLOSURE OF ACCOUNTS/ SERVICES

14.1 Subject to *Shariah* Principles, and except where the written instruction for termination of the Islamic contract in respect of the account(s) is signed/endorsed by the Customer(s) in the same manner as that pertaining to the mode of account opening and operation of the account(s), the Bank may close, suspend, freeze or execute or refuse to execute any transaction on, any account with prior notice to the Customer:-

- i) in accordance with the Dishonoured Cheques Information System or any applicable guidelines issued by Bank Negara Malaysia;
- ii) where the Customer fails to fulfil or adhere to the requirements under Clause 17.2 below;
- iii) where the Customer (1) has a liquidator, receiver, manager, special administrator appointed over it or any part of its assets, or has analogous proceedings instituted against it; (2) has a moratorium declared in respect of its debts or liabilities; or (3) enters into an assignment, composition or scheme of arrangement with its creditors;
- iv) where required by any written law or by any order, judgment, directive, notice or instruction issued by any court, tribunal or governmental or regulatory authority having jurisdiction over the Bank or its operations;
- v) where the account is opened, operated or any withdrawal/transfer is made in conflict with the *Shariah* Principles; or
- vi) where the Customer is dissolved or wound up.

14.2 The Bank may close any account by thirty (30) days (or such other period as the Bank may specify) notice to the Customer. The Bank may discharge its liability to the Customer for the moneys in the closed account by mailing to the Customer at the last address notified to the Bank a cashier's order or a draft in the currency of the deposit or its equivalent in an alternative currency selected by the Bank, or any other method the Bank deems fit to comply with any restriction or prohibition is imposed on the convertibility, transferability or availability of the currency of deposit.

14.3 Upon the closure of an account, whether by the Customer or the Bank, all unused cheques (if any) issued to the Customer in relation to that account shall immediately be returned to the Bank.

14.4 The Bank may without liability to the Customer, suspend operation of any or all accounts and/ or services if as a result of any act, matter or thing beyond the Bank's control, the Bank's records, accounts or services are not available for access or access to it is restricted, or if the Bank receives contradictory instructions in relation to any account or becomes aware that there is a dispute in relation to any account or receives of a garnishee order affecting an account, or any notice of appointment as agent for tax purposes.

15 COMMUNICATIONS

15.1 All notices and communications to the Customer sent by post or left at the last address notified to the Bank shall be deemed to have been received by the Customer on the second Business day following such posting or on the day it was so left. All notices and communications sent by fax to the Customer shall be taken to have been received by the Customer on the date of transmission. All notices and communications sent to the Customer by any other method or medium (including via display on the Bank's internet website(s) or the Bank's offices) shall be taken to have been received when it would have been delivered in the usual course.

15.2 The Customer further authorises the Bank to furnish all information to the Customer's auditors using such platforms as agreed with the Bank (including the receipt, transmission, hosting, processing, publication and distribution of the Customer's information by the platform provider) ("the **Audit Confirmation Service**").

15.3 Subject to there being no gross negligence or wilful default on the Bank's part, the Bank shall not be liable if any communication is delayed, intercepted or lost during delivery or transmission or if the content of such communication is disclosed to third parties during transit. If any communication is returned undelivered, the Bank will not be obliged to send any further communications until the Customer updates its account mailing address.

16 CHEQUES AND CHEQUE TRUNCATION AND CONVERSION SYSTEM ("CTCS")

16.1 If cheque book is provided by the Bank, requisitions for cheques may be made personally, by way of the Bank's printed requisition forms or such other method as the Bank may from time to time specify. If a cheque book is not collected within fourteen (14) days (or such other period as the Bank may specify) of notification to the Customer, the Bank shall be entitled to mail it to the Customer's last address notified to the Bank. All postage charges will be borne by the Customer. The Bank will not be liable for any loss (direct or indirect) arising from the interception, loss or delay in delivery of any cheque book whilst in the mail.

16.2 Cheques may not be drawn on the Bank except on the forms supplied for each account by the Bank or on forms which comply with CTCS cheque design specifications. The Bank is entitled to reject and/or return any cheque drawn on it that is not in such form or in compliance with CTCS requirements. The Bank is also entitled to reject and/or return to the presenting bank any CTCS cheque or IRD where the image of the cheque is missing or unclear. The Bank shall not be liable to the Customer for any liability, loss, damage, costs or expenses incurred by the Customer arising from or in connection with any such rejection of a cheque.

16.3 The Customer shall not draw cheques, keep cheque books or operate any account in a manner which may facilitate theft, fraudulent alteration or forgery of, or which may affect the clearing of any cheque. Upon receipt of a new cheque book, the Customer shall ensure that the Customer's name and account number are correctly printed on the cheques and that all cheques are intact. The Customer shall immediately notify the Bank in writing of any mistake or irregularity in relation to the cheque book or cheques. The Customer shall immediately notify the Bank in writing and place a stop payment order on the relevant cheques if any cheques are stolen, misplaced or lost. The Bank may issue a new cheque book to the Customer upon the Customer issuing a satisfactory indemnity to the Bank and upon payment of the prevailing prescribed charge (which the Bank may without further reference to the Customer debit to the account).

16.4 Where the Bank is the presenting bank, it shall be entitled to return, refuse to present for payment or to present for payment only if it has been indemnified to its satisfaction, any of the following:

- i) cheques which do not comply with CTCS cheque design specifications;
- ii) cheques with alterations;
- iii) cheques or IRDs which are mutilated or damaged (including, without limitation, cheques which are torn or on which the details are smudged or are unclear);

- iv) cheques or IRDs which are not drawn in accordance with CTCS requirements including, without limitation, cheques on which light coloured ink is used, cheques which contain company stamps or personal seals, and cheques which the Bank may be unable to make a clear scanned reproduction of or any reason;
- v) cheques or IRDs which have passed their validity period or which were previously presented by the Customer to another presenting bank; or
- vi) any cheque or IRD which the Bank in its absolute discretion considers does not comply with the requirements or practices relating to CTCS.

16.5 The clearing of cheques is subject to prevailing industry requirements and practices and the Customer authorises and instructs the Bank to clear cheques via such means as prescribed by prevailing industry requirements and practice for a cheque of that nature and currency. If a cheque or IRD is dishonoured or returned for any reason, the document returned to the Customer shall be in accordance with prevailing industry requirements. In the case of a cheque, the document returned will be an IRD as prescribed by prevailing industry requirements and practice, and the Bank may return the original cheque to the Customer upon request in lieu of the IRD or the Return Advice. The Customer shall not have both at any one time. Where the returned physical item can be presented, the Bank shall place a sticker over the Unique Identifier Code (UIC) to allow for the processing of the item with a new UIC. When the returned physical item cannot be presented, the Bank shall place a sticker over the UIC and deface the front portion of the cheque with a "Non-Representable" stamp.

16.6 The Bank may in its absolute discretion refuse to pay over the counter cheques on which the word "bearer" has been deleted or struck through.

16.7 The Bank may mark cheques as "good for payment", in which case, the Customer's account shall immediately be debited with the amount of the marked cheque, and the Bank's prevailing fees and charges for such marking as well as any fees and charges imposed by the paying bank, whereupon it will not be possible to stop payment of the marked cheque. The Customer acknowledges and agrees that the marking of cheques is subject to prevailing industry procedures and requirements relating to marking, including any cut-off time for notification of the marking to the paying bank. Where the Bank is the presenting bank, the marking of any cheque shall be subject to the agreement of the paying bank to honour the cheque.

16.8 Unless the Bank otherwise agrees, all requests to stop payment of a cheque shall be in writing and signed by the authorised signatories of the Customer. The Bank shall use its best efforts to act on a request to stop payment of a cheque but shall

not be liable or responsible to the Customer for failing to act on such a request. The Customer agrees to indemnify the Bank in full against any loss, damages, liabilities, actions, proceedings, claims, demand, costs and expenses (including legal fees on a full indemnity, solicitor and client basis) arising out of or in connection with a request to stop payment of a cheque. Stop payment instructions shall be valid for a period of six (6) months from the date of receipt of the Customer's request to stop payment, or such other period as the Bank may from time to time prescribe. The Customer acknowledges that a stop payment order may have no effect on the rights of a holder in due course of a financial instrument to make a claim directly against the Customer.

16.9 Where an account is overdrawn, the Bank shall be entitled to refuse to make partial payments on any cheques. Where several cheques are presented for payment and the total amount of the cheques exceeds the balance standing to the credit of the account, the Bank shall have absolute discretion to decide which of the cheques should be paid, if any.

16.10 CTCS cheques presented to the Bank will be retained for twelve (12) months after presentation or such other period as may from time to time be prescribed. Images of CTCS cheques presented to the Bank will be archived for seven (7) years or such other period as may from time to time be prescribed. Subsequently, such cheques or images, as the case may be, shall be destroyed. Any request by the Customer to retrieve the cheque or the image of the cheque prior to its destruction must be in writing. Any fees and charges imposed by the Bank and/or incurred by the Bank in connection with the retrieval shall be for the account of the Customer.

16.11 Where cheques drawn in one currency are to be credited into an account maintained in a different currency, unless otherwise agreed, the conversion shall be at the Bank's applicable foreign exchange rate as determined by the Bank in its sole discretion.

17 KNOW YOUR CUSTOMER (KYC) POLICIES & REQUIREMENTS

17.1 The Customer acknowledges that the Bank is required to adopt and comply with stringent "Know Your Customer" policies and requirements ("KYC Requirements") for the purpose of ensuring compliance with the Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act 2001 ("AMLATFPUAA") and all other applicable law and regulations and directives. The continued availability of the account(s) and processing of any transaction(s) are subject at all times to the fulfilment by the Customer of such requirements to the satisfaction of the Bank including but not limited to providing satisfactory information or confirmation to the Bank for the purpose of establishing beneficial ownership or source of funds or purpose of payments etc. The

Bank shall be entitled to terminate the account(s) and/or refuse to process any transaction(s) at any time if any of the Bank's KYC Requirements cannot be complied with or a breach thereof is threatened.

17.2 The Customer acknowledges that the Bank is required to comply with stringent laws and regulations for the prevention of financial crime. The continued availability of the account and processing of transactions is subject to the Customer fulfilling requirements in accordance with such laws including the AMLATFPUAA and regulations including Bank Negara Malaysia's guidelines to the satisfaction of the Bank. Without prejudice to the generality of the foregoing, the Customer:

- i) shall cooperate fully in respect of any enquiry that the Bank may make for the purposes of compliance with any applicable law or regulation (as may be amended, re-enacted or replaced from time to time) including but not limited to promptly providing all relevant information, details and/or documents as may be necessary to enable the Bank to comply with the same;
- ii) shall provide the Bank with such information, documentation and other evidence as requested by the Bank in order for the Bank to carry out and be satisfied it has complied with all KYC and other similar procedures that it is required (or deems desirable) to conduct for the purpose of ensuring compliance with laws and regulations and, in each case, inform the Bank promptly of any changes, failing which the Bank shall be at liberty to (i) close any account(s) or (ii) refuse to process any instructions or transactions, or (iii) reverse any transactions in order to ensure compliance with applicable laws, rules and regulations (including the Japanese Foreign Exchange and Foreign Trade Act);
- iii) warrants that except as informed to the Bank otherwise, it is the beneficial owner and principal of the account and all monies paid to or from the account shall be from lawful sources of activity and not unlawful sources or activities. The Bank shall be entitled to terminate the account(s) and/or refuse to process any transaction(s) at any time if any of the Bank's KYC requirements cannot be complied with or a breach thereof is threatened; and
- iv) shall comply with all laws and regulations to which it may be subject to, including any anti-money laundering, counter terrorist financing and other laws and regulations related to financial crimes.

17.3 The Customer warrants to the Bank that save as informed to the Bank otherwise, it is the principal in relation to the account(s) and the funds in credit in it from time to time and all monies to be paid to and from the account(s) shall be from lawful sources of

activity and not unlawful sources or activities as provided in the AMLATFPUAA.

17.4 The Customer covenants and undertakes that it shall not pay into the account(s) or utilise any monies for money laundering purposes or financing of terrorism or any purpose which may violate any laws, regulations or directives relating to money laundering or terrorist financing as defined under the AMLATFPUAA or any other applicable laws or regulations including without limitation, the laws of Japan or the United States of America (as each may be applicable).

17.5 The Customer acknowledges that Malaysia, the United Nations, Japan, the United States of America (if applicable), and/or other government and/or other applicable regulatory authorities may impose, from time to time, specific sanctions against certain countries, regions, entities and individuals. The Bank may be unable to process affected transactions that involve or are suspected to be a breach of sanctions or requirements imposed by such authorities or any relevant authority having jurisdiction over the Bank. Such authorities may require the account(s) and all related transactions and/or placements under it to be not connected in any manner with any sanctioned countries, region, entities or individuals (including without limitation, Iran, Cuba, North Korea, Syria, Crimea region and Donbas region (including Donetsk and Luhansk) of Ukraine and any others as notified by any of such applicable authorities from time to time).

17.6 The Customer agrees that if the Bank is required to disclose any information in relation to any transaction or account, or if any payment or other transaction in connection with any account is blocked, frozen, delayed, refused or cancelled because it is claimed or suspected to be sanctioned-related or suspected to involve money laundering or terrorist financing, the Bank shall not be liable for any such disclosure or for any direct, indirect or consequential losses, liabilities, penalties, costs or expenses howsoever arising in relation to or by reason thereof, and the Customer shall fully indemnify and keep the Bank indemnified against all such losses, liabilities, penalties, costs or expenses which the Bank may incur.

18 COMPLAINTS

18.1 All complaints and/or disputes relating to any account(s) or services may be made in writing, in person or via telephone, fax or e-mail specifying the nature of the complaint and/or dispute and directed to the Bank at the following address:-

Complaints Unit

Sumitomo Mitsui Banking Corporation Malaysia Berhad (Company No: 201001042446 (926374-U)
Suite 22-03 Level 22
Integra Tower The Intermark
348 Jalan Tun Razak

50400 Kuala Lumpur.
Tel No: 03-2176 1500
Fax No: 03-2165 1599
Email: ComplaintsUnit@my.smbc.co.jp

18.2 The Bank will investigate all genuine complaints upon receipt of all requisite information and evidence relating to such complaint. The Customer may appeal to the senior management of the Bank or to the Financial Markets Ombudsman Service or Bank Negara Malaysia (as applicable) if the Customer is not satisfied with the decision of the Bank pertaining to any complaint.

19 PERSONAL DATA

19.1 The Customer hereby represents and warrants to the Bank that it has:

- i) obtained the consent of the Customer's director(s), officers, authorised signatories, managers, users or such other persons specified (collectively, "Authorised Person(s)") for the processing and disclosure within and outside Malaysia of their personal details and information (including account details, transactions and dealings with the Bank) as specified by the Bank under the Personal Data Protection Act 2010 as disclosed in the Bank's Privacy Notice at www.smbc.co.jp/global/malaysia which the Customer has informed the Authorised Persons to read.
- ii) informed the Authorised Person(s) that the Bank may conduct credit checks, collect and verify information given by them with the authorities, CCRIS, credit bureaus and credit reporting agencies.
- iii) has obtained the Authorised Person(s)'s consent for the credit reporting agencies to disclose their credit report/information to the Bank for the application for and continuation of the Services and for the Bank's risk management and review.

20 NO PAYMENT OF INTEREST

20.1 For the avoidance of doubt and notwithstanding any other provisions to the contrary herein contained, it is hereby agreed and declared that nothing in these Terms and Conditions shall oblige the Bank or the Customer, respectively, to pay or to receive interest (by whatever means or name called) on any amount due or payable to another party or to do anything contrary to the *Shariah* Principles.

21 DORMANT ACCOUNT(S) AND UNCLAIMED MONIES

21.1 Unclaimed moneys from uncleared banker's cheques over twelve (12) months from the issued date will be transferred to the Registrar of Unclaimed Moneys.

21.2 An account which has not been operated in whatsoever manner by the Customer for twelve (12) consecutive months will be classified as dormant account. For dormant account having balance of more than RM10, a service fee of RM10 per annum will be imposed until the 7th year after which the remaining balance will after a notice of twenty one (21) days by the Bank to the Customer be transferred to the Registrar of Unclaimed Moneys pursuant to the Unclaimed Moneys Act 1965. Subsequently, the account will be closed. For dormant account with a balance of RM10 and below, the Bank may debit the remaining balance as service fee and close the account accordingly.

21.3 Unclaimed monies from uncleared banker's cheques over twelve (12) months from the issued date will after a notice of twenty one (21) days by the Bank to the Customer be transferred to the Registrar of Unclaimed Monies.

22 FOREIGN CURRENCY ACCOUNTS (PROTECTED BY PIDM UP TO RM250,000 FOR EACH DEPOSITOR)

22.1 The provisions of this Clause apply to all foreign currency accounts (including foreign currency Term Deposit-i wherever applicable) unless otherwise stated.

22.2 Foreign currency accounts may be opened in foreign currencies acceptable to the Bank, only with the approval of and at the discretion of the Bank.

22.3 The Customer undertakes to comply at all times with all applicable conditions, overnight limits, laws and regulations from time to time imposed by the Bank Negara Malaysia and all relevant authorities. Without prejudice to the above, the Customer shall immediately inform the Bank in writing of (i) (in the case where the Customer is an exporter) any changes in the volume of export proceeds; (ii) any changes in the conditions affecting any prescribed overnight limits and any breach of the qualifying conditions imposed by Bank Negara Malaysia in relation to the operation of any foreign currency account; and/or (iii) any proposed or anticipated remittances (whether by telegraphic or electronic transfers or otherwise) of proceeds into a foreign currency account.

22.4 Notwithstanding the foreign currency in which a deposit is made or expressed ("Account Currency"), the Bank shall have the right to pay the Customer any amount to be withdrawn from the account by any one or more of the following methods:-

- i) in bank notes of the Account Currency;
- ii) in a cheque drawn by the Bank on any bank in the country of the Account Currency, payable in the Account Currency;
- iii) by payment in Ringgit Malaysia equivalent to the amount in the Account Currency to be withdrawn

at such exchange rate to be determined by the Bank; and/or

iv) in any other manner as the Bank may determine.

22.5 The Bank shall be under no obligation to accept any withdrawal requests or deposits of foreign currency notes.

22.6 The opening, operation or maintenance of any foreign currency account (including any foreign currency Term Deposit-i account) shall at all times be subject to all prevailing industry requirements and practice, the IFSA and all relevant rules, regulations and directives thereunder from time to time in force.

22.7 The Customer acknowledges and represents that it is aware of the foreign exchange risk involved in foreign currency Term Deposit-i, including the risks that:

- i) earnings on foreign currency accounts are dependent on the exchange rates prevalent at the time of maturity or withdrawal as the case may be; and
- ii) adverse exchange rate movements could erase profit earnings completely and/or reduce the principal amount.

23 GENERAL

23.1 If any provision contained in these Terms and Conditions becomes invalid, illegal or unenforceable under any law or the *Shariah* Principles, the validity, legality or enforceability of the remaining provisions shall not be affected or impaired.

23.2 The Bank is entitled to waive compliance with any provision contained in these Terms and Conditions, but such waiver shall be without prejudice to the Bank's right to enforce compliance with any such provision on any other occasion.

23.3 Unless the Bank's prior written consent has been obtained, the Customer shall not assign, transfer, charge, pledge or otherwise encumber or dispose of any account and/or any part of the monies standing to the credit of the account.

23.4 The Bank shall not be responsible for or liable to the Customer for any diminution in value of funds due to taxes or depreciation or for unavailability of funds for withdrawal at any time due to restrictions on convertibility or transfers, exercise of governmental powers, or any other cause beyond the Bank's control. In addition, if any restriction on the availability, conversion or transfer of any currency is

imposed, the Bank shall not be obliged to pay the Customer the funds in the account in that currency. The Bank is also not responsible for the effect of laws, regulations, governmental measures or restrictions of any relevant country which may be applicable to multi-currency or foreign currency accounts or the assets of the Customer.

23.5 These Terms and Conditions, and the rights and obligations of the Bank and the Customer relating to each account and its operation are governed by the laws of Malaysia. The Customer submits to the non-exclusive jurisdiction of the Malaysian courts and consents to service of process by registered mail to the last address notified by the Customer to the Bank (without prejudice to any other method of service allowed by law).

23.6 These Terms and Conditions together with any terms, conditions, rules and regulations contained in the Bank's cheque books, deposit vouchers and any other documents and forms supplied by the Bank, and any agreement between the Customer and the Bank relating to the Customer's accounts with the Bank, shall comprise the entire agreement between the Bank and the Customer in relation to the accounts established with and services provided by the Bank, and the Customer shall be bound by the same.

23.7 Subject to *Shariah* Principles, the Bank reserves the right at any time and from time to time to add to, amend, modify, supplement or vary these Terms and Conditions in the manner as acceptable to the Bank in the following ways:

- i) by notice on any of the Bank's internet websites; or
- ii) by notice in any account statement sent to the Customer; or
- iii) by notice posted at the Bank's office(s); or
- iv) by notice sent to the Customer's address; or
- v) by any other mode the Bank may determine.

PART B: SPECIFIC TERMS AND CONDITIONS

(The Specific Terms and Conditions in this Part B are in addition to the Terms and Conditions in Part A. These Specific Terms and Conditions are applicable to the relevant Islamic account opened with the Bank and prevail over the Terms and Conditions in Part A in the event of conflict between Part A and Part B (if any).)

1 CURRENT ACCOUNT-i (PROTECTED BY PIDM UP TO RM250,000 FOR EACH DEPOSITOR)

In addition to the Terms and Conditions in Part A, the following shall apply to Current Account-i ("CA-i"):

1.1 Interpretation

In these Terms and Conditions of CA-i ("Terms and Conditions" and shall include any amendments, variations and supplements made from time to time), terms defined in Part A shall apply unless the context otherwise requires and save as expressly defined below:-

- i) "account" means any CA-i which the Customer may establish with the Bank from time to time, opened and maintained on the basis of loan (*Qard*), where the payment of the loan is guaranteed by the Bank and as such, the Bank has the right to utilise the money in the account;
- ii) "*Hibah*" refers to a transfer of ownership of an asset from a donor (*Wahib*) to a recipient (*Mawhub Lahu*) without any consideration.
- iii) "*Qard*" refers to a contract of lending money by a lender to a borrower where the latter is bound to return an equivalent replacement amount to the lender.

1.2 Principle of *Qard*

In accordance with the *Shariah* contract of *Qard*:

- i) The Customer lends to the Bank the monies equivalent to the monies placed by the Customer in the account from time to time;
- ii) The Bank borrows from the Customer the monies equivalent to the monies placed by the Customer in the account from time to time; and
- iii) The Customer shall enter into the *Shariah* contract of *Qard* for the purpose of opening and maintaining the account.

1.3 *Hibah*

Under the *Qard* principle, the Bank is not obliged to pay any returns to the Customer on the deposit amount. However, the Bank may at its sole discretion grant reward on the credit balance standing to the accounts based on the *Shariah* concept of *Hibah*.

1.4 Temporary Excess on Current Account-i

- i) The Bank may at its absolute discretion and in the manner as determined solely by the Bank grant from time to time sums in excess of the available credit ("Excess") to the Customer. The

Excess shall be treated as a loan granted by the Bank under the *Qard* contract.

- ii) The Customer agrees to pay all outstanding Excess amounts that the Bank may grant as a benefit from the available credit given and pay the Excess.
- iii) Each time Excess is granted, the Customer shall be liable to pay a fee at the time and in the manner as determined by the Bank from time to time.
- iv) The Excess shall be temporary in nature and the Customer shall pay the Excess amount granted within three (3) days of the Excess granted by the Bank to the Customer unless otherwise agreed in writing by the Bank. If the Customer fails to pay the fees payable and/or Excess amount within the agreed time frame, the Customer agrees that the Bank shall have the right to charge and the Customer shall pay the *Ta'widh* (compensation) on the outstanding amount based on the Islamic Interbank Money Market rate.
- v) The Customer hereby undertakes to ensure that the utilisation of Excess is for *Shariah*-compliant purposes only.

1.5 Customer's Duties

- i) A statement of account will be rendered to the Customer once a month or on such periodic basis as the Bank may from time to time determine, where one or more transactions have taken place in that period in relation to the account. Where the Bank determines that the Customer's account has been inactive for at least one year or such other period as may from time to time prescribed by the Bank, no statement of account will be sent in relation to such inactive account. The Customer shall notify the Bank in writing if the Customer does not receive any statement of account within seven (7) days of the expected date of receipt.
- ii) If any cheque books are issued, the Customer shall immediately notify the Bank in writing if the Customer does not receive a cheque book which he has requested, within two (2) weeks from the date of its request.

- 1.6 The Bank reserves the right, upon giving reasonable notice, to amend, delete and/or add to any of these Terms and Conditions subject to such rules, regulations, guidelines and/or directives whether or not having the force of law required of or imposed upon the Bank from time to time by Bank Negara Malaysia (BNM) or any other authority having

jurisdiction over the Bank, provided always that it does not contradict the *Shariah* principles. The Customer agrees that its continued participation in this product shall constitute their acceptance of these Terms and Conditions (as modified and varied from time to time).

2 TERM DEPOSIT-i (PROTECTED BY PIDM UP TO RM250,000 FOR EACH DEPOSITOR)

In addition to the Terms and Conditions in Part A, the following shall apply on Term Deposit-i ("TD-i"):

2.1 Interpretation

In these Terms and Conditions of TD-i ("Terms and Conditions" and shall include any amendments, variations and supplements made from time to time), terms defined in Part A shall apply unless the context otherwise requires and save as expressly defined below:-

- i) "account" means any TD-i which the Customer may establish with the Bank from time to time, opened and maintained on the basis of Commodity *Murabahah*;
- ii) "Commodity" means the specific *Shariah* compliant Commodity as acceptable to the Bank;
- iii) "Commodity *Murabahah* Transaction" means, a *Tawarruq* transaction involving two sale and purchase contracts for the Commodity. The first sale and purchase contract is for the Purchase Transaction, and the second sale and purchase contract is for the Sale Transaction;
- iv) "*Murabahah*" refers to an arrangement of purchasing an asset at cost and selling it at a mark-up with both the acquisition cost and profit amounts being disclosed in the Sale Transaction contract;
- v) "*Murabahah* Sale Price" means the sale price (equivalent to Purchase Price plus profit) to be paid by the Bank to the Customer upon maturity or upfront for each Sale Transaction, pursuant to which the profit is computed based on the following formula:

$$\text{Profit} = \frac{\text{Principal Amount} \times \text{Rate} \times \text{No. of days within TD-i placement tenure}}{360/365^*}$$

*(based on currency)

Note: Unless otherwise advised by the Bank separately in writing or provided in these Terms and Conditions that the Customer is to bear the said fees, the brokerage/ trading fees to buy and sell the commodity would be borne by the Bank.

- vi) "Purchase Transaction" means the transaction for the purchase of the Commodity by the Bank,

as agent of the Customer, from the Commodity trader or supplier to purchase the Commodity on cash basis at the Purchase Price (a price equivalent to the TD-i Deposit);

- vii) "Sale Transaction" means the transaction for the Customer's sale of the Commodity to the Bank under the contract of *Murabahah*, by the Bank acting as agent on the Customer's behalf on deferred or upfront payment basis at the *Murabahah* Sale Price;
- viii) "Principal" means the sum already deposited/placed in the account upon opening or renewal of account, as the case may be;
- ix) "Purchase Price" means the purchase price of the Commodity (which is equivalent to the monies deposited by the Customer in the account) as payable by the Customer to the Commodity trader or supplier under the Purchase Transaction;
- x) "TD-i Deposit" means the monies deposited by the Customer in the account for TD-i;
- xi) "*Wakalah*" refers to a contract where the Customer, as principal (*Muwakkil*) authorises the Bank as its agent (*Wakil*) to perform a particular task on matters that may be delegated, with or without imposition of a fee.

2.2 Payment of TD-i Deposit

Upon the Customer's signing of the related TD-i account opening form and placement form, the Customer shall immediately pay the TD-i Deposit (equivalent to the Purchase Price of the Commodity) to the Bank.

2.3 Principle of Commodity *Murabahah* with *Wakalah*

- i) The TD-i product is based on *Shariah* Principles of Commodity *Murabahah* / *Tawarruq* with *Wakalah*.
- ii) Subject to these Terms and Conditions, under *Wakalah* concept, the Customer (*Muwakkil*) appoints the Bank and the Bank agrees to be appointed as the Customer's agent (*Wakil*) in accordance with Clause 2.4(i) below.
- iii) Following the appointment of agent as stated above, the Bank acting as an agent to the Customer shall enter into the Commodity *Murabahah* Transaction in the manner as set out in Clause 2.5(i) below.

2.4 Appointment as Agent

- i) The Customer hereby makes an offer to appoint the Bank as an agent of the Customer and the Bank agrees to accept the appointment as the agent of the Customer:
 - a) to purchase and conclude the purchase of the Commodity from any Commodity trader

or supplier on cash basis at the Purchase Price and to do and execute all acts in relation thereto;

- b) to sell and conclude the sale of the Commodity on deferred payment to the Bank at the *Murabahah* Sale Price and in the manner as determined by the Bank, upon the Bank having received the Deposit and purchased the Commodity for and on behalf of the Customer, and to do all acts in relation thereto;
 - c) to do all acts and execute all documents, agreements, forms or instruments for an on behalf of the Customer in connection with the purchase and sale of the Commodity in accordance with these Terms and Conditions and observe and perform all obligations required to be done in connection with these Terms and Conditions;
 - d) to negotiate with or impose under any intermediary arrangement or any agreement of sale of the Commodity to the Commodity traders, industrial firms or suppliers and the Bank's clients on behalf of the Customer in relation to the purchase and sale of the Commodity; and
 - e) the Bank may appoint sub-agents in the performance by the Bank of the role as agent of the Customer.
- ii) Upon purchase of the commodity from the third party, the Customer may request to take physical delivery of the Commodity and in the event the Customer were to exercise such right to take physical delivery, all costs and expenses in respect thereof shall be borne by the Customer.
 - iii) The offer by the Customer of the agency as referred to in Clause 2.4(i) above shall be deemed to be concluded upon signing by the Customer of the TD-i account opening form and whereas, the acceptance by the Bank of the agency as referred to in Clause 2.4(i) above shall be deemed to be concluded upon the Bank opening the account or renewal thereof.
 - iv) Each purchase and sale transaction will be entered into by the Bank in the name of the Customer on a fully disclosed basis to any third party and the Customer consents to the Bank's exercise of such discretion notwithstanding the absence of any notice.
 - v) The Customer shall indemnify and keep indemnified the Bank on its first demand against all losses, claims, actions, proceedings, damages, costs and expenses whatsoever brought or claimed by any party and/or incurred or sustained by the Bank as a result of the purchase and sale of the Commodity under any

transaction contemplated hereunder as agent of the Customer or a breach by the Customer any of its obligations herein. This indemnity shall survive the termination of these Terms and Conditions and any sums payable under it shall not be subject to any deduction whether by way of set off counter claim or otherwise.

- vi) The Bank shall not be obliged to enter into any transaction, nor follow any instruction of the Customer, if in the opinion of the Bank by entering into such transaction or following such instruction, the Bank would be in contravention or violation of any law, *Shariah* Principles, policy, rule or regulation.

2.5 Commodity *Murabahah* Transaction

- i) Pursuant to Clause 2.3 (iii) above, the Commodity *Murabahah* Transaction as follows shall be completed on the same day from the date of placement of TD-i Deposit:
 - a) firstly, the Bank acting as an agent of the Customer will enter into the Purchase Transaction with a Commodity trader or supplier to purchase the Commodity on cash basis at the Purchase Price (a price equivalent to the TD-i Deposit);
 - b) secondly, the Bank acting as agent of the Customer will enter into the Sale Transaction with the Bank to sell the Commodity to the Bank on deferred payment at the *Murabahah* Sale Price (a price represents the TD-i Deposit plus profit) to be payable by the Bank to the Customer upon maturity or at such time as advised by the Customer and acceptable to the Bank; and
 - c) finally, the Bank will sell the Commodity to a different Commodity broker which is different from the first broker on cash and spot basis.
- ii) In relation thereof, the Customer shall indemnify the Bank against all losses, claims, actions, proceedings, damage, costs and expenses whatsoever brought or claimed by any party and/or incurred or sustained by the Bank as a result of the Commodity *Murabahah* Transaction. The indemnity given shall survive termination of these Terms and Conditions and any sums payable under it shall not be subject to any deduction whether by way of set off, counter claim or otherwise.
- iii) If the Commodity *Murabahah* Transaction is conducted later than the date the Purchase Price is deposited to the Bank:
 - a) the Purchase Price received from the Customer must be held by the Bank based on trust (*Amanah*) as per BNM requirements, and the Purchase Price is to be segregated from other funding sources of the Bank; and

- b) the Purchase Price received from the Customer shall not be treated as a loan (*Qard*) to the Bank (as agent) prior to the purchase of the Commodity under the Commodity *Murabahah* Transaction.
- iv) Notwithstanding to Clause 2.5(iii) above, the Purchase Price received from the Customer, however shall be treated as loan (*Qard*) to the Bank when the Commodity *Murabahah* Transaction is not able to be executed by the Bank due to the following circumstances:
 - a) normal close of business / operation including public holidays and other state holidays;
 - b) unexpected disruptions to operation e.g., system breakdown, force majeure event, unexpected holiday; or
 - c) the processing of the Commodity *Murabahah* Transaction is executed no later than 3 working days from the date that the Purchase Price was received.
- v) The Commodity *Murabahah* Transactions shall be executed and completed on Business days. In the event the TD-i Deposit is placed into the account or the cheque/fund is cleared on a non-Business day, the Customer agrees that the profit will be calculated on and from the first Business day after the cheque/fund is cleared.
- vi) If the Net Incremental comprises any amount arising from deposit placement via cheque which is yet to be cleared, the Bank may, but under no obligation, to proceed to conduct the Commodity Trading at the same Business day or next Business day by advancing its own money based on *Shariah* principle of *Qard*, on behalf of the Customer for the purchase of the Commodity from the Commodity Supplier on behalf of the Customer. Thereafter, the Commodity will be sold to the Bank at the Selling Price, which consists of the Purchase Price and Profit. The amount advanced by the Bank shall be reimbursed by the Customer from the cheque clearing amount made available thereafter.
- vii) In any event that the cheque turns dishonoured, but the Commodity Trading had already been completed, the Customer hereby agrees that the Purchase Price component (principal payment due) from the Selling Price be offset with the advance amount and full rebate (*Ibra'*) be granted on profit component. Thereafter, the Bank and the Customer agree that there will be no further obligation with regard to the said Net Incremental. The Bank reserves the right to recover from the Customer all costs related to the Commodity *Murabahah* Transaction.
- viii) For cases where the mode of deposit is by way of cheque and in the event the said cheque is

returned or dishonoured after issuance of advice, the Bank reserves the right to close the TD-i account and treat the Advice as cancelled and invalid whether or not the said Advice is returned to the Bank for cancellation. In this case, the Customer shall be taken to have failed to effect payment of the Purchase Price on the relevant Purchase Transaction date and therefore, the Customer shall bear all actual losses, costs and expenses and indemnify the Bank in pursuant to Clause 2.4(v) of this Part B for TD-i above.

- ix) The Bank shall issue a standard advice to the Customer upon completion of Commodity *Murabahah* Transaction and creation of TD-i ("Advice").

2.6 Bulk Purchase of Commodity

The Commodity, being the underlying Commodity of the Commodity *Murabahah* Transaction may be purchased from the Commodity trader(s) or supplier(s) in bulk. If the Commodity is purchased in bulk, the Commodity shall be jointly and severally owned by a group of Customers subscribing to the account to which every Customer in the group hereby acknowledges and agrees. In this event, each of the Customers will own undivided share of the Commodity corresponding to the TD-i Deposit placed in the account(s) which has been utilised to purchase the Commodity.

2.7 Profit Payment

- i) Subject to Clause 2.12 on early payment (premature withdrawal), the Bank may credit the profit into Customer's account either upfront, monthly or upon maturity.
 - a) For upfront profit payment, the profit will be paid one (1) day or any other day after Commodity *Murabahah* Transaction has been concluded and deemed as suitable by the Bank via crediting of Customer's account as indicated in placement form;
 - b) For monthly profit payment, the amount to be received by the Customer is equivalent to the profit amount to be distributed for the month via crediting of Customer's account as indicated in placement form;
 - c) For profit at maturity, the Bank shall pay the Customer the whole profit amount on lump sum basis or six (6) monthly as the case may be.
- ii) Payment shall be made to the designated account as the Customer instructs pursuant to the placement form.
- iii) The Customer who opts for upfront or monthly profit payment is encouraged to have Islamic CA-i with the Bank to facilitate crediting of profit.

2.8 The profit rate quoted shall be determined by the Bank from time to time.

2.9 The tenure for which money can be placed on TD-i shall range from:-

- i) For Foreign Currency: From One (1) day to twelve (12) months as may be determined by the Bank from time to time.
- ii) For Malaysia Ringgit Currency: From One (1) month to twelve (12) months as may be determined by the Bank from time to time.

2.10 TD-i Renewal

- i) The Customer may instruct that the TD-i be renewed upon maturity. A fresh Commodity *Murabahah* Transaction shall be concluded to affect the said renewal. All fees and charges pertaining to the renewal shall be borne by Customer.
- ii) A new Advice will be issued to the Customer for each renewal.
- iii) For a renewal upon maturity, the profit may be reinvested together with the Principal, for the same tenure unless otherwise instructed by the Customer.
- iv) For upfront and monthly profit, only the Principal may be reinvested for the same tenure unless otherwise instructed by the Customer.
- v) Renewal shall be at the Bank's prevailing rate for the same tenure unless the Bank receives written instruction to the contrary from the Customer at least two (2) Business days before the maturity date of the TD-i. Upon renewal of the TD-i which date shall be a Business day, the Bank being an agent to the Customer shall perform the Commodity *Murabahah* Transaction and is authorised by the Customer pursuant to Clause 2.4(i) including to negotiate on behalf of the Customer with the Commodity trader or supplier in relation to the Commodity *Murabahah* Transaction. This process will be repeated at each time of renewal.

2.11 Top-up is not allowed at any point of time during the tenure. The Customer may place or make new TD-i, in which case, the Bank will deem it as a new placement and an Advice will be issued to the Customer.

2.12 Early Payment (Premature Withdrawal)

- i) Withdrawals of TD-i may only be made on the maturity date. Premature withdrawals before the maturity date may be made by written request to the Bank.
- ii) For early payment (premature withdrawal), the Customer agrees that the Bank is entitled to pay an amount that is less than the agreed *Murabahah* Sale Price and the Customer agrees to grant *Ibra'* (rebate) on all of the contracted

profit to the Bank, i.e. no profit shall be paid by the Bank. The Customer shall waive its right to the Bank on the entire contracted profit.

- In the event the Bank has credited the profit amount for TD-i during the opening of the TD-i account or on monthly basis in the previous month(s) prior to the premature withdrawal of the TD-i, the Bank will deduct the profit amount paid from the Principal.

2.13 Partial premature withdrawal is not allowed.

2.14 If there is any inconsistency between the physical evidence of the TD-i advice produced by the Customer or other evidence of whatsoever nature / description and the statement of account of the Bank, the latter prevails in respect of such inconsistency.

2.15 The Bank reserves the right, upon giving reasonable notice, to amend, delete and/or add to any of these Terms and Conditions subject to such rules, regulations, guidelines and/or directives whether or not having the force of law required of or imposed upon the Bank from time to time by Bank Negara Malaysia (BNM) or any other authority having jurisdiction over the Bank, provided always that it does not contradict the *Shariah* principles. The Customer agrees that its continued participation in this product shall constitute their acceptance of these Terms and Conditions (as modified and varied from time to time).

3 MONEY MARKET DEPOSIT-i (PROTECTED BY PIDM UP TO RM250,000 FOR EACH DEPOSITOR)

In addition to the Terms and Conditions in Part A, the following shall apply to Money Market Deposit-i ("MMD-i"):

3.1 Interpretation

In these Terms and Conditions of MMD-i ("Terms and Conditions" and shall include any amendments, variations and supplements made from time to time), terms defined in Part A shall apply unless the context otherwise requires and save as expressly defined below:-

- i) "account" means any MMD-i which the Customer may establish with the Bank from time to time, opened and maintained on the basis of Commodity *Murabahah*;
- ii) "Commodity" means the specific *Shariah* compliant Commodity as acceptable to the Bank;
- iii) "Commodity *Murabahah* Transaction" means, a *Tawarruq* transaction involving two sale and purchase contracts for the Commodity. The first sale and purchase contract is for the Purchase Transaction, and the second sale and purchase contract is for the Sale Transaction;

iv) “*Murabahah*” refers to an arrangement of purchasing an asset at cost and selling it at a mark-up with both the acquisition cost and profit amounts being disclosed in the Sale Transaction contract;

v) “*Murabahah Sale Price*” means the sale price (equivalent to Purchase Price plus profit) to be paid by the Bank to the Customer upon maturity or upfront for each Sale Transaction, pursuant to which the profit is computed based on the following formula:

$$\text{Profit} = \frac{\text{Principal Amount} \times \text{Rate} \times \text{No. of days within MMD-i placement tenure}}{365}$$

Note: Unless otherwise advised by the Bank separately in writing or provided in these Terms and Conditions that the Customer is to bear the said fees, the brokerage/ trading fees to buy and sell the commodity would be borne by the Bank.

vi) “Purchase Transaction” means the transaction for the purchase of the Commodity by the Bank, as agent of the Customer, from the Commodity trader or supplier to purchase the Commodity on cash basis at the Purchase Price (a price equivalent to the MMD-i Deposit);

vii) “Sale Transaction” means the transaction for the Customer’s sale of the Commodity to the Bank under the contract of *Murabahah*, by the Bank acting as agent on the Customer’s behalf on deferred payment basis at the *Murabahah Sale Price*;

viii) “Principal” means the sum already deposited/placed in the account upon opening or renewal of account, as the case may be;

ix) “Purchase Price” means the purchase price of the Commodity (which is equivalent to the monies deposited by the Customer in the account) as payable by the Customer to the Commodity trader or supplier under the Purchase Transaction;

x) “MMD-i Deposit” means the monies deposited by the Customer in the account for MMD-i;

xi) “*Wakalah*” refers to a contract where the Customer, as principal (*muwakkil*) authorises the Bank as its agent (*wakil*) to perform a particular task on matters that may be delegated, with or without imposition of a fee.

3.2 Payment of MMD-i Deposit

Upon the Customer’s signing of the related MMD-i account opening form and placement form, the Customer shall immediately pay the MMD-i Deposit (equivalent to the Purchase Price of the Commodity) to the Bank.

3.3 Principle of Commodity *Murabahah* with *Wakalah*

- i) The MMD-i product is based on *Shariah* Principles of Commodity *Murabahah* / Tawarruq with *Wakalah*.
- ii) Subject to these Terms and Conditions, under *Wakalah* concept, the Customer (*Muwakkil*) appoints the Bank and the Bank agrees to be appointed as the Customer’s agent (*Wakil*) in accordance with Clause 3.4(i) below.
- iii) Following the appointment of agent as stated above, the Bank acting as an agent to the Customer shall enter into the Commodity *Murabahah* Transaction in the manner as set out in Clause 3.5(i) below.

3.4 Appointment as Agent

- i) The Customer hereby makes an offer to appoint the Bank as an agent of the Customer and the Bank agrees to accept the appointment as the agent of the Customer:
 - a) to purchase and conclude the purchase of the Commodity from any Commodity trader or supplier on cash basis at the Purchase Price and to do and execute all acts in relation thereto;
 - b) to sell and conclude the sale of the Commodity on deferred payment to the Bank at the *Murabahah Sale Price* and in the manner as determined by the Bank, upon the Bank having received the Deposit and purchased the Commodity for and on behalf of the Customer, and to do all acts in relation thereto;
 - c) to do all acts and execute all documents, agreements, forms or instruments for and on behalf of the Customer in connection with the purchase and sale of the Commodity in accordance with these Terms and Conditions and observe and perform all obligations required to be done in connection with these Terms and Conditions;
 - d) to negotiate with or impose under any intermediary arrangement or any agreement of sale of the Commodity to the Commodity traders, industrial firms or suppliers and the Bank’s clients on behalf of the Customer in relation to the purchase and sale of the Commodity; and
 - e) The Bank may appoint sub-agents in the performance by the Bank of the role as agent of the Customer.
- ii) Upon purchase of the Commodity from the third party, the Customer may request to take physical delivery of the Commodity and in the event the Customer were to exercise such right to take physical delivery, all costs and expenses

in respect thereof shall be borne by the Customer

- iii) The offer by the Customer of the agency as referred to in Clause 3.4(i) above shall be deemed to be concluded upon signing by the Customer of the MMD-i account opening form and whereas, the acceptance by the Bank of the agency as referred to in Clause 3.4(i) above shall be deemed to be concluded upon the Bank opening the account or renewal thereof.
- iv) Each purchase and sale transaction will be entered into by the Bank in the name of the Customer on a fully disclosed basis to any third party and the Customer consents to the Bank's exercise of such discretion notwithstanding the absence of any notice.
- v) The Customer shall indemnify and keep indemnified the Bank on its first demand against all losses, claims, actions, proceedings, damages, costs and expenses whatsoever brought or claimed by any party and/or incurred or sustained by the Bank as a result of the purchase and sale of the Commodity under any transaction contemplated hereunder as agent of the Customer or a breach by the Customer any of its obligations herein. This indemnity shall survive the termination of these Terms and Conditions and any sums payable under it shall not be subject to any deduction whether by way of set off counter claim or otherwise.
- vi) The Bank shall not be obliged to enter into any transaction, nor follow any instruction of the Customer, if in the opinion of the Bank by entering into such transaction or following such instruction, the Bank would be in contravention or violation of any law, *Shariah* Principles, policy, rule or regulation.

3.5 Commodity *Murabahah* Transaction

- i) Pursuant to Clause 3.3(iii) above, the Commodity *Murabahah* Transaction as follows shall be completed on the same day from the date of placement of MMD-i Deposit:
 - a) firstly, the Bank acting as an agent of the Customer will enter into the Purchase Transaction with a Commodity trader or supplier to purchase the Commodity on cash basis at the Purchase Price (a price equivalent to the MMD-i Deposit);
 - b) secondly, the Bank acting as agent of the Customer will enter into the Sale Transaction with the Bank to sell the Commodity to the Bank on deferred payment at the *Murabahah* Sale Price (a price represents the MMD-i Deposit plus profit) to be payable by the Bank to the Customer upon maturity or at such time as advised by the Customer and acceptable to the Bank; and
- c) finally, the Bank will sell the Commodity to a different Commodity broker which is different from the first broker on cash and spot basis.
- ii) In relation thereof, the Customer shall indemnify the Bank against all losses, claims, actions, proceedings, damage, costs and expenses whatsoever brought or claimed by any party and/or incurred or sustained by the Bank as a result of the Commodity *Murabahah* Transaction. The indemnity given shall survive termination of these Terms and Conditions and any sums payable under it shall not be subject to any deduction whether by way of set off, counter claim or otherwise.
- iii) If the Commodity *Murabahah* Transaction is conducted later than the date the Purchase Price is deposited to the Bank:
 - a) the Purchase Price received from the Customer must be held by the Bank based on trust (*Amanah*) as per BNM requirements, and the Purchase Price is to be segregated from other funding sources of the Bank; and
 - b) the Purchase Price received from the Customer shall not be treated as a loan (*Qard*) to the Bank (as agent) prior to the purchase of the Commodity under the Commodity *Murabahah* Transaction.
- iv) Notwithstanding Clause 3.5(iii) above, the Purchase Price received from the Customer, however shall be treated as loan (*Qard*) to the Bank when the Commodity *Murabahah* Transaction is not able to be executed by the Bank due to the following circumstances:
 - a) normal close of business / operation including public holidays and other state holidays;
 - b) unexpected disruptions to operation e.g., system breakdown, force majeure event, unexpected holiday; or
 - c) the processing of the Commodity *Murabahah* Transaction is executed no later than 3 working days from the date that the Purchase Price was received.
- v) The Commodity *Murabahah* Transactions shall be executed and completed on Business days. In the event the MMD-i Deposit is placed into the account or the cheque/fund is cleared on a non-Business day, the Customer agrees that the profit will be calculated on and from the first Business day immediately after the clearance of the cheque/fund.
- vi) If the Net Incremental comprises any amount arising from deposit placement via cheque which is yet to be cleared, the Bank may, but under no obligation, to proceed to conduct the

Commodity Trading at the same Business day or next Business day by advancing its own money based on *Shariah* principle of *Qard*, on behalf of the Customer for the purchase of the Commodity from the Commodity Supplier on behalf of the Customer. Thereafter, the Commodity will be sold to the Bank at the Selling Price, which consists of the Purchase Price and Profit. The amount advanced by the Bank shall be reimbursed by the Customer from the cheque clearing amount made available thereafter.

- vii) In any event that the cheque turns dishonoured, but the Commodity Trading had already been completed, the Customer hereby agrees that the Purchase Price component (principal payment due) from the Selling Price be offset with the advance amount and full rebate (*Ibra'*) be granted on profit component. Thereafter, the Bank and the Customer agree that there will be no further obligation with regard to the said Net Incremental. The Bank reserves the right to recover from the Customer all costs related to the Commodity *Murabahah* Transaction.
- viii) For cases where the mode of deposit is by way of cheque and in the event the said cheque is returned or dishonoured after issuance of advice, the Bank reserves the right to close the MMD-i account and treat the Advice as cancelled and invalid whether or not the said Advice is returned to the Bank for cancellation. In this case, the Customer shall be taken to have failed to effect payment of the Purchase Price on the relevant Purchase Transaction date and therefore, the Customer shall bear all actual losses, costs and expenses and indemnify the Bank in pursuant to Clause 3.4(v) of this Part B for MMD-i above.
- ix) The Bank shall issue a standard advice to the Customer upon completion of Commodity *Murabahah* Transaction and creation of MMD-i ("Advice").

3.6 Bulk Purchase of Commodity

The Commodity, being the underlying Commodity of the Commodity *Murabahah* Transaction may be purchased from the Commodity trader(s) or supplier(s) in bulk. If the Commodity is purchased in bulk, the Commodity shall be jointly and severally owned by a group of Customers subscribing to the account to which every Customer in the group hereby acknowledges and agrees. In this event, each of the Customers will own undivided share of the Commodity corresponding to the MMD-i Deposit placed in the account(s) which has been utilised to purchase the Commodity.

3.7 Profit Payment

- i) The Bank shall pay the Customer the whole profit amount on lump sum basis. If the maturity

date falls on a non-Business day, profit on the MMD-i will be paid on the next Business day.

- ii) Payment shall be made to the designated account as Customer instructs pursuant to the placement form.

3.8 The profit rate quoted shall be determined by the Bank from time to time.

3.9 The tenure for which money can be placed on MMD-i shall range from:-

- i) For Malaysia Ringgit Currency: From One (1) day to One (1) month, or such other tenure as the Bank may prescribe from time to time in its discretion.

3.10 MMD-i Renewal

- i) The Customer may instruct that the MMD-i be renewed upon maturity. A fresh Commodity *Murabahah* Transaction shall be concluded to affect the said renewal. All fees and charges pertaining to the renewal shall be borne by Customer.
- ii) A new Advice will be issued to the Customer for each renewal.
- iii) For a renewal upon maturity, the profit may be reinvested together with the Principal, for the same tenure unless otherwise instructed by the Customer.
- iv) Renewal shall be at the Bank's prevailing rate for the same tenure unless the Bank receives written instruction to the contrary from the Customer at least two (2) Business days before the maturity date of the MMD-i. Upon renewal of the MMD-i which date shall be a Business day, the Bank being an agent to the Customer shall perform the Commodity *Murabahah* Transaction and is authorised by the Customer to negotiate on behalf of the Customer with the Commodity trader or supplier in relation to the Commodity *Murabahah* Transaction. This process will be repeated at each time of renewal.

3.11 Top-up is not allowed at any point of time during the tenure. The Customer may place or make new MMD-i, in which case, the Bank will deem it as a new placement and an Advice will be issued to the Customer.

3.12 Early Payment (Premature Withdrawal)

- i) Withdrawals of MMD-i may only be made on the maturity date. Premature withdrawals before the maturity date may be made by written request to the Bank.
- ii) For early payment (premature withdrawal), the Customer agrees that the Bank is entitled to pay an amount that is less than the agreed *Murabahah* Sale Price and the Customer agrees to grant *Ibra'* (rebate) on all of the contracted profit to the Bank, i.e. no profit shall be paid by

the Bank. The Customer shall waive its right to the Bank on the entire contracted profit.

3.13 Partial premature withdrawal is not allowed.

3.14 If there is any inconsistency between the physical evidence of the MMD-i advice produced by the Customer or other evidence of whatsoever nature / description and the statement of account of the Bank, the latter prevails in respect of such inconsistency.

3.15 The Bank reserves the right, upon giving reasonable notice, to amend, delete and/or add to any of these

Terms and Conditions subject to such rules, regulations, guidelines and/or directives whether or not having the force of law required of or imposed upon the Bank from time to time by Bank Negara Malaysia (BNM) or any other authority having jurisdiction over the Bank, provided always that it does not contradict the *Shariah* principles. The Customer agrees that its continued participation in this product shall constitute their acceptance of these Terms and Conditions (as modified and varied from time to time).

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