

IMPORTANT: Customer is required to read these Terms and Conditions before deciding to purchase Gold-i product.

## 1. STANDARD TERMS AND CONDITIONS

### 1.1 Application of Terms and Conditions for Gold-i

This general Terms and Conditions applies to the Customer who wishes to purchase and sell Gold with purity levels of 99.99% and/or 999.9, in Ringgit Malaysia with Al Rajhi Banking & Investment Corporation (Malaysia) Bhd ("Bank").

### 1.2 Definitions

Appointment Services	Refers to the arrangement made by the Bank to have the Gold Vendor be present at Branch to authenticate and/or collect the gold that Customer intends to sell to the Bank;
Business Day	The buying and selling of Gold shall only be conducted during trading hours on business days that banks and financial institutions licensed under the Islamic Financial Services Act 2013 are open for business as determined by the Bank from time to time;
Bank's Selling Price	The prevailing Gold price quoted by the Bank in Ringgit Malaysia for Gold that is sold to the Customer;
Bank's Buying Price	The prevailing Gold price quoted by the Bank in Ringgit Malaysia for Gold that is bought from the Customer;
Customer	Refers to the Bank's Customer(s) who maintains an Account(s) with the Bank and shall include individuals, companies, partnerships, sole-proprietorship, clubs, societies and associations and where applicable, personal representatives and successors-in-title unless specified otherwise in these Terms and Conditions from time to time and has purchased Gold from the Bank;
Gold	Physical Gold in the form of a bar, wafer, medallion, collectible items or, coins offered by the Bank;
Minimum Initial Purchase	10 grams;
Subsequent Purchase or Sale	A minimum of 5 grams and in multiples of 5 grams;
Gold Purchase	Gold purchased by the Customer shall be based on the Bank's Selling Price and payment shall be via direct debit from the Customer's Account as instructed by the Customer.
Gold Sale	<p>The Customer may sell the Gold at the Bank's Buying Price on the condition that it is in good condition (e.g. not dented, not chipped, without scratch marks or broken seals) and is accompanied either with the original receipt or other relevant documents ev1encing the Gold to be sold was previously purchased from/via the Bank. The Bank may exercise its' discretion to request for a letter of indemnity from the Customer and any other supporting documents such as police reports if required by the Bank.</p> <p>The Bank does not guarantee that it or the Gold Vendor will at all times, purchase the Gold from the Customer whenever the Customer wishes to sell the Gold.</p>

Gold Vendor	Refers to the company who is involved in the gold business that has been appointed by the Bank (at its discretion) to supply the Gold.
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### 1.3 Applicable Shariah Contracts

The applicable Shariah contracts are as follows:

- (a) *Musawamah* whereby the payment for and delivery of Gold shall be immediate (as defined in Clause 2.1 herein); or
- (b) *Wakalah* or Agency whereby the Customer appoints the Bank as the agent to purchase or sell the Gold on the Customer's behalf.

## 2. GOLD-i

### 2.1 *Musawamah* Contract

The buying and selling of Gold is based on the Shariah contract of *Musawamah* whereby the Bank will offer to sell the Gold and the Customer will buy the Gold from the Bank at the Bank's Selling Price and the delivery and payment of the Gold shall be immediate upon conclusion of the purchase at the designated branch.

### 2.2 *Wakalah* Contract

2.2.1 The buying and selling of Gold is concluded by the Bank as the agent for the Customer.

2.2.2 Customer will be given a receipt for every purchase of Gold made from the Bank as an acknowledgement of the purchase.

2.3 Customer is required to maintain either a savings or current account with the Bank (hereinafter referred to as the "Account") in order to facilitate the payment for the buying and selling of Gold. All payments made in relation to the transaction(s) shall be made through the Account. The specific terms and conditions of the Account shall remain valid and binding.

2.4 Customer will take physical delivery of Gold following a Gold Purchase.

2.5 The Customer is free to transfer his Gold to any person ("New Owner") as a gift, sale or otherwise subject to the New Owner successfully opening an Account and a Gold-i Account with the Bank.

2.6 Subject to Clause 2.7, the Customer may sell the Gold to the Gold Vendor through the Bank who is acting as agent of the Customer under the *Wakalah* contract. On a best effort basis, the Bank may purchase the Gold from the Customer at the Bank's Buying Price or source for a Supplier to purchase the Gold. The Bank does not guarantee that it will purchase nor does the Bank guarantee that the supplier will purchase the said Gold.

2.7 The Bank has the right to verify and test the Gold for purity by the Bank's appointed Gold Vendor prior to accepting the offer of sale from the Customer.

The Customer must provide at least three (3) Business Days' written notice to the Bank if the Customer intends to sell the Gold to the Bank. This will be applicable to:

- i. all the denominations of cast bars weighing 100g, 500g and 1,000g; and
- ii. minted bars with an accumulated weightage of 200g and above

The notice period is required for the Bank to make the necessary Appointment Services with the Gold Vendor

2.8 The Bank will notify the Customer on the Appointment Services date. In the event where the Customer needs to change the Appointment Services date, the Customer is obligated to inform the Bank one (1) Business Day before the

appointment date and the Bank will make necessary arrangement with the Customer for the new Appointment Services date.

- 2.9 Gold sold by the Customer must be free from of all encumbrances and must not have been acquired through unlawful means.

### 3. DELIVERY AND COLLECTION

- 3.1 All gold must be collected within 10 Business Days at Gold Service Center after the Gold Purchase date (“**Collection Period**”). Alternatively, the Customer can choose to have the Gold delivered to non-Klang Valley branch where the Gold-i transaction was made. A request with written evidence must be provided to the Bank during the Collection Period should the Customer is unable to collect the physical Gold during the Collection Period. The Bank is entitled, in its absolute discretion to accept or reject the request.

- 3.2 Should the Customer is unable to collect the Gold within the Collection Period, the Customer authorises the Bank to sell the uncollected Gold on the next Business Day after the end of the Collection Period, at the Bank’s Buying Price that may be at a profit or loss to the Customer (Refer to Figure 1). The Bank will credit the amount it receives into the Customer’s Account following the selling of the Customer’s uncollected Gold.

Figure 1: Illustration for Sale of Uncollected Gold

Scenario A	Scenario B
Date: 3 <sup>rd</sup> Jan 2022 Bank’s Sell Price: RM2,500 for 10gm (1 piece) Bank’s Buy Price: RM2,300 for 10gm (1 piece)	Date: 3 <sup>rd</sup> Jan 2022 Bank’s Sell Price: RM2,500 for 10gm (1 piece) Bank’s Buy Price: RM2,300 for 10gm (1 piece)
Date: 18 <sup>th</sup> Jan 2022 Bank’s Sell Price: RM3,000 for 10gm (1 piece) Bank’s Buy Price: RM2,800 for 10gm (1 piece)	Date: 18 <sup>th</sup> Jan 2022 Bank’s Sell Price: RM2,000 for 10gm (1 piece) Bank’s Buy Price: RM1,800 for 10gm (1 piece)
Bank did not receive any notice from customer within the Collection Period, i.e. 4 <sup>th</sup> – 17 <sup>th</sup> Jan 2022. Auto buy-back kicks in on 18 <sup>th</sup> Jan 2022. Bank will sell the Customer’s Gold at prevailing price of RM2,800. Customer will <b>profit</b> RM300 (RM2,800-RM2,500).	Bank did not receive any notice from customer within the Collection Period, i.e. 4 <sup>th</sup> – 17 <sup>th</sup> Jan 2022. Auto buy-back kicks in on 18 <sup>th</sup> Jan 2022. Bank will sell the Customer’s Gold at prevailing price of RM1,800. Customer will incur a <b>loss</b> of RM700 (RM1,800-RM2,500).

*For illustrative purposes only. Any sale of uncollected gold will be based on the prevailing gold price at the time of the transaction.*

- 3.3 Should the Bank accept the Customer’s request for extension in Cl. 3.1 above, a final extension of 10 Business Days beginning on the following Business Day after the expiry of the Collection Period will be granted to the Customer to collect the Gold purchased, failing which the Bank is authorized by the Customer to perform the sale of the uncollected Gold that may be at a profit or loss to the Customer (Refer to Figure 1).
- 3.4 During the collection of the Gold, the Customer shall examine the Gold to ensure that it is of the correct weight and in good condition before acknowledging receipt of the Gold and leaving the Bank’s premises. The Gold that has been collected is strictly non-returnable and non-exchangeable.
- 3.5 The Customer must be present to collect his Gold and must show proof of identification to the satisfaction of the Bank. Customers are not allowed to nominate a third party. The Bank reserves the right to refuse such third-party collection.
- 3.6 For corporate customers, partnerships, sole-proprietorship, clubs, societies and associations and where applicable, personal representatives and successors-in-title, only the authorised person named in the mandate, Board resolution or

other relevant documentations are allowed to deal with the Bank.

#### **4. JOINT ACCOUNT HOLDERS**

- 4.1 Joint account holders have the option to provide a mandate to the Bank authorizing other joint account holder(s) or all parties to deal directly with the Bank for all Gold related transactions on behalf of the joint account holders.
- 4.2 The Bank's authority to act based on the mandate given by the joint account holders as per Clause 4.1 shall remain in force until a written termination notice is received and confirmed by the Bank to be in order, from the joint account holders.
- 4.3 Save and except due to the negligence of the Bank, the Bank shall not be liable to the Customer or any third party. The Customer shall indemnify the Bank at all times against any loss, damage, claim, expense or liability, whether involving fraud or not howsoever in connection with the mandate given.

#### **5. NON-INDIVIDUAL ACCOUNT HOLDER**

- 5.1 Corporate account holders, partnerships, sole-proprietorship, clubs, societies and associations and where applicable, personal representatives and successors-in-title must provide a mandate, board resolution or other relevant documentations authorising the authorised personnel of the Customer to deal directly with the Bank for all Gold related transactions on behalf of the Customer.
- 5.2 The Bank's authority to act shall be based on the mandate, board resolution or other relevant documentations (as the case may be) as provided under Clause 5.1 shall be continuing and remain in force until a written mandate, board resolution or other documentations terminating such authority is received and confirmed by the Bank to be in order.

#### **6. RETURN ON INVESTMENT**

- 6.1 The Customer agrees and is aware of the risk of losses in investing in Gold as the gold price is subject to fluctuations. The Bank does not guarantee any returns on investment for the buying and selling of Gold.

CUSTOMER SHOULD RELY ON THE CUSTOMER'S OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF GOLD INVESTMENTS. IN CONSIDERING THE INVESTMENT, IT IS ADVISABLE FOR THE CUSTOMER TO CONSULT PROFESSIONAL ADVISORS.

#### **7. GOLD PRICE**

- 7.1 The Bank's Selling Price and Bank's Buying Price is quoted in Ringgit Malaysia and is exclusive of the applicable services and local taxes, if any.
- 7.2 Any price difference incurred during the buying and selling of Gold via *Wakalah* contract shall be treated as commission to the Bank, should the Bank be able to buy or sell the Gold from its Gold Vendor at below or above the price stated in the Bank's letter of appointment as an agent.
- 7.3 In the event the Gold price is misquoted due to a clerical mistake, fraud or negligence on the part of the Bank or as a result of incorrect information or an oversight, the Bank shall have the right to cancel the purchase of Gold. The purchase amounts shall be refunded to the Customer and the Customer is obligated to return the Gold to the Bank.

#### **8. MISCELLANEOUS**

- 8.1 The Bank will inform the Customer of the relevant charges for banking services related to Gold-i. The Customer can

also find out about these charges by contacting the Bank or viewing our website at <https://www.alrajhibank.com.my/>

- 8.2 The Terms and Conditions herein are not exhaustive. The Bank reserves the right to add, modify or delete any of the Terms and Conditions by notifying the Customer of the proposed changes via written notice, notices posted on the Bank's website, notices posted at the Bank's branches, press advertisements or electronic means and such notification shall be subject to the acceptance or rejection of the Customer. An acceptance of such notification shall be implied from the Customer should the Customer remain silent for a period of twenty-one (21) calendar days from the date of such notification. Should the Customer choose to reject such notification, such rejection from the Customer shall be provided within twenty-one (21) calendar days from the date of such notification in writing and pursuant thereto, the Account will be closed. In the event the Account is closed pursuant to this clause, this agreement shall forthwith be terminated and the Bank shall pay the remaining balance of monies in the Account to the Customer.

For the avoidance of doubt, any additions, modifications or deletions made pursuant to this clause shall, subject to the acceptance of the Customer as per the preceding paragraph, be binding on the Customer. In the event of any inconsistency, any such additions, modifications or deletions shall prevail over these Terms and Conditions.

- 8.3 The Bank is not liable for any fraudulent act of any party, unless the Bank is aware of and is a party to such an act.
- 8.4 In the event of the Bank crediting the Account of the Customer by error, the Bank will be entitled to reverse the said entry and/or to claim the said amount from the Customer.
- 8.5 The Bank shall not be liable for any consequential losses.
- 8.6 These Terms and Conditions shall be governed by and construed in accordance with Malaysian law. The parties agree to submit all disputes to the exclusive jurisdiction of the Malaysian Courts.

Notwithstanding herein, for all intents and purposes, these Terms and Conditions is intended to be a Shari'ah compliant document in accordance with the relevant Shari'ah contract and be construed in accordance with the Shari'ah principles. The parties further agree to be bound by the Shari'ah requirements adopted by the Bank.

In the event of any dispute concerning Shari'ah matters arising from these Terms and Conditions, the parties hereby agree to refer to Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI) standards for reference and guidance.

For avoidance of doubt, as at the date of these Terms and Conditions, the Bank's Shari'ah Committee had endorsed these Terms and Conditions to be in compliance with Shari'ah requirements.

- 8.7 It is hereby 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 Shariah Principles.
- 8.8 It is hereby agreed that the computation and payment of *Zakat* is the responsibility of the Customer.
- 8.9 The Customer shall be responsible for any taxes imposed by the authority (if any) with respect to buying and selling of Gold.