# TERMS AND CONDITIONS
# FOR
# TERM DEPOSIT ACCOUNT-i

**IMPORTANT:** You must read these Terms and Conditions before completing the Placement Form.

## GENERAL TERMS AND CONDITIONS

### 1.1 Application and Relationship with Specific Terms and Conditions

These general terms and conditions apply to the Term Deposit Account-i unless otherwise provided.

### 1.2 Applicable Shariah Contract

The applicable Shariah contract shall be:-

(i) Contract of *Murabahah* in commodities with deferred term. A sale and purchase transaction of an identified commodity whereby the cost and profit are made known and agreed to by all parties involved; and

(ii) Contract of Wakalah bil Ujrah (Agency Fee). Customer will pay an agency fee to an agent appointed by the Customer to act on his behalf in the Commodity Murabahah Transaction(s) (as defined herein).

### 1.3 Definitions

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| **Account** | means a Term Deposit Account-*i* based on the Shariah contract of Murabahah in commodities opened by the Customer with the Bank being either on Deposit (i) Type A (Profit at maturity); or (ii) Type B (Upfront profit).<br><br>Placement of Deposit in each Account shall be for each separate Account by itself and withdrawal from an Account means closing of the relevant Account and full withdrawal of the entire balances standing to the credit of the relevant Account.<br><br>For avoidance of doubt, the Account qualifies as Islamic deposit defined under IFSA 2013; |
| **Account holders** | means collectively the accountholders of the Term Deposit Account-*i*. |
| **Agent** | means an agent to be appointed by you to facilitate the |

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| | completion of Commodity Murabahah Transaction(s) on your behalf. The appointment of the agent is pursuant to the contract of *Wakalah bil Ujrah*. The Agent will not do any other task except as provided in Clause 2 herein.<br><br>The Agent is **AL RAJHI NOMINEE (TEMPATAN) SDN BHD (Co. No. 910910-A),** a company incorporated in Malaysia and having its registered office at Ground Floor, East Block, Wisma Selangor Dredging, 142-B Jalan Ampang, 50450 Kuala Lumpur. The Agent has established a dedicated unit known as "Commodity Trading Unit" to undertake this agency function and as such the Agent expenses shall be paid from the Agency Fee. |
| **Agent Account** | means the collection account maintained by the Agent with the Bank for the Agency Fee to be credited into; |
| **Agency Fee** | means the fee payable by you to the Agent pursuant to the contract of *Wakalah bil Ujrah*. The Agency Fee will be deducted from the Murabahah Sale Price. Please refer to Appendix 1 for illustration of Agency Fee calculation. The Bank is authorised by the Customer to determine the rate of Agency Fee from time to time. |
| **Agency Appointment Form** | means the form filled in by you to appoint the Agent to undertake the Commodity Murabahah Sale Transaction(s). The Form outlines the specific tasks the Agent has to perform on your behalf. |
| **Bank, us or we** | means AL RAJHI BANKING & INVESTMENT CORPORATION (MALAYSIA) BHD (Co. No. 719057-X) and includes its successors-in-title and assigns; |
| **Bank's Rules and Regulations** | means our general rules and regulations and terms and conditions governing the products and services provided by the Bank from time to time; |
| **Business Day** | means any day on which banks and other financial institutions licensed under the Islamic Financial Services Act, 2013 are opened for business in Kuala Lumpur. For all outstations branches (outside Klang Valley) which has different banking days, the definition of Business Day will follow the banking day in Kuala Lumpur. |
| **Commodity** | means any type of Shariah compliant commodities as approved by our Shariah Board; |
| **Commodity Murabahah** | means, the sale and purchase of the Commodity by the |

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| **Transaction(s)** | Agent on behalf of the Customer; |
| **Customer or You** | means the Bank's customer who maintain 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; |
| **Deposit** | means the amount placed in the Account; |
| **IFSA 2013** | refers to Islamic Financial Services Act 2013 andincludes any rules, regulations, supplemental and amendments thereof; |
| **Murabahah Sale Transaction** | means the sale of Commodity to the Bank under the contract of *Murabahah,* by the Agent on your behalf on deferred or upfront payment basis at the Murabahah Sale Price; |
| **Murabahah Sale Price** | means the sale price (equivalent to Purchase Price plus Profit) to be paid by the Bank to you upon maturity or upfront for each of Commodity MurabahahTransaction(s). The sale price to be paid by the Bank will be net of the Agency Fee. Please refer to Appendix 1 for illustration of calculation of Murabahah Sale Price; |
| **Profit** | means the profit payable to you inclusive of the Agency Fee. Please refer to Appendix 1 for illustration of calculation of the Profit; |
| **Placement Period** | means the fixed period as determined by you for the placement of Deposit in each Account as set out in the Placement Form. The period shall be:<br>a) in relation to Type A (Profit at maturity), ranges from a minimum of one (1) month to a maximum of sixty (60) months, or any other number of days as may be agreed between the parties; or<br>b) in relation to the Type B (Upfront profit), either one (1) or three (3) or six (6) or nine (9) or twelve (12) months |
| **Placement Form** | means the placement deposit form filled in by you with the relevant details in relation to the Account.; |
| **Purchase Price** | means the purchase price of the commodity (which is |

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| | equivalent to your Deposit amount); |
| **Purchase Transaction** | means the purchase transaction of the Commodity by the Agent on your behalf from the commodity trader or supplier; |
| **Type A** | means a deposit program of which the payment of the Murabahah Sale Price is paid upon maturity of the Account; and |
| **Type B** | means a deposit program of which the payment of the Profit being part of the Murabahah Sale Price is paidupfront upon completion of the Commodity Murabahah Transaction(s). The payment for the remaining Murabahah Sale Price is paid upon maturity of the Account. Should there be pre-mature withdrawal or termination of the Account prior to maturity date, the pre- mature withdrawal or termination will be subject to early settlement and ibra'. Please refer to Clause 7.0 herein; |
| **Shariah Principles** | means the Islamic principles of banking and finance as adopted and approved by the Shariah Board of the Bank and by the Shariah Advisory Council of Bank Negara Malaysia under Section 51 of the Central Bank of Malaysia Act 2009; |
| **Terms and Conditions** | means these terms and conditions and shall include any variations, amendments and supplements made to the same by the Bank. |
| **Withdrawal Form** | means the form filled by you to withdraw or terminate the Account |

## 1.4 Account Opening

At the request of the Customer through the Bank's application form in its prescribed form, and subject to the Bank's requirements, the Bank may, at its discretion open the Account(s) for the Customer.

(i) The Bank shall be entitled to refuse any application to open any Account(s) without assigning any reason.
(ii) The Account(s) must not be opened or used for any non-permissible activities in breach of any of the Shariah Principles.
(iii) The Bank shall be entitled to rely upon and act on the information furnished by the Customer as complete, true and correct and the Customer consents and

authorises the Bank to obtain any other information from any sources including but not limited to CCRIS, FIS, CTOS or any credit reference agency, Inland Revenue Authorities or any authorities and by whatever means and at any time as the Bank considers appropriate.

## 1.5 Procedures to Conclude Placement of Deposit

The following procedures are required to complete the placement of deposit under this Term Deposit Account-i:-

(i) Your Deposit will be credited into your Account. As such, you will maintain a savings or current account with the Bank in order for the Bank to credit the Profit intoyour savings or current account;
(ii) The denomination of the Account is in Ringgit Malaysia ("RM")
(iii) You will appoint an agent identified by the Bank to perform the Commodity Murabahah Transaction(s)(as defined herein) on your behalf;
(iv) Your agent will buy identified commodities on your behalf from commodity suppliers;
(v) Upon completion of the purchase, your agent will sell the commodities on your behalf to the Bank and the Bank will pay you the Murabahah Sale Price in accordance with these Terms and Conditions;
(vi) The procedures provided in (iv) and (v) will be repeated for each renewal of your placement;
(vii) Where any cheque(s) is deposited for the Account, the Commodity Murabahah Transactions will only be effected upon the clearance of the cheque(s).

## 1.6 Authorisations and Requests

With the opening of the Account(s), the Customer authorises and requests the Bank to honour and comply with all cheques, drafts, orders to pay, bills of exchange and promissory notes expressed to be drawn, signed, accepted, endorsed or made on the Customer's behalf, drawn upon or addressed to or made payable by the Bank whether the Account(s) is in credit or in debit or may become overdrawn in consequence or otherwise but without prejudice to the Bank's right to refuse to allow such overdrawing of the Account(s).

### 1.7 Deposits

(i) Every deposit shall be accompanied by a deposit slip, any appropriate form issued by the Bank or a receipt issued by the Bank. A receipt issued by the Bank is only validif it is machine validated or acknowledged by an authorised officer of the Bank.

(ii) All cheques and monetary instrument(s) deposited are accepted for collection only and except by special arrangement may not be drawn against until the proceeds havebeen received by the Bank. The Bank reserves the right to debit the Account(s)in the event such cheques or monetary instrument are subsequently dishonoured andshall be entitled to claim for such amount from the Customer in the event the Bank suffer any loss or incurs any costs from such action.

(iii) Cheques and/or monetary instruments deposited and subsequently, dishonoured shall be returned to the Customer, such costs and expenses to be incurred is to be borne by the Customer. The Customer agrees to be responsible for all the consequences of loss or delay in transit of the return of the cheque and/or monetary instruments.

### 1.8 Withdrawals

(i) Any withdrawal to be made from the Account(s) may be subject to verification of signature, production of evidence of identity being produced satisfactory to the Bank as per its policies.

(ii) Withdrawals from the Account(s) shall be subject to the available funds in the Account(s).

### 1.9 Tenure

The tenure of the Account shall be as per the original Placement Period. The placement will be renewed upon maturity in correspond to the original tenure until the Account is terminated. No partial withdrawal is allowed for this Account. Should the Bank allow for withdrawal prior to maturity, the Murabahah Sale Price will be paid in accordance with Clause 7.

### 1.10 In Trust Account

(i) The eligible age for the Account under this category for a minor shall be between one (1) month old to seventeen (17) years old. A fresh instructions and mandate for the operations of the Account shall be given to the Bank upon the children attaining the age of eighteen (18) years old whereupon the Account will be classified under the normal account. In the absence of any such instruction, the Bank will continue to operate the Account based on the existing mandate.

(ii) The Account is opened and maintained by the legal guardian or trustee on behalf of

the minor or beneficiary.

(iii) Every guardian or trustee as at the date on which the Account is opened and every person who is thereafter appointed as such agrees or on being appointed will be deemed to agree to be bound by these Terms and Conditions.

(iv) All guardians or trustees named as the Customer shall have joint and severalliabilities to the Bank for the performance of all obligations imposed under these Terms and Conditions.

(v) The Bank must be immediately notified in writing of the resignation or appointment of any guardian or trustee. Until released by the Bank in writing, the liability of a guardian or trustee in respect of the Account shall remain.

(vi) In the event of the Customer dies before the minor or beneficiary attains the age of eighteen (18) years, the Account shall be frozen and matters pertaining to the Account shall be referred to the new legal guardian of the minor. Matters concerning death of the guardian or trustees shall be subject to the deed of trust or will or other authority.

(vii) The Account shall also be governed by the relevant laws of trust and estate of minors.

**1.11 Required Documents and Authorised Signatories**

(i) The Customer will furnish the Bank with the relevant documents or information as required including mandate, list of specimen signatures of authorised signatories, directors, company secretary and other officials authorised by the Customer in relation to the Account(s).

(ii) The Customer will promptly notify the Bank in writing of any change in the identity of any authorised signatory and shall furnish us the specimen signatures of any additional or substitute authorised signatories. Any such notice shall be effective only if given by the required number of then prevailing authorised signatories and uponus receiving the same and confirming it to be in order. Until any such change becomeseffective, the Bank may rely on the then current list of authorised signatories.

(iii) The scope of any limitations on the authority of the authorised signatories shall be agreed between you and the Bank from time to time. In the absence of any express limitation, we may at our discretion treat the authority of a single authorised signatory as sufficient for all purposes in relation to the Account(s).

**2. Appointment of Agent**

(a) To facilitate efficient execution of the Commodity Murabahah Transaction(s) during placement of Deposit and/or renewal of Account thereof, you agree to appoint the Agent to undertake the tasks provided herein on behalf of the Customer. The Customer is required to fill in the Agency Appointment Form. The appointment of the Agent will continue until the

Term Deposit Account(s) is terminated by the Customer or by the Bank (as the case may be). Specific roles undertaken by the Agent as agreed by the Customer are as follows:

(i) purchases the Commodity on cash basis;
(ii) upon completion of the purchase of the Commodity (which includes completion of transfer of ownership and possession of the Commodity represented by certificate(s) on behalf of the group of customers), to sell the Commodity to the Bank at the Murabahah Sale Price; and
(iii) generally, to execute all acts for the completion of the Commodity Murabahah Transaction(s) in accordance with these Terms and Conditions.

(b) The Agent will only act on the Customer's behalf and will not assume, or be deemed to have assumed, any additional obligations to, or to have any special relationship with the Customer other than those specific tasks mentioned in Clause 2.0 (a) and in these Terms and Conditions.

(c) The Agent in performing its duties to you in the Commodity Murabahah Transaction(s) shall look after the Customer's best interest and act in good faith.

(d) You will authorise the Bank to monitor and ensure the Agent performs the tasks assigned to it efficiently, in ethical and professional manner.

(e) You acknowledge and agree that the appointment of the Agent to perform the Commodity Murabahah Transaction(s) on the Customer's behalf is part of the product features of the Term Deposit Account-*i* and the purpose of appointment is solely to facilitate the smooth execution of the Customer's placement of Deposit in the said Account (including the renewal of placement thereof) with the Bank.

**2.1 Payment of Agency Fee**

(a) You agree to pay the Agency Fee to the Agent for the functions provided in Clause 2.0(a).

(b) The Agency Fee will be deducted from the Murabahah Sale Price of each Commodity Murabahah Transaction and will be credited into the Agent's Account maintained with the Bank. You authorise and agree for the Bank to determine from time to time as the Bank deems necessary the percentage rate of the Agency Fee.

(c) The Agency Fee will be used for the payment of the Agency expenses.

2.2 The Agent and/or the Bank shall not be obligated to enter into any transaction, nor follow any of your instruction, if in the opinion of the Agent and/or the Bank by entering into such transaction or following such instruction, the Agent and/or the Bank would be in contravention or violation of any law, policy, rule or regulation.

## 3. Commodity Murabahah Transactions

(a) Subject to the terms and conditions herein contained, the Commodity Murabahah Transactions shall be completed in the following manner. Please refer to Appendix 2 for *'aqad* schedules:-

(i) Purchase Transaction(s)

1.1 You will appoint the Agent to purchase on your behalf the Commodity from a supplier.

1.2 On the placement day or renewal thereof, the Agent will purchase the Commodity in accordance with the Customer's instructions as stated in the Placement Form and upon completion of such purchase transaction(s), the title, ownership, rights and interests of the Commodity shall be transferred to you. You acknowledge and agree that the Agent is authorized to choose any available commodity in the market.

(ii) Murabahah Sale Transaction(s)

1.1 Upon completion of purchase transaction (which includes completion of transfer of ownership and possession of the Commodity represented by certificate(s) on behalf of the group of customers) in accordance with Clause 3.0(a)(i) above, the Agent will offer to sell, the Commodity on your behalf to the Bank at an agreed sale price (Murabahah Sale Price) and payment term(s). The payment term(s) shall be in accordance with the Deposit type that you have subscribed. The detail information of the Commodity shall be provided to the Bank.

1.2 If the Bank accepts the offer, it will issue its acceptance of the offer. Upon completion of the sale transaction, the title, ownership, rights and interests of the Commodity shall be transferred to the Bank. The Bank may sell the Commodity in the market.

1.3 the Bank will make payment of the Murabahah Sale Price (net off the Agency Fee) pursuant to the Murabahah Sale Transaction to you upon maturity or upfront in accordance with the terms and conditions herein.

(b) Your instructions pertaining to the Commodity Murabahah Transaction are irrevocable.

## 4. Bulk Purchase of Commodity

The Commodity, being the underlying commodity of the Commodity Murabahah Transactions will be purchased from the supplier(s) in bulk. The Commodity represents ownership of a group of customers subscribing to the Account. Every Customer in the

group acknowledges and agrees that the ownership of the Commodity is shared among yourselves where each of you will own undivided share of the commodity corresponding to the amount of Deposit placed in the Account(s) which has been utilized to purchase the commodity.

**5. Payment Options in relation to the Murabahah Sale Price**

(a) The Customer may opt for the Type A or the Type B Deposit type.

(b) In relation to the Type A, the Bank will pay you the Murabahah Sale Price upon maturity of the Account. Should there be premature withdrawal or termination of the Account at any time prior to maturity, the Murabahah Sale Price will be paid by the Bank in accordance with Clause 7.0;

(c) In relation to the Type B, the Bank will pay to you the Profit portion (which is part of the Murabahah Sale Price) immediately upon conclusion of Murabahah Sale Transactions(s) and the remainder of the Murabahah Sale Price which amount is equivalent to Purchase Price upon maturity of the Account. Should there be pre-mature withdrawal or termination of the Account at any time prior to maturity, the remainder of the Murabahah Sale Priceshall be paid in accordance with Clause 7.0

**6. Renewal of the Account**

(a) You and the Bank hereby agree that the Account is renewable upon maturity of a prevailing Placement Period. Renewal can either be on the entire Murabahah Sale Price or on the initial Deposit only (as the case may be) and shall be in accordance with Clause 2 and 3 above. You will notify us with written notification should you intend to terminate any Account.

(b) For each renewed Account, all the terms and conditions stipulated in this Terms and Conditions shall apply accordingly.

(c) Where a customer is provided with a special profit rate, for a particular period of time, such special rate will not be applicable to any future renewal of the Deposit amount, unless specifically authorized by the Bank at the point of the renewal.

## 7. Pre-mature Withdrawal

As required by Bank Negara Malaysia's guidelines and directives with regards to rebate (ibra') and as the Bank in its absolute discretion accepts, in the event of pre-mature withdrawal or termination of the Account prior to the maturity date in accordance with these Terms and Conditions, the Customer will waive the entire Profit comprised in the Murabahah Sale Price as determined by the Bank. Such determination by the Bank, shall save for manifest error, be final, conclusive and binding on the Customer. The following illustrations will assist the Customer to understand further the ibra' computation:-

Type A
If the withdrawal is made prior to the maturity date, no profit will be paid by the Bank

Type B
If the withdrawal is made prior to the maturity date, no profit will be paid by the Bank. The profit amount that has been credited upfront will be deducted back from the initial deposit placement

The Bank shall notify the Customer the calculation of profit and *ibra'* accordingly in the event of pre-mature withdrawal.

## 8. Banking Charges

8.1 The Customer hereby agrees that the Bank shall be entitled to charge for banking services provided to the Customer at the rates as notified by the Bank to the Customer. All banking charges when due shall be debited from the Account(s).

8.2 Banking charges are available from the Bank's branches, website or any other delivery channel of the Bank. The Bank may vary such charges from time to time by giving you 21 calendar days' notice in advance. If you do not agree with the charges, you may from time to time within 21 calendar days from the date of the notice of change, close the Account(s) and in the absence thereof, it shall be deemed that you have agreed to such changes.

## 9. Suspension Account(s)

9.1 The Bank shall be entitled to at its discretion and without prior notice to the Customer refrain from effecting or carrying out any transactions including but not limited to the payment of any monies or of any cheques or any other instruments or any instructions for payment out of the Customer's Account(s) and/or acceptance and/or collection of cheques, deposits of monies or any other instruments or any instructions to effect receipt of payment into the Customer's Account(s) upon but not limited to the occurrence of any of the following events:-

(a) Upon the Bank being notified or becoming aware that the Customer has committed an act of bankruptcy and/or petition for winding up or for bankruptcy has been presented against the Customer or any of the directors/partners of the Customer (for corporate and partnership accounts) or upon the Bank being served with any notice under Section 218 of the Companies Act 1965 presented against the Customer;
(b) Upon the Bank being notified and/or requested by any authority including but not limited to Bank Negara Malaysia, the Royal Malaysia Police, the Government of Malaysia or any other statutory or governmental body to refrain from performing any transaction under the Account(s);
(c) Upon the Bank being suspicious of any fraudulent activities concerning the Account(s) and pending receipt of information by the Bank from the Customer with regards to such activities and until received and verified thereof to the satisfaction of the Bank and orthe relevant authorities;
(d) In the event of death of the Customer, where the Customer is an individual, or is an authorised signatory to operate accounts for a partnership and/or company or any such legal entity, the Bank shall continue to freeze the Account(s) until a new mandate or a fresh authorised signatory is given to the Bank;
(e) Pursuant to or by virtue of any laws, court orders, regulations and or enactments.

9.2 The suspension of the Account(s) shall be lifted upon the occurrence of any but not limited to of the following:

(a) In respect of the insolvency matters, it shall be shown to the satisfaction of the Bank by the Customer with appropriate evidence that the petition for winding up or for bankruptcy has been validly withdrawn or dismissed or application dismissed or struck out by the Court or where anyone or more of our directors of the Customer are adjudicated bankrupt,the Bank is served a mandate as to the change of signatories of the Account(s) and is satisfied that such fresh mandate is duly authorised by the board of directors, or upon the Bank being served with the appropriate court order sanctioning the lifting ofthe suspension of the Account(s);
(b) In respect of authorities directives, the Bank has been informed in writing by the authorities of the lifting of the suspension of the Account(s) or alternatively, an appropriate court order has been served on the Bank sanctioning the lifting of the suspension of the Account(s); and

(c) In respect of death if a sole account holder, upon presentation to the Bank of a grant of probate or letters of administration by the deceased's successor(s) or any other related forms from the Land Office and/or any other approved bodies under the relevant legislation prevailing at such time; or a fresh mandate with a new authorised signatory to operate the partnership and/or the company's or such entity's accounts is furnished to the Bank.

9.3 In suspension the Account(s) pursuant to the terms and conditions herein including any action which may be taken by the Bank such as returning any cheques or other instruments whether deposited for collection or payment as provided herein the Customer agrees that the Bank shall not be held liable for defamation and/or for breach of contract and/or for any losses damages expenses costs or charges whatsoever which may be claimed against the Bank by the Customer or by any other person based on whatsoever grounds and regardless of whatsoever remarks and undertakes to keep the Bank fully indemnified against any claims for damages losses expenses charges and costs (legal or otherwise including costs on a solicitors and client basis and party to party costs) which may be made against the Bank by any other person.

9.4 In so acting pursuant to any terms, conditions and provisions herein the Customer agreesthat the Bank shall not be held liable or responsible for any losses, damages, expenses or costs whatsoever which may be claimed against the Bank on the grounds that the Bank has not been fixed with notification of the relevant events mentioned in this Clause 10 by reason of the notification being irregular, invalid, erroneous, mistaken, void, not effective or by reason of any other grounds whatsoever. The Customer where mentioned herein shall mean any one or more or all the Customer if the Customer is comprised of more than one person.

**10. Closure of Account(s)**

10.1 The Bank reserves its right to:-

(a) close the Account(s) in accordance with Bank Negara Malaysia's guidelines in relation to DCHEQS, bankruptcy, winding-up and dissolution;

(b) close the Account(s) for any reason whatsoever by giving written notice of such intention and the Bank shall not be bound to disclose any reasons therefore; or/ and

And in the event that the Account(s) is closed pursuant to this Clause 10, these Terms and Conditions shall forthwith terminate pursuant to Clause 19 herein and the Bank shall repay all the remaining balance of monies in the Account(s) to the Customer. For the avoidance of doubt, the Customer shall bear all the relevant cost (if any) in relation to the Account(s).

## 11. 'Know Your Customer'

The Customer acknowledges that from time to time the Bank is required to carry out a due diligence to identify and to find out the background of its Customer. The Customer agrees to sign such declarations, do such acts and/or provide such documents requested by the Bank for this purpose within the required time period, and that by not doing so may result in the Bank suspending, closing or limiting the usage of the account including but not limited to disallowing any transfer of funds to third parties. If the account is to be closed, the Bank reserves the right to return the monies in the Account to the source from where it came.

## 12. Inactive/Dormant Accounts/Unclaimed Monies

a) Dormant Account: If no transactions are carried out on any of the Account within the period specified by the Bank, the Bank may consider that Account dormant and may impose a charge or fee on that Account and close that Account with prior notice to the Customer. In the event the credit balance in the Account is remitted to the Registrar of Unclaimed Moneys pursuant the Unclaimed Monies Act 1965, the Account will then be closed. Account(s) with no debit and/or credit transaction for 1 year or more will be deemed as Dormant Account(s).

b) For Account(s) which has been classified as dormant pursuant to Clause (a) above, no credit and/or transaction on the Account(s) shall be allowed unless and until the Account(s) has been reactivated pursuant to Clause (c) below.

c) To activate a dormant Account(s), the Customer must initiate an over the counter debit cash cheque transaction at any branch subject to verification of the identity of the Customer.

d) The Bank reserves the right to impose a charge(s) on Dormant Account(s) at its absolute discretion.

e) Account(s) are subject to the Unclaimed Monies Act 1965.

## 13. Joint Account(s)

13.1 Cheques or any other monetary instrument payable to any of the joint accountholder can be deposited into the Account(s) for which the Bank shall not be held liable for any damage or loss arising from payment of such proceeds of cheques or monetary instrument and such payments shall be binding on all joint accountholders, jointly and severally, whether or not such payments were made with the knowledge, acquiescence or authority of any other joint accountholder.

13.2 Where the Bank is instructed and authorised to act on instructions by any one of the accountholder, the Account(s) may be operated and/or closed by any one of the accountholder. Where the Bank is instructed and authorised to act on instructions by both or all the accountholders, the Account(s) may be operated and/or closed by both or all of the

accountholders, as the case maybe.

13.3 If the Bank shall be in doubt of any instructions given by any one or more of us in relation to the operation of the Joint Account(s), the Bank shall be entitled if it so requires request for a written confirmation from all of us before carrying out such instructions without being liable to any of us for doing so.

13.4 In the event of death, bankruptcy or insanity of any of the joint accountholder, any balance remaining in the credit of the Joint Account(s) may be paid to the survivor(s), the non-bankrupt or the non-insane joint accountholder, as the case maybe, subject to any statutory compliance (if required) with the relevant legislation prevailing at such time.

13.5 The Joint Accountholders shall jointly and severally undertake to indemnify and hold the Bank harmless against losses, demands, proceedings, costs, expenses and other liabilities whatsoever incurred arising from any instructions issued by any of the Joint Accountholders.

**14. Company, Partnership, Club, Societies and Association Account(s)**

The Customer agrees to provide the relevant resolutions to authorise the opening of the Account(s) and to provide specimen signatures for the operation of the Account(s). The instructions given by the Customer for the operation of the Account(s) shall remain in force until revoked in writing notwithstanding any change in the constitution or the name of the company, partnership, club, societies or associations and shall apply notwithstanding any change in the membership of the club, societies, associations or partnership whether by death, bankruptcy, retirement, admission ofnew members or otherwise.

## 15. Limitation of Liability

15.1 Save for any losses, costs and expenses in relation to the Account(s) arrangement, the Customer agrees that the Bank shall not be responsible for and the Customer shall fully hold the Bank harmless against all other losses, costs and expenses which may be incurred by the Customer or by the Bank if the Account(s) or any part thereof is reduced or frozen by any government or official authority.

15.2 Where any loss or damage suffered by the Customer is solely attributed to the recklessness, willful default, negligence or fraud of the Bank, the Bank's sole and entire liability (whether in respect of one or more claims) to the Customer in contract or tort shall notexceed the amount of the transaction which gave rise to the claim or claims or the direct damages sustained, whichever is the lower. In no event shall the Bank be liable for any loss of business, loss of profits, earnings or goodwill, loss of data, indirect, consequential, special or incidental damages, liabilities, claims, losses, expenses, disbursements, awards, penalties, proceedings and costs regardless of whether the possibility of such losses or damages was disclosed to, or could have reasonably been foreseen by the Bank.

15.3 Each of the provisions in clause 11 is to be construed as a separate limitation surviving the termination of the Accounts and Services.

15.4 Any arrangements between the Bank with its business partners to provide incentives and benefits to the Bank's customers are subject to the Bank's terms and conditions. The Bank and its business partners shall not be liable for any claims arising from harm or dissatisfaction from their use or misuse.

## 16. Set-Off and Consolidation

Subject to compliance with the Shariah Principles, the Bank may with 7 calendar days' prior notice, combine and consolidate all or any of the Accounts and set-off or transfer credit balance in any such Account including joint accounts in or towards discharge of all sums due to the Bank from the Customer. Pending the Bank effecting the said set off, the Bank shall have the right to withhold and suspend payment of any monies from the credit balance of the Account(s).Where the sums are in different currencies, the Bank may make the necessary conversion at the Bank's prevailing exchange rates. The Bank may with 7 calendar days' prior notice transfer the credit balance in any Account towards discharge of all or any sums due under any account of the Customer with any member of Al-Rajhi Bank Group. In exercising the Bank's rights and/or obligations above or as required by the law, the Customer hereby agrees to bear all the necessary costs and expense (including costs and expense on solicitors-and-client basis) incurred by the Bank and hereby authorises the Bank to deduct from the credit balance in the Account(s) towards payment of such costs and expense and in the event of no or insufficient balance, to pay the Bank and reimburse the Bank (if the Bank soopt to disburse), on the Bank's first demand

## 17. Change of Terms and Conditions

The Terms and Conditions herein are not exhaustive. The Bank reserves the right to add, modify or delete any of the these 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

## 18. Rules and Regulations of Regulatory Bodies

In addition and without prejudice to any of the terms and conditions of these Terms and Conditions and the Bank's rules and regulations, where applicable, these Terms and Conditions shall be governed by and subjected to such rules, regulations and/or directives (whether or not having the force of law) required of or imposed upon the Bank from time to time and at any time by Bank Negara Malaysia or any other authority having jurisdiction over the Bank and shall be subject to the prevailing guidelines, issued from time to time. Pursuant thereto, the Bank shall notify the Customer within twenty-one (21) calendar days of any changes made to these Terms and Conditions.

## 19. Disclosure of Information

19.1 The Customer permits the Bank to use, store, disclose, transfer, compile, match, obtain and or exchange any documents or records of, or information about the Account(s) or affairs of the Customer, whether or not confidential:

(i) to Bank Negara Malaysia ("BNM") or any of its established bureaus or agencies ; or
(ii) to the Association of Bank in Malaysia, any (prospective or otherwise) guarantors, potential assignee or transferee or any other person proposing to enter into contractual arrangements with the Bank in relation to these Terms and Conditions;
(iii) to any governmental agency, bureaus or such other authority having jurisdiction over the Bank; or
(iv) to any member of Al Rajhi Bank group of companies or any companies or persons who may in the future be a member of Al Rajhi Bank group of companies; or

(v) to and between the branches, related corporations, affiliates or agents of the Bank and third parties selected by any of them, wherever situated, for confidential use (including for data processing, statistical and risk analysis purposes) and further acknowledges that any such branch, related corporation, affiliate, agent or third party shall be entitled to transfer any such information as required by any law or as requested by any authority;

19.2 All information given by the Bank to any of the abovementioned persons is provided in good faith, and for information purposes only and that whilst every care has been taken in compiling, collating or producing the information, the Bank and its officers shall not in any event be liable for any claim, loss, damage or liability howsoever arising to the Customer or to any other persons for the accuracy, completeness or authenticity of its content or for the consequences of any reliance which may be placed on the information.

19.3 The Customer acknowledges and agrees that the permission given under this Clause maybe used towards the purpose of Section 146 of the Islamic Financial Services Act 2013 and that no further consent from the Customer are required for the purposes of this Clause.

## 20. Change of Address, Signature of Particulars

Any change of address or signature(s) or other particulars that are recorded with the Bank shall be notified to the Bank in writing. All communication including the service of any legal process sent by post to or left at the Customer's last address registered with the Bank shall be deemed to have been duly delivered to and received by the Customer.

## 21. Termination

The Customer and the Bank agree that these Terms and Conditions shall terminate pursuant to receipt of the notice of termination from the Customer or the Bank and/or upon closure of the Account pursuant to Clause 9 herein.

The termination of Account by the Bank shall not affect your right to the Murabahah Sale Price whereupon provision under Clause 7.0 shall apply.

## 22. Goods and Services Tax

Where Goods and Service Tax ("GST") is applicable to any taxable supply (within the meaning of the Goods and Services Tax Act 2014, ("GST Act")) provided by the Bank under or in relation to any financing, banking services or provision of account, the Customer hereby acknowledges, agrees and covenants that:-

(a) unless otherwise specified by the Bank in writing, the price quoted by the Bank for anytaxable supply to be made by the Bank is inclusive of GST and the Bank is entitled to charge GST on the payment of the taxable supply;

(b) the Customer shall pay to the Bank the GST prior to any disbursement or utilization of such financing or prior to any services or provision of account rendered, as the case may be;

(c) in the event the taxable supply has been made and consideration charged but the applicable GST has not been charged, the increase in the consideration to include the GST shall be paid by the Customer upon the provision of a tax invoice by the Bank to the Customer in accordance with the GST Act;

(d) where requested by the Customer, the Bank will provide such information and documents as may reasonably be required to enable the Customer to claim input tax credit under the GST Act;

(e) Where costs incurred by one party are to be reimbursed by another, the amount to be reimbursed shall be calculated net of any GST input tax credits that the party seeking reimbursement is entitled to in respect of the cost incurred; and

(f) in the event the Customer fails to pay to the Bank the GST, the Bank is hereby authorised at any time to deduct from any of the Customer's account maintained with the Bank towards payment of the said GST subject to written notification to the Customer.

**23. Anti Money Laundering, Anti Terrorism Financing and Proceeds of Unlawful Activities Act, 2001 ("AMLA")**

23.1 The Customer represents and warrants that:

(a) unless and until the Customer notifies the Bank to the contrary in writing:

(i) the Customer is the Account holder;

(ii) no person other than the Customer has or will have any interest in the Account(s) or any credit balance therein; and

(iii) all monies which will be credited into or debited from the Account(s) shall come from a lawful source of activity and not unlawful activities, as defined under the AMLA.

(b) on notification that the Customer is an intermediary for other persons:

(i) the Bank may require, and the Customer agrees and undertakes to provide verification of the identity of the beneficiary and such other information as the Bank may require, including but not limited to certified true copies of any authorisation to act or documents that may be required for the purposes of verifying the information provided by the Customer, which copies may thereafter be retained by the Bank;

(ii) the Customer further declares and certifies that the necessary "know-your-client" checks have been conducted including but not limited to the identity, existence, address and nature of the business of the beneficiary, it being

confirmed by the Customer that the monies, funds or collateral are from a lawful source of activity and not unlawful activity as defined under the AMLA; and

(iii) it is further hereby clearly agreed and understood that the provision of details of the Customer's beneficiary shall not make the Customer's beneficiary a client of the Bank and the Bank shall be entitled to hold the Customer as the principal.

23.2 In addition to Clause 16 above, the Customer hereby agrees and undertakes irrevocably and unconditionally that:

(a) the Customer shall disclose and furnish to the Bank any information required or deemed necessary and to the satisfaction of the Bank in a timely manner within the period specified by the Bank, whether or not for purposes of complying with laws, rules, regulations, directives and guidelines of BNM and or given, made or established by the Bank;

(b) pending receipt of information by the Bank from the Customer and until received and verified thereof to the satisfaction of the Bank and or the relevant authorities, the Bank shall neither be obliged to proceed with any transactions nor accept any monies into the Account(s) or facilitate any transfer of monies from the Account(s), ("Assets"). In relation to Assets already in the possession of the Bank, the Bank shall be entitled (and authorised) to retain the Assets for the time being; any Assets requested to be returned to the Customer shall be returned to the Customer after the Bank receives satisfactory clearance from the relevant authorities;

(c) the Customer will not use the Account(s) or any credit balance therein for money laundering or violate any laws relating to money laundering as defined under the AMLA; and

(d) in no event shall the Bank be liable for any direct, indirect, consequential or any losses whatsoever or howsoever arising or by reason of the exercise of their duties under the laws for the time being in force, in particular but not limited to its statutory duties under the AMLA.

## 24. Processing Personal Information

24.1 The Customer hereby represent and warrants that the Customer has obtained the consent of all persons named in the Customer's application for the Account(s) or such other documents submitted to the Bank in support of such application and/or their authorised representative including but not limited to the Customer's directors, shareholders, authorised signatories or such other persons as specified by the Bank for the Bank's collection, holding and use of the personal information in accordance with the Bank's Privacy Policy as may be amended from time to time.

24.2 The Customer hereby agrees and consents to the holding, collection and use of all personal data provided to the Bank by the Customer or acquired by the Bank from the publicdomain, as well as personal data that arises as a result of the provision of services to the Customer in connection to the Account(s) in accordance with the Privacy Policy of the Bank as may be amended from time to time.

## 25 FURTHER PROVISIONS

### 25.1 Reconstruction of the Customer and the Bank

The liabilities and/or obligations created by these Terms and Conditions shall continue to be valid and binding for all purposes whatsoever notwithstanding any change by amalgamation, reconstruction or otherwise which may be made in the constitution of the Bank, and similarly the liabilities and/or obligations created by these Terms and Conditions continue to be valid and binding for all purposes whatsoever notwithstanding any change by amalgamation, reconstruction or otherwise howsoever in the constitution of the Customer (if applicable) or any change of any sort whatsoever in relation to or affecting the Customer (if applicable), and it is expressly declared that no change of any sort whatsoever in relation to or affecting the Customer (if applicable) shall inany way affect the liabilities and/or obligations created hereunder to any transaction whether past, present and future.

### 25.2 Representations and Warranties

**(a) Power and authority**

The Customer represents and warrants to the Bank that for so long as any account is in existing, (a) it has the power and authority to open, operate and maintain the Account(s); (b) its opening, operating and maintaining the Account(s) does not infringe any law or regulation nor any document or agreement binding on it; (c) its obligations under any account and any related agreements thereto constitute its legal, valid, binding and enforceable obligations; and

**(b) Statements**

All information furnished by the Customer do not contain any untrue statement or omit to state any fact the omission of which makes any statements made therein in the light of the circumstances under which they are made, misleading.

### 25.3 Reversals on error

In the event of the Bank crediting the account of the Customer by error, the Bank will be entitled at any stage to reverse the said entry and/or to claim the said amount from the customer

### 25.4 Malaysian Deposit Insurance Corporation Act ("PIDM")

This Account is covered by compensation scheme under the Malaysian Deposit Insurance Corporation Act (PIDM) 2011.The accountholders are protected by PIDM up to RM250,000 for each depositor. The RM250, 000 limits includes both the principal amount of a deposit and the profit return.

### 25.5 Rights Cumulative, Waivers

The rights of the Bank under these Terms and Conditions herein are cumulative, and may be exercised as often as they consider appropriate and are in addition to its rights under any applicable law. The rights of the Bank in relation to these Terms and Conditions shall not be capable of being waived or varied otherwise than by an express waiver or variation in writing. In particular any failure to exercise or any delay in exercising any of such rights shall not operate as a waiver or variation of that or any other such right or affect the liabilities of the Customer under these Terms and Conditions. No defective, single or partial exercise of any right, power or privilege hereby conferred on the Bank shall preclude any further exercise thereof by the Bank or the exerciseof any other right, power or privilege conferred on the Bank and no act or course of conductor negotiation on the part of the Bank or on its behalf shall in any way preclude the Bank from exercising any such right or constitute a suspension or any variation of any such right.

### 25.6 Time

Time shall be of the essence in these Terms and Conditions.

### 25.7 Invalidity of Any Provision

If any of the provisions of these Terms and Conditions becomes invalid, illegal or unenforceable in any respect under any law, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired as long as the contractual relationship is valid in accordance with the Shariah Principles.

### 25.8 Governing Law

For all intents and purposes, these Terms and Conditions is intended to be a Shariah compliant document in accordance with the relevant Shariah contract and shall be construed in accordance with the Shariah principles. Each Party has independently made its own assessment as to the Shariah compliance of these Terms and Conditions. The Parties confirm that they do not have any objection as to the Shariah compliance of these Terms and Conditions and they irrevocably and unconditionally agree that they will not raise any claim, objection as to matters of Shariah non- compliance in respect of or otherwise in relation to any of the provisions of these Terms and Conditions. So far asit does not contradict the above, these Terms and Conditions shall be governed by the Malaysian law and the Parties will submit to the non-exclusive jurisdiction of courts of Malaysia.

### 25.9 No Payment of Interest

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.

### 25.10 Successors Bound

These Terms and Conditions shall be binding upon the heirs, personal representatives and successors-in-title of the Customer and the successors-in-title and assigns of the Bank. The Customer shall not assign any of its rights and interest to the Accounts.

The obligations of the Customer shall continue notwithstanding any change by amalgamation, reconstruction or otherwise in the constitution of the Bank.

## 26. MISCELLANEOUS

a. We may transfer and/or assign any of our rights and/or obligations under any account and related document to any party subject to prior written notification to you.

b. It is hereby agreed that the computation and payment of *Zakah* is your responsibility.

**Appendix**
**Calculation of Murabahah Sale Price and Agency Fee**

**Formula:**

Purchase Price = Deposit Amount
Murabahah Sale Price = Purchase Price + Profit
Profit = Deposit Amount x Profit Rate* x $\frac{\text{No. of Days in Placement Period}}{\text{No. of Days in Year}}$
Agency Fee = Purchase Price x Agency Fee Rate** x (No. of Days in Placement Period/ No. of Days in Year)

**Inclusive of Agency Fee Rate*
***Please refer to our rate board for the current Agency Fee rate*

Illustration:

Deposit = RM10,000.00
Profit Rate = 3.01%
Number of Days in Placement Period = 120 days
Number of Days in Year = 365 days
Agency Fee Rate: 0.01%

Profit = RM10,000 x 3.01% x (120/365) = RM98.96
Murabahah Sale Price = RM10,000 + RM 98.96 = 10,098.96
Agency Fee = RM10,000 x 0.01% x (120/365) = RM0.33

Amount payable to the Customer shall be RM10,098.63 which is net of the Agency Fee (RM10,098.96 – RM0.33) and Agency Fee amount payable to Agent shall be RM0.33

**Appendix**
**Sale Offer and Acceptance**

From: **Al Rajhi Nominee (Tempatan) Sdn Bhd**
**(acting as Agent of Customer)**

Date:

To: **Al Rajhi Bank**

**TERM DEPOSIT ACCOUNT-i**
**BULK COMMODITY BATCH NO:**

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We, on behalf of the Term Deposit-i Account Holders (as listed overleaf) hereby sell to you the following commodities:

**Sale Terms**

Certificate No. :

Commodity : For detail description of the Commodity, refer to the Certificate

Murabahah Sale Price (Purchase Price + Profit): refer to the list

Note:
1- Each account in the list appended to the Sale Offer certificate shall represent an individual commodity transaction independent of other accounts.

2- Terms of payment and profit calculation method are subject to the individually agreed terms and conditions.

**Agent**
**Name and Signature of Authorized Signatory:**

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## ACCEPTANCE

We accept your offer as per the terms provided above.

**Al Rajhi Bank**
**Name and Signature of Authorized Signatory:**

**Sample Listing**

**Extraction A: COMMODITY PURCHASE PARTICIPANT LIST (CMTD)**

**Reference Number:**

| Date | Total Sale Price | Total Principal | Total Agency Fee | Total Ownership |
|---|---|---|---|---|
| | | | | |

| No. | Customer Name | CIC | Account No. | Deposit Type | Scheme | Tenor (Month) | No. of Days | Annual Profit Rate (%) | Ownership (%) | Purchase Price (RM) | Profit Amount (RM) | Murabahah Sale Price (Purchase Price + Profit) (RM) | Agency Fee (Payable upfront) (RM) | Murabahah Sale Price To Be Paid (Murabahah Sale Price + Agency Fee) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | | | | | | |
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| Grand Total:- | | | | | | | | | | | | | | |