

FOREIGN CURRENCY ACCOUNT

TERMS AND CONDITIONS (“T&Cs”)

In consideration of Hong Leong Bank Berhad (“**HLB**”) agreeing to allow the customer of HLB (“**Customer**”) to open and operate foreign currency account(s) with HLB at the Customer’s request, the Customer hereby agrees, covenants and undertakes to open and operate the Account(s) upon the General Terms and Conditions of Accounts which shall apply to the Foreign Currency Account unless otherwise indicated herein:

1. Definitions & Interpretations

- 1.1 The following terms and expressions shall have the meanings assigned to them unless the context otherwise requires:
- (a) ‘**Account(s)**’ means any account or accounts (whether current, fixed deposit or any other accounts which may be permitted by HLB) in any foreign currency which is acceptable to HLB opened or to be opened by the Customer with HLB from time to time;
 - (b) ‘**Domestic Ringgit Borrowing**’ means:
 - i. any Borrowing in Ringgit obtained by a Resident from another Resident; or
 - ii. any obligation considered or deemed as Domestic Ringgit Borrowing under any of the FEN
 - (c) ‘**Entity**’ means
 - i. any corporation, statutory body, local authority, society, co-operative, limited liability partnership and any other body, organization, association or group of persons, whether corporate or unincorporate, in or outside Malaysia; or
 - ii. the Federal Government, any State Government or any other government;
 - (d) ‘**FEN**’ means Foreign Exchange Notices as may be amended or supplemented from time to time, which is available on the website at https://www.bnm.gov.my/index.php?lang=en&ch=fea&pg=en_fea_overview&ac=100;
 - (e) ‘**General Partnership**’ has the same meaning with the term “partnership” as defined in Section 3(1) of the Partnership Act 1961
 - (f) ‘**Individuals**’ means Malaysian and non-Malaysian individuals aged eighteen (18) years and above, either in single or in joint-name;
 - (g) ‘**Licensed Onshore Bank**’ means:
 - i. a licensed bank or a licensed investment bank under the Financial Services Act 2013; and
 - ii. a licensed Islamic bank under the Islamic Financial Services Act 2013
 - (h) ‘**Resident**’ means:
 - i. a citizen of Malaysia, excluding a citizen who has obtained permanent resident status in a country or a territory outside Malaysia and is residing outside Malaysia;
 - ii. a non-citizen of Malaysia who has obtained permanent resident status in Malaysia and is ordinarily residing in Malaysia;
 - iii. a body corporate incorporated or established, or registered with or approved by any authority, in Malaysia;
 - iv. an unincorporated body registered with or approved by any authority in Malaysia; or
 - v. the Government or any State Government; and
 - (i) ‘**Ringgit Malaysia**’ or ‘**RM**’ means the lawful currency of Malaysia.

2. Opening of Account(s)

- 2.1 An Account(s) may be opened in any foreign currency (other than Ringgit Malaysia) acceptable to HLB upon receipt by HLB of references acceptable to HLB and all documents required by HLB. The Customer agrees to execute such documents and do such other acts as HLB may require now or in the future in connection with the Account(s) and any related services.

3. Operation of the Account(s)

- 3.1 The Customer shall operate the Account(s) by giving written instructions and where necessary through forms and instruments prescribed by HLB from time to time. All transactions for deposits or withdrawals from the Account(s) may only be made by way of demand drafts, transfers or any other method which may be prescribed by HLB. There shall be:
- (a) no cheque books issued in respect of the Account(s) where such account is a current account; and
 - (b) no cash or currency notes in any currency transacted or dealt with in respect of the Account(s).
- 3.2 Inter branch deposits and withdrawals are allowed.

4. Deposits into the Account(s)

- 4.1 Proceeds from cheques, drafts or other instruments for the credit of the Account(s) (“**the Funds**”) shall be credited into the Account(s) only when the branch of HLB at which the Account(s) is maintained has received the Funds. Funds which, at HLB's discretion, are credited to the Account(s) prior to collection or final settlement will be credited to the Account(s) subject to receipt of ultimate payment by HLB. In the event HLB does not, for whatever reason, receive such Funds or if any such cheques, drafts or instruments are dishonored, HLB shall be entitled at any time to reverse any credit (in part or in whole) relating to such Funds from the Account(s). The Customer shall indemnify HLB for any loss, damages and expenses which HLB may have incurred or suffered and HLB shall be entitled to debit the Account(s) for such amounts.
- 4.2 For the purposes of any collection on behalf of the Customer, HLB reserves the right to employ any suitable method as determined by HLB of obtaining proceeds of such collections.
- 4.3 In the event it would not be possible within the relevant time period legally prescribed for HLB to present any cheques or instruments that the Customer remits, or to advise the presenting bank in due time of their non-payment or of their nonacceptance, HLB shall not be liable to the Customer and the Customer hereby waives any right of action against HLB, save and except for damages arising directly from HLB's wilful default or gross negligence.
- 4.4 Deposits shall be in the currency of the relevant Account(s).

5. Withdrawals from the Account(s)

- 5.1 HLB may at any time refuse any withdrawal or limit the amount which may be withdrawn.
- 5.2 All payments or transfers effected by HLB will be debited to the Account(s) on the date determined by HLB.
- 5.3 Where the total amount in respect of orders or instructions given by the Customer exceeds the credit balance in the Account(s), HLB shall be entitled to determine which of such orders or instructions it will execute in whole or in part, irrespective of the date of dispatch or receipt.
- 5.4 Payments or transfers from the Account(s) shall be in the currency of the Account(s) or at HLB's option, Ringgit Malaysia. If HLB effects any payment or transfer from the Account(s) in a currency other than the currency of the Account(s), HLB shall be entitled to convert the currency of the Account(s) to the other currency at HLB's own rate of exchange.

6. Closing the Account(s)

- 6.1 On closure of the Account(s), whether by HLB or the Customer, HLB may retain at its own discretion an amount equivalent to any outstanding liabilities of the Customer to HLB (whether present or future).

7. Foreign Currency Current Accounts

- 7.1 HLB shall be under no obligation to pay interest in respect of the Account(s) where such account(s) is a current account.
- 7.2 Where the Account(s) is a current account, the Account(s) may not be overdrawn save as permitted by HLB and, if so permitted, any amount overdrawn shall be repayable on demand and until repayment, shall bear interest at such rate as may be determined by HLB.
- 7.3 HLB shall be entitled at any time to reverse any credits made to the Account(s) by mistake or the fact that the Customer has altered its position in reliance on such credits. Any debit balance arising from such reversals shall be a debt due from the Customer to HLB repayable on demand and until repaid bear interest at such rate as may be determined by HLB.
- 7.4 The Customer must maintain a Ringgit Malaysia (RM) Current or Savings Account ("**CASA**") with HLB for ease of conversion of RM into foreign currency and vice versa

8. Foreign Currency Fixed Deposit Accounts

- 8.1 The Customer may place any foreign currencies specified by HLB in fixed deposits ("**the Fixed Deposits**") subject to the amount, tenure of such fixed deposits and the interest rate to be agreed by HLB. HLB may, from time to time, require a minimum amount to be placed for such fixed deposits. In the event HLB agrees to accept the Fixed Deposits, HLB is authorized to debit the relevant Account(s) for the purposes of placing such fixed deposits.
- 8.2 Withdrawal of Fixed Deposits whether partially or in full before maturity may be made only with the consent of HLB, subject to any conditions that may be imposed by HLB, including the loss of any interest due on the Fixed Deposits.
- 8.3 HLB shall be entitled to deduct from any amounts due to the Customer any withholding or other taxes, duties or charges payable in respect of any income or interest on the amounts placed.
- 8.4 Except for an assignment, transfer, charge or pledge of the Fixed Deposit in favor of HLB or any of its branches as security, the Fixed Deposit cannot be assigned, charged, pledged or transferred, whether by endorsement or otherwise, by the Accountholder.

9. Compliance by The Customer with Laws, Rules, Regulations Etc.

- 9.1 The Customer undertakes with HLB as follows:
- (a) That the Customer will comply at all times with all laws, rules, regulations, directives (including directives on international and domestic transactions by whatever name called issued by Bank Negara Malaysia ("**BNM**"), which is currently the FEN) , guidelines (whether having the force of law or otherwise) including all qualifying conditions and regulations set by BNM or any other relevant legal or regulatory authority or agencies (governmental or otherwise), in relation to:
 - i. the opening and operation of the Account(s); and
 - ii. the uses and sources of funds;
 - (b) As and when required, the Customer shall furnish HLB with the information / support documents required for the purpose of ensuring compliance with FEN or such other requirements imposed by relevant regulatory authorities; and
 - (c) To inform HLB in writing immediately in the event it is in breach of such laws, rules, regulations, directives and guidelines.
- 9.2 Applicable to Individuals Customers only:
The operations, sources and uses of funds to and from the Account opened by an individual Customer shall be governed in accordance with the Investment Foreign Currency Asset ("**IFCA**") under the FEN, regulations and directions issued by BNM from time to time and its amendments thereto from time to time. In addition, Individual Customers with Domestic Ringgit Borrowing will be subject to a maximum cap of **Ringgit Malaysia One Million** (RM1,000,000) equivalent in aggregate per calendar year.

9.3 Applicable to Entity Customers only:

In accordance with the Foreign Exchange Notices, all Accounts opened by an Entity Customer shall be designated as either Trade Foreign Currency Account (“**TFCA**”) or Investment Foreign Currency Account (“**IFCA**”) based on the purpose of the opening of the Account. The classification of TFCA and IFCA by HLB are as stated below:

- (a) For TFCA, the Entity Customer must be an exporter / importer or the Entity Customer has foreign currency obligations, i.e. import payments and foreign currency loan repayments.
- (b) For IFCA, the Entity Customer is not an exporter / importer or does not have foreign currency obligations, i.e. import payments and foreign currency loan repayments.

9.4 Customer who is a Resident Entity (other than sole proprietorship and General Partnership) with Domestic Ringgit Borrowing is subject to an investment limit of **Ringgit Malaysia Fifty Million** (RM50 million) equivalent per calendar year using the funds sourced from the aggregate of:

- (a) conversion of Ringgit into foreign currency;
- (b) TFCA;
- (c) a Borrowing (as defined in FEN) in foreign currency from a Licensed Onshore Bank for purposes other than Direct Investment Abroad (as defined in FEN); and
- (d) swapping of a Ringgit-denominated financial asset in Malaysia for a financial asset outside Malaysia.

The computation of the investment limit is in aggregate per calendar year on corporate group basis (with parent-subsidiary relationship).

10. Tax & Risks

10.1 The Customer acknowledges and agrees that there are risks involved in foreign currency transactions including but not limited to risks due to the fluctuation of exchange rates, valuation and devaluation of currencies, taxes, involuntary transfers or changes in governmental policies or any other reasons beyond the control of HLB. The Customer agrees that HLB shall be entitled to effect any conversion or reconversion of any currencies as required by law and/or under any of these T&Cs for any payment, deduction, withholding or any other taxes or levies and HLB shall not be liable to the Customer or any other parties for any loss suffered or incurred by the Customer or other parties for any such conversion or reconversion.

11. Set Off

11.1 Without prejudice to and in addition to any remedy of set-off which HLB may have under the laws of any relevant jurisdiction, HLB may exercise at any time with prior notice to the Customer any right of set-off, combination or consolidation between any sums in any accounts held by HLB and any liabilities due to HLB or any right of forfeiture, retention or pledge over any sums held by HLB in accordance with and subject to the laws of Malaysia notwithstanding the following:

- (a) that the sums held by HLB are denominated in a different currency to that due, owing or incurred to HLB: or
- (b) that the sums held by HLB are not yet due and payable to the Customer; or
- (c) that the sums due, owing or incurred to HLB are not presently payable; or
- (d) that the sums held by HLB are situated in a different jurisdiction or branch of HLB from the sums due or owing or incurred to HLB.

11.2 If any amounts held by HLB are in currencies other than those due, owing or incurred to HLB, HLB will have the right and with prior notice to the Customer, to convert such currencies to currencies acceptable to HLB at the cost of the Customer.

12. Liability

12.1 HLB shall have no responsibility for, and shall be indemnified by the Customer in full on demand against any loss, damage or other liability suffered by the Customer or HLB which arises:

- (a) as a result of HLB acting on any instruction or communication which HLB believes in good faith to be given by the Customer or any person(s) authorized by the Customer to give or send instructions or communications to HLB; or
- (b) as a result of any error or failure in transmission of any instruction or communication attributable to the fault of the Customer.

12.2 HLB shall under no circumstances have any liability to the Customer or any other person for any indirect or consequential loss suffered by the Customer.

13. Service Fees, Charges and Costs

13.1 HLB shall be entitled to impose or levy service fees and other costs and charges in respect of all cheques, drafts, other instruments deposited or drawn on the Account(s) and all transactions, including the usual bank charges, commissions, postage, cable charges. HLB reserves the right to vary such service fees and other charges at any time and from time to time with prior notice and the Customer hereby authorizes HLB to debit the Account(s) or deduct from such proceeds received with such fees, commissions and charges without further notice to the Customer.

14. Notices

14.1 Any notification from HLB to Customers may be given in any of the following manner:

- (a) by ordinary post or registered post or courier or by hand sent to or left at the Customer's last known address registered with HLB and shall be deemed to be received by the Customer within three (3) Business Days from posting if sent by ordinary post or registered post and within two (2) Business Days from sending if by courier or upon acknowledgement of receipt if by hand; or
- (b) by general notice in one major newspaper or posted at HLB's branch premises or on visual screen through a computer or visual terminal or at its website "www.hlb.com.my" and the notice shall be deemed to have been sent or effective from the date of such notice is made available or the date specified in the notice.

14.2 Any notices (excluding any form of instructions in dealing with the Account(s)) required to be sent by the Customer to HLB must be sent to the relevant branch at which the Account(s) is maintained by ordinary post or registered post or courier sent to or left at the said branch of HLB and shall be deemed to be received by HLB when acknowledged by HLB.

15. Right to Disclosure Information

15.1 In addition to the permitted disclosures provided under Schedule 11 of the Financial Services Act 2013, the Customer irrevocably authorizes and permits HLB, its officers and employees to disclose and furnish all information concerning the Account(s), these T&Cs, present and future accounts of the Customer and any other matters relating to the Customer or its business and operations to:

- (a) other financial institutions granting or intending to grant any credit facilities to the Customer, the Central Credit Bureau or any other central credit bureau established by Bank Negara Malaysia, Cagamas Berhad, Credit Guarantee Corporation, any other relevant authority as may be authorized by law to obtain such information or such authorities/agencies established by Bank Negara Malaysia or any agency established by the Association of Banks in Malaysia;
- (b) any current or future corporation which may be associated with or related to HLB (as defined in the Companies Act 2016), including representative and branch offices and their respective representatives as well as subsidiaries of HLB's holding company;
- (c) the security parties or any party intending to provide security in respect of the Account(s);
- (d) HLB's auditors, solicitors and/or other agents in connection with the recovery of moneys due and payable hereunder; and

- (e) HLB's professional advisers, service providers, nominees, agents, contractors or third-party service providers who are involved in the provision of products and services to or by HLB and its related or associated companies. The Customer hereby irrevocably consents to such disclosure and confirms that HLB, its officers and employees shall be under no liability for furnishing such information or for the consequences of any reliance which may be placed on the information so furnished in accordance with these T&Cs.

16. Representations and Warranties

16.1 The Customer hereby confirm that all the representations and warranties made to HLB in the application(s) are true and correct and shall remain true and correct for as long as the Account(s) are maintained with HLB. The Customer undertakes to immediately inform HLB of any changes in respect of any of the information provided to HLB.

17. Governing Law

17.1 These T&Cs shall be governed by and construed in accordance with the laws of Malaysia and the Customer agrees to submit to the exclusive jurisdiction of the courts of Malaysia or Sabah and Sarawak or any other court of competent jurisdiction as HLB may at its sole discretion elect to submit and the service of any legal process may be affected by any manner permitted by law.

17.2 The Account(s) shall be governed by and subject to the rules and regulations and directives of the Association of Banks in Malaysia, BNM or any appropriate monetary authority and any laws in effect from time to time at HLB.