



## General Terms & Conditions of Accounts

- Deposits
- Islamic Banking Deposits

### **PART A - GENERAL [ Applicable to all Account(s) unless specific account type (e.g. Islamic Banking accounts) terms to the contrary apply ]**

#### **1. Definitions & Interpretation**

##### **1.1 Definitions**

In these Terms and Conditions, the following terms and expressions shall have the meaning designated to them unless the context requires otherwise:-

“ABM” means the Association of Banks in Malaysia.

“Account(s)” means the Customer(s)’ account or accounts with HLB / HLISB and shall include any other new accounts which may be opened from time to time.

“AIBIM” means the Association of Islamic Banking in Malaysia.

“BLR” means the rate of interest per annum which is quoted by HLB as its Base Lending Rate and which shall be subject to change at any time and from time to time with prior notice.

“BNM” means Bank Negara Malaysia.

“Business Day” means a day on which HLB / HLISB is opened for business in West Malaysia and East Malaysia (excluding bank, state and public holidays), as the case may be, and on which transactions of the nature contemplated for the Account(s) may be carried out.

“cheques” include bills of exchange.

“Concept” refers to the Wadiah Yad Dhamanah contract, the Mudharabah contract and such other contract which HLISB may use from time to time, for Account(s) under HLISB.

“Customer(s)” means a customer of HLB / HLISB and shall include individuals, partnerships, sole-proprietorships, companies, societies, associations, organizations and statutory bodies and where applicable personal representatives and successors-in-title unless specified otherwise in these Terms and Conditions or by HLB / HLISB from time to time.

“Default Rate” means the rate of 1% p.a. above the Prescribed Rate or any other rate as may be determined by HLB at its absolute discretion at any time and from time to time with prior notice.

“Excess Rate” means the rate of 4% p.a. above the BLR on daily rest or any other rate as may be determined by HLB at its absolute discretion at any time and from time to time with prior notice.

“Fingerprint Verification” means the verification of fingerprint against the data stored in the MyKad/MyPR chip via the MyKad Reader or any other devices used by HLB / HLISB.

“Fixed Deposit(s)” means any time deposits placed by the Customer(s) with HLB and includes any other sums which are from time to time deposited with HLB at any branch and whether in the same or any other currency and whether in addition to or by way of renewal of any



sums previously deposited or otherwise and includes all interest or other payment accrued and accruing and howsoever derived from time to time in respect of the deposits.

“General Investment Account” means any Islamic investment placed by the Customer(s) with HLIBS for an agreed specific tenure for investment in Shariah approved investment avenues and includes any other sums of money which are from time to time deposited with HLIBS at any branch and whether in the same or any other currency and whether in addition to or by way of renewal of any sums previously deposited or otherwise and includes all profits, dividends and any other payments accrued and accruing or howsoever derived from time to time in respect of the deposits.

“HLB” means Hong Leong Bank Berhad and includes its branches and its successors-in-title and assigns.

“HLISB” means Hong Leong Islamic Bank Berhad and includes its branches and its successors-in-title and assigns.

“I/My or any one accountholder” shall include an Executor or Administrator.

“Maturity Date” where the maturity date falls on a Sunday, public holiday or non-banking business day, the maturity date shall be deemed to fall on the next business banking day.

“Mudharabah” means a contract of profit sharing between the Customer(s) as owner of the capital and HLIBS as the entrepreneur on profit sharing basis, whereby the Customer(s) shall place a specified sum of money with HLIBS for a specific tenure, and HLIBS is entrusted to utilize the capital for a business venture without any intervention from the Customer(s) to generate income which will be distributed according to profit sharing ratio. Any losses arising from the investment will be borne by the capital provider unless if proven it is due to willful misconduct and negligence by the entrepreneur.

“Prescribed Rate” means the rate of 1% p.a. above the BLR on daily rest or any other rate or rates as may be determined by HLB at its absolute discretion at any time and from time to time with prior notice or, as the case may be, the rate or rates as may be specified by HLB in its letter(s) of offer (where applicable).

“Privacy Policy” means HLB/HLISB’s policies and principles pertaining to the collection, use and storage of personal information of existing and prospective individuals and entities dealing with HLB/HLISB as may be amended from time to time and made available at the HLB/HLISB websites respectively or in such manner as HLB/HLISB deems appropriate from time to time.

“Profit Sharing Ratio” means the pre-determined profit sharing ratio to be shared between the Customer(s) as capital provider and HLIBS as entrepreneur.

“security” or “security document” means any security taken or required by HLB / HLISB in connection with the Account(s) and includes any other security taken from time to time.

“security party” means any person or persons providing security for any Account(s) or facility made available to the Customer(s) at any time or from time to time.

“Shariah Requirements” refers to the Islamic principles that govern the Islamic Banking Services offered by HLIBS.

“Tabarru” means “Benevolent contract” where the capital provider agrees to contribute part of their profit for the mutual benefit of both parties.

“Tanazul” means a waiver by the capital provider of their rights on the profit at the inception of the contract which will be effective on certain events.

“Terms & Conditions” means the terms and conditions set out in this booklet and shall include any amendments, variations and supplements made from time to time by HLB / HLISB with prior notice and shall apply to all accounts unless specific account type (e.g. Islamic Banking accounts) terms to the contrary apply.

“Wadiah Yad Dhamanah” is defined as a contract of guaranteed safe custody between the Customer(s) as the owner of the money and HLISB as the custodian of the money.

## 1.2 Interpretation

- (a) Words importing the masculine gender shall include the feminine and neuter genders and vice versa. Words importing the singular shall include the plural number and vice versa.
- (b) Where the Customer(s) consists of two or more persons, the obligations and liabilities of each person shall be joint and several.

## 2. Opening of Accounts

2.1 The opening of the Account(s) is made through HLB / HLISB’s prescribed form and is subject to HLB / HLISB’s requirements, including those as to age, minimum deposit, references and supporting documents acceptable to HLB / HLISB. HLB / HLISB may vary such requirements at any time and from time to time at its absolute discretion with prior notice.

2.2 HLB / HLISB is entitled to refuse any application to open any Account(s) without having to give a reason for the same. The opening, operation and closure of the Account(s) will be entirely at the absolute discretion of HLB / HLISB.

## 2.3 Change of Particulars

The Customer(s)’ updated particulars are pertinent for delivery of communications regarding the operation of the account and any marketing related activities. The Customer(s) shall immediately advise the appropriate department in HLB / HLISB of any change of address, contact numbers, authorised signatories or other particulars whether oral or written and whether given/communicated by telephone, post, hand, courier, telex, cable, facsimile transmissions or other electronic means, failing which HLB/HLISB is entitled to rely on the last known particulars. For a joint account, HLB/HLISB will only accept such instruction if HLB/HLISB is authorised to act on the instructions of any one of the Customer(s).

2.4 HLB / HLISB shall be entitled to rely upon and act on the information furnished by the Customer(s) as complete, true and correct and the Customer(s) authorizes and consent to HLB / HLISB obtaining 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 HLB / HLISB considers appropriate.

## 3. Instructions and Notices

3.1 HLB / HLISB shall be entitled to rely upon and act on the instructions of the Customer(s), whether oral or written and whether given/communicated by telephone, post, hand, courier, telex, cable, facsimile transmissions or other electronic means. Without prejudice to the generality of the foregoing, HLB / HLISB shall be entitled to rely and act on any such notice or instructions given, whether based on identity verification via fingerprint validation using the MyKad Reader or other

devices used by HLB / HLISB or signatures which appear to HLB / HLISB, by reference to the names and signatures of such persons filed with HLB / HLISB, to be the signatures of :-

- (i) the Customer(s); or
- (ii) any of the persons authorized by the Customer(s) to issue any notice or any instructions whatsoever on behalf of the Customer(s), or otherwise, without enquiry on the part of HLB / HLISB as to the identity of the person giving or purporting to give such notices or instructions or as to the authenticity of such notices or instructions notwithstanding that it is subsequently shown that the same was not given by the Customer(s). HLB / HLISB is entitled to treat all such notices or instructions given, as binding upon the Customer(s) and HLB / HLISB shall be entitled (but not bound) to take such steps in connection with or in reliance upon such communication and the risk of the instructions being given by unauthorized persons, any misunderstanding or any error, loss or delay resulting from the use of telephone, postal/courier services, telex or teletype machines, cable devices, facsimile transmission, devices or electronic or other means, or from the personal delivery, are entirely the risk of the Customer(s).

3.2 HLB / HLISB shall be under no duty to enquire into the genuineness or authenticity of the communication given/communicated to HLB / HLISB by any means whatsoever or the identity of the caller and HLB / HLISB's rights herein shall not be affected by any misuse or unauthorized use of such communication. HLB / HLISB shall be indemnified in full by the Customer(s) against all loss, claims, demands, costs, damages, expenses and all other liabilities whatsoever which it may incur in consequence of its accepting and acting on such communication.

3.3 Any notices by the Customer(s) to HLB / HLISB (addressed to the Branch at which the Account(s) is maintained), if sent by post or courier service or left at the Branch, shall not be deemed delivered to HLB / HLISB unless and until acknowledged in writing by HLB / HLISB as received.

#### **4. Changes in Instructions/Customer(s)/Disputes**

- (a) In the event of any change of instructions or countermanding instructions are received by HLB / HLISB in respect of any accounts which HLB / HLISB in good faith doubts the genuineness of authority of its Customer(s); OR
- (b) where there are changes in the constitution of the Customer(s) whether due to events death, resignation, insolvency, incapacity or otherwise; OR
- (c) where in the sole opinion of HLB / HLISB, there is evidence of a dispute in relation to any of the accounts, HLB / HLISB may, but shall not be obliged to comply with any of instructions it receives and may proceed to:
  - (i) place a hold on one or all of the Customer(s) account(s) until HLB / HLISB receives written instructions from all accountholders/ partners/ Directors in respect of individual/ partnership/company accounts or in any event, from a party(ies) who in the sole opinion of HLB / HLISB has the lawful authority to give instructions on the account(s); OR
  - (ii) may proceed to close the account as per Clause 16 herein

#### **5. Deposits and Withdrawals**

5.1 The Customer(s) may make deposits and withdrawals (subject to HLB / HLISB's requirements on minimum deposits and withdrawals) by completing the prescribed form and producing the documents required by HLB / HLISB.

5.2 All cheques and other monetary instruments may be received for collection but the proceeds will not be credited/available until HLB / HLISB has received payment for the same. Cheques and other monetary instruments which are deposited into the Account(s) may not, except by special arrangement, be drawn against until the proceeds have been received by HLB / HLISB.

- 5.3 HLB / HLISB reserves the right to refuse to accept for collection cheques and other monetary instruments which in HLB / HLISB's opinion are irregular in any manner or which are obviously not in accordance with the Shariah requirements (for Account(s) under HLISB) or which may have been altered in any way notwithstanding that the alteration may have been countersigned by the drawer.
- 5.4 HLB / HLISB is entitled to debit to the Account(s) with the value of cheques previously purchased/ discounted for or credited to the Customer(s) if such cheques are dishonoured.
- 5.5 Cheques received for collection but are dishonoured may be returned to the Customer(s) at the Customer(s)' own risks and expense.
- 5.6 HLB / HLISB reserves the right to pay the Customer(s) any amount withdrawn by either one or a combination of (a) cash payment ; (b) issue to the Customer(s) a bankers cheque; and/or (c) other forms of remittances.

## **6. Sufficient Funds**

The Customer(s) shall ensure that there are cleared and sufficient funds available in the Account(s) to perform any of the transactions instructed by the Customer(s) (including at the time of issuing cheques) unless the Customer(s) has made prior arrangements with HLB / HLISB and agreed in writing by HLB / HLISB.

## **7. Interest/Profit**

Interest at such rates as HLB (Profit at such rates as HLISB) may specify from time to time will be paid on the Account(s) in accordance with HLB / HLISB's prevailing practice (where applicable).

## **8. Joint Accounts**

- 8.1 At the Customer(s)' request, HLB / HLISB may in its absolute discretion allow conversion of an individual account to a joint account or allow additional accountholder(s) to an existing joint account. All monies standing to the credit of the individual account shall upon conversion be the joint property of the joint accountholders and HLB / HLISB shall not be bound to recognize otherwise whether or not HLB / HLISB has notice of the same. All obligations and liabilities of the individual accountholder arising out of or in respect of the individual account whether arising prior to, on or subsequent to conversion shall be borne by each of the joint accountholders jointly and severally. This provision shall also apply where there is an additional accountholder(s) to the existing joint account.
- 8.2 The joint account must be opened by all the Customer(s). Where HLB / HLISB is instructed and authorised to act on instructions of any one of the Customer(s), the Account(s) may be operated and/or closed by any one of the Customer(s). Where HLB / HLISB is authorised to act on the instructions of both or all of the Customer(s), the Account(s) may only be operated and/or closed by both or all of the Customer(s), as the case may be.
- 8.3 HLB / HLISB reserves the right to refuse to accept cheques or monetary instruments made payable to one of the joint accountholders to be paid into the joint account. In the event HLB / HLISB accepts such cheques or monetary instruments made payable to one of the joint accountholders, the joint accountholders shall and hereby indemnify HLB / HLISB for any loss suffered or incurred by HLB / HLISB as a result of accepting such cheques or monetary instruments.
- 8.4 In the event of death of any one of the Customer(s), HLB / HLISB is authorised to accept the authority of the survivor(s) or any one of them (if more than one) (who shall act as trustee(s) in the case of Account(s) under HLISB) and to pay to one, more or all (at HLB / HLISB's sole discretion) the survivor(s) / trustee(s) in priority to any Executor, Administrator or claimant (except for HLB /

HLISB) any credit balance in the joint account(s) and any property of any description held in the Customer(s)' name subject to any rights of HLB / HLISB.

## **9. Partnership Accounts**

In the event of the demise, retirement, resignation or bankruptcy of any one partner, HLB / HLISB may but is not obliged to allow the continued operation of the account as if there were no change in the firm. In such an event, if HLB / HLISB at its sole discretion permits the continued operation of the account, the remaining partners shall be liable for any existing and accruing outstanding sums.

## **10. Trust Accounts**

The Customer(s) must be entitled in law and equity and/or Shariah requirements to fully operate and close any Account(s) without restrictions. The Customer(s) shall indemnify and keep HLB / HLISB indemnified against any loss, damage and costs suffered by HLB / HLISB for all monies paid out under the Customer(s)' direction.

## **11. Dormant Account**

11.1 HLB / HLISB may consider an Account to be dormant if no transactions are initiated by the Customer(s) for a specified period or any other period determined by HLB / HLISB at its absolute discretion.

11.1.1 Current Account (save and except for basic Current Account) shall be considered dormant in the event there are no transactions for a period of 6 continuous months or any other period determined by HLB / HLISB at its absolute discretion. In the case of basic Current Account, the basic Current Account shall be considered dormant in the event there are no transactions for a period of 12 continuous months or any other period determined by HLB/HLISB at its absolute discretion.

11.1.2 Savings Account shall be considered dormant in the event there are no transactions for a period of 12 continuous months or any other period determined by HLB / HLISB at its absolute discretion.

11.1.3 Once an account is considered dormant, the Customer(s) may either opt to reactivate the said account or close the said account before the funds are transferred to the Registrar of Unclaimed Monies.

11.2 HLB / HLISB reserves the right to impose a charge(s) on dormant Account(s) at its absolute discretion.

11.3 Accounts are subject to the Unclaimed Monies Act.

## **12. Right of Set-Off and Consolidation**

12.1 Without prejudice to any other remedies which HLB / HLISB may have, HLB / HLISB is entitled to combine and consolidate any or all of the Customer(s)' Account(s) in HLB / HLISB of whatsoever nature (whether current, deposit, loan, several or joint named account) against the Customer(s)' liabilities with HLB / HLISB and set off and transfer any sum standing to the credit of any such Account(s) in or towards the satisfaction of any of the Customer(s)' liabilities to HLB / HLISB under any of the Account(s), agreements or contracts, whether such liabilities are primary, collateral, joint or several or in any other currencies.

12.2 Where the credit balances in any such Account(s) or any payments being made or monies received are not in Ringgit Malaysia or in any other mutually agreed currency, HLB / HLISB is entitled to convert the same and for this purpose, the Ringgit Malaysia equivalent shall be determined by HLB / HLISB at its absolute discretion at HLB / HLISB's spot rate of exchange then prevailing.

12.3 HLB / HLISB's rights hereunder shall not be affected by the bankruptcy, insanity or death of the accountholder.

**13. No Set-Off or Counterclaim by the Customer(s)**

Until all monies owing are paid or discharged in full, the Customer(s) shall not by paying off any sum recoverable by HLB / HLISB or by any other means or on any other ground claim any set-off or counter claim against HLB / HLISB in respect of any liability from HLB / HLISB to the Customer(s) or any other party. The Customer(s) agree(s) that nothing in the arrangements between HLB / HLISB and the Customer(s) and/or any other party shall be treated as constituting an implied agreement restricting or negating any lien, charge, pledge, right of set-off or other right which HLB / HLISB have existing or implied by law.

**14. Lien**

HLB / HLISB is authorised to exercise a lien over any and all monies and properties of the Customer(s) and any security party which (for any reason) is in or which howsoever comes into the possession or control of HLB / HLISB. HLB / HLISB may dispose of or sell such properties and apply the proceeds of sale after deduction of expenses to satisfy any obligations, indebtedness and liabilities owing by the Customer(s) to HLB / HLISB.

**15. Application of Payment**

Notwithstanding any other provisions contained herein to the contrary, HLB / HLISB is entitled to apply any payments received from the Customer(s) or from any person making payments on behalf of the Customer(s) (irrespective of whether the purpose of the payment is specified or not) towards satisfaction in whole or part of any amount of principal, interest (including late payment interest) / charge (including late payment charges) or other sums of monies then owing by the Customer(s) to HLB / HLISB in any order that HLB / HLISB in its absolute discretion deems fit.

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

16.1 HLB / HLISB may close any or all of the Account(s) by giving written notice to the Customer(s) without having to give any reason for doing so. HLB / HLISB's entire liability shall be discharged upon delivering or mailing to the Customer(s) at the last address informed to HLB / HLISB the proceeds, if any, standing in the credit of the Account(s) in the form of a bankers cheque or any other remittances.

16.2 Upon the closure of the Account(s) either by the Customer(s) or by HLB / HLISB, all unused cheques issued shall become the property of HLB / HLISB and the Customer(s) shall immediately return them to HLB / HLISB.

16.3 Without prejudice to Clause 16.1 above, HLB / HLISB may close any Account(s) in accordance with Bank Negara Malaysia's guidelines in relation to DCHEQS, bankruptcy, winding-up or dissolution.

16.4 In the event the moneys including any interest/profit accrued to the credit of the Account(s) is remitted to the Registrar of Unclaimed Moneys pursuant to the Unclaimed Moneys Act 1965 and any statutory amendments thereof, then the relevant Account(s) shall be closed.

16.5 HLB / HLISB reserves the right to impose a service charge in the event the Account(s) is closed within six (6) months of opening of account or such other period as may be determined by HLB / HLISB at its absolute discretion with 21 days prior notice.

**17. Costs, Expenses and Other Charges**

17.1 Subject to Clause 12, HLB / HLISB shall be entitled to impose and deduct from or debit the Account(s) the following:-

- (a) service fees and other miscellaneous charges, including the usual bank charges, commissions, stamp duty, on all transactions and services provided at such rates as may be notified from time to time;
- (b) legal fees (on a solicitor and own client basis) incurred for the recovery of the monies owing to HLB / HLISB and in the case of non-HLISB Account(s), the Customer(s) shall pay interest / charge on such debited amount at the Default Rate or the Excess Rate where there is no Default Rate (both before as well as after demand, judgment or order) at such rest period as may be stipulated by HLB / HLISB from the date of such sums having been paid or expended or owing until date of settlement; and
- (c) wherever applicable, service charges on the Account(s) and any interest/profit on credit balances will be calculated according to the rules of ABM/AIBIM or HLB / HLISB.

17.2 HLB / HLISB reserves the absolute right to vary such service fees, commissions and other charges at any time and from time to time with 21 days prior notice.

17.3 In the event HLB / HLISB is required by law to withhold any amount, HLB / HLISB shall be entitled to deduct from any amounts due to the Customer(s) any withholding or other taxes or charges payable in respect of any income or interest/profit on the amount outstanding in the Account(s).

## **18. Business Hours and/or Days**

The business hours and/or days of HLB / HLISB may be extended, changed or otherwise revised in accordance with its business and operational requirements with prior notice.

## **19. Waiver**

No failure or delay on the part of HLB / HLISB in exercising nor any omission to exercise any right, power, privilege or remedy accruing to HLB / HLISB under these Terms and Conditions shall impair any such right, power, privilege or remedy or be construed as a waiver thereof or an acquiescence in such default, nor shall any action by HLB / HLISB in respect of any default or any acquiescence in any such default impair any right, power, privilege or remedy of HLB / HLISB in respect of any other or subsequent default.

## **20. Indemnity**

20.1 In addition and without prejudice to the powers, rights and remedies conferred on HLB / HLISB herein, in law and/or in equity, the Customer(s) shall hold HLB / HLISB free from liability and hereby indemnify HLB / HLISB against any loss, damages and expense (including but not limited to legal expenses on a solicitor and own client basis) which HLB / HLISB may sustain or incur as consequence of any default in payment by the Customer(s) of any sum owing including but not limited to any interest / charge or fees paid or payable on account of or in respect of any funds utilised, borrowed or deposits from third parties in order to maintain the amount in default or in liquidating or re-employing such funds or deposits or for any breach of any of these Terms and Conditions.

20.2 The Customer(s) shall indemnify HLB / HLISB against any loss which HLB / HLISB may incur by reason of its guaranteeing any endorsements, discharge or discharges on any cheque, bill, note, draft, dividend warrant or other instruments presented by the Customer(s) for collection and every such guarantee given by HLB / HLISB shall be deemed to have been given at the Customer(s)'s expressed request in every case.

20.3 In the event the Customer(s) is required to execute any additional indemnities in favour of HLB / HLISB, the indemnity(ies) shall be executed by all the accountholders where the Customer(s) comprises more than one person.



## **21. Limitation of Liability**

- 21.1 Without prejudice to any other provisions herein, HLB / HLISB shall in no way be liable to the Customer(s) and/or any third party for any loss (whether direct or indirect) of profits or business or goodwill or any indirect or consequential loss or damages whatever or howsoever arising even if HLB / HLISB has been advised of the possibility of such loss or damage or claim by any third party.
- 21.2 Subject to the provisions herein, HLB / HLISB's sole and entire liability to the Customer(s) in contract, tort (including negligence or breach of statutory duty) or otherwise arising by reason of or in connection with these Terms and Conditions or howsoever shall not exceed the amount of the transaction involved which gave rise to the claim or the direct damages sustained, whichever is the lower.
- 21.3 Each provision of this Clause 21 is to be construed as a separate limitation applying and surviving even if for any reason one or the other provisions is inapplicable or held unreasonable in any circumstances and shall remain in force notwithstanding the termination of the Account(s) or services.

## **22. Force Majeure**

Notwithstanding any other provisions herein, in the event HLB / HLISB is unable to perform any operations or to provide any services due to any reason beyond HLB / HLISB's control, including but not limited to fire, earthquake, flood, epidemic, natural catastrophe, accident, riots, civil disturbances, industrial dispute, act of public enemy, embargo, war, act of God or any factor in a nature of a force majeure or any failure or disruption to telecommunication, electricity, water, fuel supply, HLB / HLISB shall not in any way be liable for any inconvenience, loss, injury, damages suffered or incurred by the Customer(s) arising from the same.

## **23. Severability**

If any provision, term or condition herein or any security document taken is or becomes illegal, void, invalid, prohibited or unenforceable in any respect, the same shall be ineffective to the extent of such illegality, voidness, invalidity, prohibition or unenforceability without invalidating in any manner whatsoever the remaining provisions of these Terms and Conditions or the respective security document, as the case may be.

## **24. Notices by HLB / HLISB**

- 24.1 Any notification from HLB / HLISB 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 / HLISB and shall be deemed to be received by the Customer(s) 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 acknowledgment of receipt if by hand; or
  - (b) by general notice in one major newspaper or posted at HLB / HLISB's branch premises or on visual screen through a computer or visual terminal or at its website "www.hlb.com.my / www.hlisb.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.
- 24.2 Any change, including but not limited to these Terms and Conditions, features of any of the financial products and the Customer's(s') rights and obligations would be communicated to such Customer's(s') via the forms of notices mentioned in Clause 24.1 above before the changes are introduced.

## **25. Disclosure**

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

- (a) other financial institutions granting or intending to grant any credit facilities to the Customer(s), 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 / Association of Islamic Banks in Malaysia;
- (b) any current or future corporation which may be associated with or related to HLB / HLISB (as defined in the Companies Act 1965), including representative and branch offices and their respective representatives as well as subsidiaries of HLB's / HLISB's holding company;
- (c) the security parties or any party intending to provide security in respect of the Account(s);
- (d) HLB's / HLISB's auditors, solicitors and/or other agents in connection with the recovery of moneys due and payable hereunder; and
- (e) HLB's / HLISB'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 / HLISB and its related or associated companies.

The Customer(s) hereby irrevocably consents to such disclosure and confirms that HLB / HLISB, 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 Terms and Conditions."

## **26. Representation and Warranty on Processing of Personal Information**

The Customer(s) hereby represent(s) and warrant(s) that the Customer(s) has/have obtained the consent of all persons named in the Customer(s)' application for the Account(s) or such other document submitted to HLB/HLISB in support of such application and/or their authorized representatives, including but not limited to the Customer(s)' directors, shareholders, authorized signatories or such other persons as specified by HLB/HLISB ("Relevant Data Subjects"), for HLB/HLISB's collection, holding and use of the personal information of the Relevant Data Subjects in accordance with HLB/HLISB's Privacy Policy as may be amended from time to time.

## **27. Consent to Process Personal Information**

The Customer(s) hereby agree(s) and consent(s) to the holding, collection and use of all personal data provided to HLB/HLISB by the Customer(s) or acquired by HLB/HLISB from the public domain, as well as personal data that arises as a result of the provision of services to the Customer(s) in connection with the Account(s) in accordance with the Privacy Policy of HLB/HLISB as may be amended from time to time.

## **28. Terms & Conditions**

28.1 The operation and utilisation of the Account(s) shall be on these Terms and Conditions and any other terms and conditions which may be prescribed by HLB / HLISB. The Customer(s) cannot vary or amend these terms in any form or manner even if HLB / HLISB has notice of such variation or amendment.

28.2 HLB / HLISB reserves the right to add to, vary, amend or delete any or all of the Terms & Conditions at any time and from time to time at its absolute discretion with 21 days prior notice. The opening and continued maintenance of the Account(s) by the Customer(s) shall constitute consent by the

Customer(s) to be bound by these Terms & Conditions (subject to Shariah compliance).

- 28.3 New/Additional Product(s), Features or services - Where HLB / HLISB offers new or additional products, features or services to the Customer(s), the Customer(s)' acceptance in the manner prescribed by HLB / HLISB and use of such new or additional product, features or services shall be deemed acceptance by the Customer(s) of these Terms and Conditions and such additional terms and conditions (if any) as may be prescribed by HLB / HLISB (subject to Shariah compliance).
- 28.4 If there is any inconsistency between these Terms and Conditions and the terms and conditions for any electronic, phone and/or internet banking services made available by HLB / HLISB, the terms and conditions for the electronic, phone and/or internet banking services shall prevail.

**29. Governing Law & Jurisdiction**

These Terms and Conditions shall be governed by and construed in all respects in accordance with the laws of Malaysia but in enforcing its rights, HLB / HLISB shall be at liberty to initiate and take actions or proceedings or otherwise against the Customer(s) and any party in Malaysia and/ or elsewhere as HLB / HLISB may deem fit and the Customer(s) agrees that where any actions or proceedings are initiated and taken in Malaysia it shall submit to the non-exclusive jurisdiction of the Courts of the States of Malaya and Sabah and Sarawak in all matters connected with its obligations and liabilities under or arising out of the Account(s) and these Terms and Conditions.

**30. Terms & Conditions Supersedes**

These Terms & Conditions supersedes all prior rules and regulations and/or terms and conditions governing the Account(s).

**31. Security and Disclaimer**

These Terms & Conditions contain requirements/instructions to the Customer(s) with regards the security of their accounts, account related instruments and records. Where any express term/ requirement/instruction in these Terms & Conditions is not complied with by the Customer(s), HLB / HLISB will be discharged from all liabilities in relation to the same. The Customer(s) understands that where access to accounts is facilitated by the Customer(s) to other/multiple parties, the Customer(s) will address the need for internal safeguards and the checking of account statements as per set out herein.

- 32. Important:** Please note that a Customer's failure to abide by any of the terms stated in any part of these Terms & Conditions will discharge HLB / HLISB from all liabilities.

- 33.** The Customer(s) is required to be aware of any sanctions imposed by countries/organizations where they wish to send funds to or receive funds from. If any funds/documents/transactions are delayed/blocked/held in relation to the said sanctions(s), HLB / HLISB will not be held liable for such delay/block/holding.

**PART B - CONVENTIONAL SAVINGS ACCOUNT**

1. The savings account is for individuals, societies and associations. Sole proprietorships, partnerships, companies, organizations and statutory bodies are not allowed to open a savings account.
2. The option of a passbook or statement may be offered to the Customer(s) when a savings account is opened.
3. Where a passbook is elected by the Customer(s),

- (a) The Customer(s) shall be responsible for keeping the passbook under lock and key at all times. The Customer(s) is responsible to ensure that the entries in the passbook are correct before leaving the premises of HLB / HLISB failing which the Customer(s) shall be deemed to have accepted the entries therein.
  - (b) The Customer(s) shall inform HLB immediately in the event the passbook is lost, stolen or destroyed. HLB will close the Account(s) and the balance standing to the credit of the Account(s) may be withdrawn by the Customer(s) or transferred to a new account at the Customer(s)' option upon execution of a letter of indemnity by the Customer(s) and in the case of joint accountholders, by all the accountholders and the payment of a service charge. In the event one of the accountholders reports the passbook lost / stolen or damaged, the Account(s) cannot be operated / closed until all the accountholders execute an indemnity in favour of HLB and paid the relevant service charge.
4. Where a statement is elected by the Customer(s), the statement of the savings account(s) will be rendered every quarterly or at such periods as may be determined by HLB. The Customer(s) must examine all entries in the statement of account, or in the case of Hong Leong Online Personal or Business Customer(s), the Online Account Statement, and to immediately report to HLB any error found therein. If the Customer(s) does not, within fourteen (14) days (or such other period specified by HLB in the statement/ notice/Online Account Statement) after the receipt of the statement of account or from the Statement Date of the Online Account Statement, object to any entry therein the Customer(s) shall be deemed to have accepted the entries made up to the date of the last entry in the statement of account / Online Account Statement, as in the case of Hong Leong Online for Personal or Business Customer(s), as correct and discharge HLB from all liabilities.
5. Any payments made by HLB to a person producing the passbook (where a passbook is issued) and a withdrawal slip purported to be signed by the Customer(s) shall have the same effect as if made to the Customer(s) personally and shall exonerate HLB and its employees from all liabilities to the Customer(s) or any other person.
6. All transactions concerning the savings account may be carried out at any branch of HLB/HLISB. In such a case, HLB/HLISB reserves the right to request for additional identification.
7. Interest on credit balances will be allowed at HLB's current rate and will be calculated on a daily balance basis or any other method of calculation as may be determined by HLB at its absolute discretion from time to time with prior notice. Interest earned will be credited at such periods as may be determined by HLB from time to time.
8. The savings account will be deemed closed when the Customer(s) withdraws the whole of the balances in the savings account.
9. The savings account is eligible for protection by PIDM.

#### **PART C - CONVENTIONAL CURRENT ACCOUNT**

1. The application for cheque books should be made on HLB's prescribed forms or by any other method prescribed by HLB. Cheques may not be drawn on HLB except on those supplied by HLB bearing the account number of the current account. The Customer(s) who wish(es) to withdraw cash may do so with the prior consent of HLB by using the prescribed cheques, prescribed withdrawal slips or such other instruments or forms as may be required by HLB.

2. The Customer(s) shall exercise care when writing out a cheque so as not to facilitate fraud. HLB shall have the right to dishonour and return cheques where the signature of the Customer(s) differs from the specimen supplied to HLB. No alterations whatsoever shall be made on the cheques. HLB reserves the right to dishonour and return cheques which in HLB's absolute opinion bear any form of alteration (whether countersigned by the Customer(s)/drawer(s) or otherwise) or HLB has reasons to doubt the genuineness of the Customer(s)' identity or fingerprint clarity, the affixing of the fingerprint or the authority on the cheque. Customer(s) shall not affix any company chop/personal seal on the cheque as this will be disregarded in the clearing process.
3.
  - (a) The Customer(s) shall be responsible for keeping the cheque books under lock and key at all times. The Customer(s) shall inform HLB immediately in the event a chequebook or cheque leaf is missing, lost, stolen or destroyed. HLB will not be liable or responsible for any loss incurred by the Customer(s) if through his/her negligence or omission an unauthorized person obtains the chequebook or leaf and fraudulently obtains payment on any sum belonging to the Customer(s).
  - (b) HLB may at the request of the Customer(s) issue a cheque book upon the execution of a letter of indemnity and in the case of a joint account by all the joint Customer(s) and the payment of a service charge. Upon issuance of a new cheque book, the original shall thereafter be invalid and if found or recovered must immediately be returned to HLB.
  - (c) The Customer(s) must check the correctness of the cheque book contents before leaving the premises of HLB / HLISB. Failure to do so shall discharge HLB from all liabilities.
4. The Customer(s) shall use HLB's prescribed forms when depositing cheques and monies. The Customer(s) must check and ensure that the counterfoil bears the endorsement by HLB / HLISB's teller machine or by an officer of HLB / HLISB before leaving the premises of HLB / HLISB. Counterfoils are only valid as an acknowledgment of receipt if they bear such endorsement. Failure to do so shall discharge HLB from all liabilities.
5. Cheques and other monetary instruments paid into the current account(s) and which have been dishonoured may be returned by hand or by post or such other mode as may be determined by HLB at its sole discretion to the Customer(s) at the address last registered with HLB at the Customer(s)' costs and expense and at the Customer(s)' own risk.
6. The Customer(s) will indemnify HLB, as collecting banker, from any loss which HLB may incur by reason of its guaranteeing any endorsements, discharge or discharges, on any cheque, bill, note, draft, dividend warrant or other instruments presented for collection and every such guarantee given by HLB shall be deemed to have been given at the Customer(s)' expressed request in every case.
7. Where HLB accepts or incurs liability for or at the request of the Customer(s), any funds or securities and other valuables deposited with HLB belonging to the Customer(s) and in the hands of HLB shall automatically become security to HLB and HLB shall have the right to retain such funds or any part thereof and even dishonour the Customer(s)' cheques until the liability is settled.
8. Overdrafts are granted only after due arrangement has been made with HLB. Interest will be charged monthly based on the daily overdrawn balances at the rate to be approved by HLB, or at such frequency/rest periods as may be determined by HLB.
9. HLB will only stop payment on any cheque issued upon receipt of instructions from the Customer(s) whether in writing or through any other services made available by HLB and HLB shall not be responsible for any loss or damages caused by an oversight. HLB is authorized 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 whether the current account(s) is in credit or in debit or may become overdrawn in consequence or otherwise but without prejudice to HLB's right to refuse or allow any overdraft or increase of overdraft limit beyond any specified overdraft limit from time to time. Where a debit or non-rearranged overdrawn position arises, the customer shall be liable for all such sums.

10. Wherever applicable, service charges on the current account(s) and interest on credit balances will be calculated according to the rules of the ABM or HLB.
11. A statement of the current account(s) will be rendered once a month or at such periods as may be determined by HLB. The Customer(s) must examine all entries in the statement of account, or in the case of Hong Leong Online for Personal or Business Customer(s), the Online Account Statement, and to immediately report to HLB any error found therein. If the Customer(s) does not, within fourteen (14) days (or such other period specified by HLB in the statement/notice/ Online Account Statement) after the receipt of the statement of account or from the Statement Date of the Online Account Statement, object to any entry therein the Customer(s) shall be deemed to have accepted the entries made up to the date of the last entry in the statement of account/Online Account Statement, as in the case of Hong Leong Online for Personal or Business Customer(s), as correct and discharge HLB from all liabilities.
12. In all cases, a statement of balance ending on 30 June and 31 December or at such periods/dates as may be determined by HLB will be sent to the Customer(s) who are requested to confirm by returning the confirmation slip duly signed for the purpose of audit. In the absence of any objection to the statement within fourteen (14) days (or such other period specified by HLB in the statement or notice) after its receipt by the Customer(s), the current account shall be deemed to have been confirmed.
13. The current account is eligible for protection by PIDM.

#### **PART D - CONVENTIONAL FIXED DEPOSIT ACCOUNT**

1. Any placement of Fixed Deposit(s) may be made with the minimum sum prescribed for the corresponding tenure as may be determined by HLB from time to time with prior notice.
2. The option of a Fixed Deposit Receipt or a statement may be offered to the Customer(s) when a placement is made for fixed deposit.
3. Where a statement is elected by the Customer(s), the statement of the fixed deposit account(s) will be rendered monthly and / or quarterly or at such periods as may be determined by HLB. The Customer(s) must examine all entries in the statement of account, or in the case of Hong Leong Online for Personal or Business Customer(s), the Online Account Statement, and to immediately report to HLB any error found therein. If the Customer(s) does not, within fourteen (14) days (or such other period specified by HLB in the statement / notice / Online Account Statement) after the receipt of the statement of account or from the Statement Date of the Online Account Statement, object to any entry therein the Customer(s) shall be deemed to have accepted the entries made up to the date of the last entry in the statement of account / Online Account Statement, as in the case of Hong Leong Online for Personal or Business Customer(s), as correct and discharge HLB from all liabilities.
4. Subject to Clause D(1) above, the period or tenure accepted for placements of Fixed Deposit(s) shall be for periods of one (1) month and multiples of one (1) month thereof up to such other periods or multiples as may be determined by HLB, ABM or BNM or any other authorities. The acceptance and / or renewal of such placements, tenure (s) and rate(s) quoted for Fixed Deposit(s)

are entirely at the absolute discretion of HLB. Where any cheque(s) is deposited for a placement, and where the Fixed Deposit Receipt is issued to the Customer(s) it shall be subject to clearance of the cheque(s). Where the Fixed Deposit Receipt is issued by HLB it may not be assigned, transferred or charged as security unless written consent is given by HLB.

5. On withdrawal of the Fixed Deposit(s), the Fixed Deposit Receipt (where a fixed deposit receipt is issued) must be presented, duly endorsed by the Customer(s) or identity verification via fingerprint verification using the MyKad Reader or any other devices used by HLB. Unless otherwise specified, HLB will not permit withdrawals or renewals at any branch other than at the branch in which the Customer(s) maintains his / her Account(s).
6. Where a Fixed Deposit(s) is / are uplifted before maturity the following rules shall apply:
  - (a) No interest is to be paid on :-
    - (i) any deposits placed for periods of one (1), two (2) or three (3) months that has not run the full period
    - (ii) any other fixed deposits uplifted before the completion of three (3) months;
  - (b) Other than the circumstances Clause D6(a) above, interest is payable for Fixed Deposit(s) uplifted before completion and will be at half (1/2) the original contracted interest rate for each completed month.

HLB reserves the right to vary the rules specified in Clause D(6)(a) and (b) herein at any time or from time to time with prior notice.
7. The Customer(s) hereby instructs HLB to auto renew the principal sum and interest accumulated for the said Fixed Deposit (unless HLB receives specific written notice to the contrary) for the same period (or such period as HLB may determine at its absolute discretion on maturity date) and at the interest rate to be determined by HLB on maturity date.
8. In the event one of the joint accountholders reports the Fixed Deposit Receipt (where a fixed deposit receipt is issued) lost/stolen or damaged, a replacement receipt will not be issued until all the accountholders execute an indemnity in favour of HLB and paid the relevant service charges.
9. The Fixed Deposit(s) is/are eligible for protection by PIDM.

#### **Part D (I) – Hong Leong Business Flexi FD Account**

1. The Hong Leong Business Flexi FD Account is a fixed deposit account which offers tenure in days, starting from 30 days to a maximum of 1,000 days, in multiples of one (1) day; and also allows partial withdrawal of Fixed Deposit(s) before maturity date.
2. The Hong Leong Business Flexi FD account is only available to companies and government bodies.
3. It is a requirement for the operation of the Hong Leong Business Flexi FD Account that the Customer(s) must link its Conventional Current Account or in the event of multiple accounts, select one of its Conventional Current Account to be linked to the Hong Leong Business Flexi FD Account. The linkage of the accounts is to facilitate the crediting of the below transaction amount(s) from the Hong Leong Business Flexi FD Account to the Conventional Current Account:-
  1. Deposit amount withdrawn before maturity and interest payable (if any); and/or
  2. Interest payable every 30 days if the tenure of the Hong Leong Business Flexi FD(s) is/are more than 365 days.

4. All the terms and conditions governing the Conventional Fixed Deposit Account, as set out in Part D above shall apply to the Hong Leong Business Flexi FD Account, except for item 6 of Part D which is modified accordingly as per item 5, and the additional item 6 below.
5. Where a Hong Leong Business Flexi FD(s) is /are uplifted before maturity, in partial or full, the following rules shall apply:-
  - (a) No interest is to be paid on any Hong Leong Business Flexi FD(s) uplifted before the completion of fourteen (14) calendar days;
  - (b) Interest is payable for Hong Leong Business Flexi FD(s) uplifted before completion, and will be at half (1/2) the original contracted interest rate for each completed day.
6. Hong Leong Business Flexi FD Account allows partial premature withdrawal, subject to the below:
  - (a) Withdrawal amount shall be in multiples of RM1,000, subject to a minimum amount of RM10,000 per withdrawal;
  - (b) A minimum of RM50,000 per receipt must be maintained till maturity date, otherwise it will be treated as a full withdrawal of the Hong Leong Business Flexi FD(s);
  - (c) A letter of instruction to perform the withdrawal duly authorized and signed according to the Customer's operating mandate lodged with the branch of account, and the original Hong Leong Business Flexi FD Receipt(s) must be presented for every withdrawal; and
  - (d) Customer(s) agree(s) that the partial withdrawal amount and interest (if applicable) shall be transferred into its linked Conventional Current Account.

The remaining balance of the Hong Leong Business Flexi FD will be updated onto the same Hong Leong Business Flexi FD Receipt or a new receipt, unless otherwise specified by HLB.
7. The Hong Leong Business Flexi FD Account is eligible for protection by PIDM.

#### **Part D (2) – Flexi FD Account**

1. The Flexi FD Account is a fixed deposit account which allows early partial withdrawal and unless otherwise specified by HLB, the Customer is entitled to automatic funds transfer from the Flexi FD Account to the Flexi One Account or vice versa to meet the requirement of auto debit and/or credit transactions.
2. The Flexi FD Account is only applicable for individuals, either personally or in joint names.
3. Operation of the Flexi One Account:
  - (a) The Flexi One Account will be linked to the Customer's Flexi FD Account but OD facility will not be available for utilization with the principal sum of the fixed deposit(s) placed.
  - (b) Save and except for the conditions or variations set out herein, all the terms and conditions in relation to Hong Leong One Account are applicable hereto and shall remain in full force and effect.
4. Operation of the Flexi FD Account:
  - (a) Placement of a fixed deposit must be made with a minimum tenure of 12 months or any other period to be determined by HLB at any time with prior notice, with a minimum sum of RM10,000 per Customer or any other amount to be determined by HLB at any time with prior notice.
  - (b) No fixed deposit receipt will be issued but a consolidated monthly statement of the Customer(s)' Flexi FD Account and Flexi One Account that reflects the account activities, whenever there are activities on the said account will be issued to the Customer(s).
  - (c) Any fixed deposit(s) placed hereto shall not be used as collateral to secure any OD facility and/or for the operation of the Hong Leong One Account.
  - (d) For transfer of funds from the Flexi FD Account to the Flexi One Account, the early partial



withdrawal is subject to a minimum of RM3,000 and multiples of RM3,000 thereafter or any other amount to be determined by HLB herein at any time with prior notice.

HLB is entitled to uplift the Flexi FD in multiples of RM3,000 as and when necessary to meet the requirements of a debit instruction or to cover in-clearing cheque(s) on the Flexi One Account to the Customer(s). The uplifting of any of the fixed deposit(s) will be on a Last-In-First-Out basis or to be determined by HLB at its absolute discretion at any time with prior notice.

- (e) For over the counter cheque clearing, transfer of funds from the Flexi FD Account to the Flexi One Account will not be effected automatically. The Customer is required to effect the partial withdrawal from the Flexi FD Account manually in the form and manner as determined by HLB to meet the requirements of a debit instruction or to cover in-clearing cheque(s) on the Flexi One Account.
  - (f) In the event if the aggregate funds in the Flexi FD Account and Flexi One Account are insufficient to meet the requirements of a debit instruction or to cover in-clearing cheque(s) on the Flexi One Account, HLB shall have the right to reject the debit instruction and/or the clearing of the cheque(s) and HLB shall in no way be liable to the Customer(s) and/or any third party for any loss (whether direct or indirect) or consequential loss or damages or otherwise arising by reason thereof.
  - (g) HLB is entitled to impose a service charge of RM5 for every transfer of funds in multiples of RM3,000 from the Flexi FD Account to the Flexi One Account. HLB shall be entitled to deduct from or debit the Customer's Flexi One Account the service charge at such rate to meet the requirements of a debit instruction or to cover in-clearing cheque(s) on the Flexi One Account. HLB reserves the right to review and change the service charge with twenty one (21) calendar days notice.
  - (h) As regards to the interest rate applicable on the withdrawn fixed deposit amount, the same rules applicable to the Conventional Fixed Deposit Account shall apply and the interest rate applicable on the amount surviving in the deposit shall be the interest rate corresponding to the original period and the surviving amount.
  - (i) For transfer of funds from the Flexi One Account to the Flexi FD Account, the transfer of funds is subject to a minimum of RM30,000 and multiples of RM30,000, up to a limit of RM90,000 (or any other amount to be determined by HLB at any time with prior notice) provided always that there is a minimum credit balance of RM30,000 after the fund transfer (or any other amount to be determined by HLB at any time with prior notice) in the Flexi One Account failing which the automatic transfer of funds from the Flexi One Account to the Flexi FD Account will not be triggered. The transfer of funds will be placed based on the prevailing board rate.
  - (k) The accrued interest on the Flexi FD Account will be credited into the Customer(s)' Flexi One Account monthly. In the event the entire fixed deposit(s) or balance thereof placed hereunder is fully withdrawn on or before its respective maturity period or the minimum tenure as HLB may determine at any time with prior notice, HLB shall be entitled to deduct from or debit the Customer(s)' Flexi FD Account all such accrued monthly interest paid including but not limited to all those interest paid on partial withdrawal(s) earlier.
5. Notwithstanding anything provided herein and without prejudice to any other provisions herein, HLB shall in no way be liable to the Customer(s) and/or any third party for any loss (whether direct or indirect) of profits or business or goodwill or any indirect or consequential loss or any damages, expenses and/or losses including but not limited to any loss of interest paid or payable on the fixed deposit(s) and/or Flexi One Account which the Customer(s) and/or any third party may suffer or incur as a consequence of any uplifting and/or transfer of any sum and/or any payment made and/or any funds utilized by HLB or in default of such uplifting, transfer, payment and/or utilization by HLB whether from the Flexi FD Account or Flexi One Account for whatsoever reasons.
6. The Flexi FD Account is eligible for protection by PIDM.

## **PART E - HONG LEONG ONE ACCOUNT**

- 1.1 The Hong Leong One Account is a current account which interest is earned on credit balances and which also operates as an overdraft facility (“OD”) which is secured against the Fixed Deposit(s) placed by the Customer(s) with HLB at any time and from time to time. The Hong Leong One Account may be opened with a minimum sum of RM1,000 deposited or any other amount as may be acceptable to HLB at its absolute discretion.
- 1.2 The Hong Leong One Account is for individuals, either personally or in joint names. Sole proprietorships, partnerships, firms, societies, associations, corporations, institutions and other business entities are not eligible to open or to operate such an account.
- 2.1 Operation of the Hong Leong One Account
  - (a) The OD will only be available if permitted by HLB and is secured against Fixed Deposit(s). The limit of the OD available for utilization corresponds with the principal sum of the Fixed Deposit(s) placed (provided the Fixed Deposit(s) are not placed for any other purpose).
  - (b) The placements of Fixed Deposit(s) are governed by the Terms & Conditions for Fixed Deposit Accounts set out in these Terms & Conditions.
  - (c) The Terms & Conditions applicable to the current account and the Overdraft set out in these Terms & Conditions apply to the Hong Leong One Account.
- 2.2 Placement of Fixed Deposit(s) and the OD
  - (a) The Fixed Deposit(s) placed must be in the name of the Customer(s) before the OD is available for utilization. The Customer(s) represent(s) and warrant(s) that the Customer(s) is the sole and beneficial owner of the Fixed Deposit(s) and the Fixed Deposit(s) are free from any mortgage, security arrangement or security interest of any kind. The Customer(s) will not:
    - (i) withdraw, assign transfer or create a trust in respect of the Fixed Deposit(s) or otherwise enter into any arrangement with any person whereby the whole or any part of the Fixed Deposit(s) or any right or entitlement thereof will be affected in any manner;
    - (ii) create, attempt to create or permit to subsist any mortgage, security arrangement or security interest over the Fixed Deposit(s) or any part of it. The interest or other payment howsoever derived from or accruing in respect of the Fixed Deposit(s) shall not be withdrawn and shall be added and form part of the Fixed Deposit(s).
  - (b) The Customer(s) authorize(s) HLB to renew and to continue renewing from time to time and retain the Fixed Deposit(s) or any part thereof on its respective maturity for a period corresponding to such fixed period or for such periods and at such rates of interest as HLB may deem fit in its absolute discretion for as long as the Hong Leong One Account is maintained by the Customer(s) and until full and final settlement of all sums owing including interest and default interest at such rate and at such rest periods as may be from time to time imposed or stipulated whether in respect of the Hong Leong One Account or any other Account(s).
  - (c) The Fixed Deposit(s) shall be and is hereby charged to HLB by way of first fixed charge as security for all monies owing under the OD and pursuant to these Terms & Conditions.
  - (d) HLB is entitled and may at any time set-off the Fixed Deposit(s) against the monies owing by the Customer(s) under the Hong Leong One Account and any other liabilities of the Customer(s) set out in these Terms & Conditions in addition to any other right of set-off, other general lien or similar right to which HLB may be entitled in law and/or equity.
  - (e) The Fixed Deposit(s) and/or any other securities which may be obtained by HLB from time to time is held by HLB:-
    - (i) as security for all monies owing under the OD and for the performance of the Customer(s) of its obligations under these Terms & Conditions;
    - (ii) shall be continuing security for any outstanding sums owing by the Customer(s) to HLB on the Account(s) or any other accounts held with HLB notwithstanding any

intermediate payment or settlement of account for payment of any sums owing and without prejudice to any other securities which may now or hereafter be obtained.

3. These Terms and Conditions shall be additional to the Terms and Conditions of each type of product / accounts appearing in the Consolidated Statement. In the event of any discrepancy, ambiguity or dispute in the interpretation of these Terms and Conditions and the said Terms and Conditions for each product/accounts, the said Terms and Conditions for each product/accounts shall prevail.
4. The current account component of the Hong Leong One Account is eligible for protection by PIDM.

## **PART F - OVERDRAFT ("OD")**

- 1.1 The OD and the limit of the OD available to the Customer(s) is entirely at the absolute discretion of HLB. Notwithstanding any other provisions in Part E, F or elsewhere in these Terms and Conditions, HLB may at its absolute discretion reduce or vary the limit of the OD available to the Customer(s) at any time and from time to time with prior notice. The Customer(s) shall ensure that the limit of the OD is not exceeded at any time.
- 1.2 The OD may be made available to the Customer(s) with or without security and upon any other conditions which may be imposed by HLB. Notwithstanding any other provisions herein, the OD is repayable on demand.

### **2. Interest Payable on the OD**

- (a) Interest will be chargeable on the utilization of the OD at the Prescribed Rate.
- (b) Interest at the Excess Rate shall be levied on all amounts drawn in excess of the approved overdraft limit (both before and after demand, judgment or order).
- (c) Any unpaid interest whatsoever on any amounts drawn or payable as the case may be under the Account(s) including capitalized interest and default interest shall at the end of each calendar month be capitalized and added to the principal sum then owing and shall thereafter bear interest at the Prescribed Rate.
- (d) Additional interest at the Default Rate shall be imposed at any time as agreed liquidated damages on the principal moneys or interest (including capitalized interest and default interest) and all other moneys due and owing under the Account(s) calculated from the date of such monies are due until the date of full settlement.
- (e) HLB may at its absolute discretion vary the BLR, the rate of interest imposed above the BLR (including the Default Rate or Excess Rate) or any other charges from time to time with prior notice and the variation shall take effect from the date specified in HLB's notice and if no date is mentioned, from the date of the notice. HLB's notice of such variation may take any form or manner. The decision of HLB as to the variation in the above said rates and the dates from which such variation shall take effect shall be final and conclusive.
- (f) If required by HLB, the Customer(s) shall maintain in respect of the Fixed Deposit(s) or any other securities provided such margin of security in relation to the sums outstanding/owing as may from time to time be required by HLB by depositing and charging on demand by HLB of any additional sums (which shall form part of the Fixed Deposit(s)) and/or the provision of any other securities which may be acceptable to HLB. The Customer(s) shall execute any other documents or instruments and do any act or thing which HLB may require for perfecting such charges over any existing or new securities.

### **3. Statement of Account**

HLB's statement of account or certificate signed by its duly authorized officer shall be final and conclusive proof of the Customer(s)' indebtedness under the OD.

#### **4. Periodic Review**

HLB reserves the right to review the OD at any time and from time to time irrespective of whether or not an Event of Default has occurred and nothing in these Terms & Conditions shall be deemed to impose on HLB any obligation either at law or in equity to make or to continue to make available the OD to the Customer(s).

#### **5. Events of Default**

5.1 Notwithstanding HLB's right to recall all monies owing under the OD on demand, all monies, interest accruing thereon and other monies for the time being owing or remaining unpaid by the Customer(s) under the OD shall also become due and immediately repayable by the Customer(s) to HLB and HLB shall be entitled to recover the same with interest thereon at the Default Rate, with prior notice to or concurrence on the part of the Customer(s) or any security party upon the happening of any of the following events :

- (a) if the Customer(s) or any security party fails to make payment of any monies whether principal or interest due and payable to HLB or fails to perform any of its undertakings, agreements, or breaches any of the representations or warranties or any of these Terms and Conditions; or
- (b) the Customer(s) or any security party is blacklisted by DCHEQS; or
- (c) the Customer(s) or any security party, or any related company (by virtue of section 6 of the Companies Act 1965) or substantial shareholder (under section 69D of the Companies Act 1965) of the Customer(s) or any security party, is in default under any account with HLB or any other financial institution or if the account(s) of any other party of which the Customer(s) or any security party is a guarantor is in default or if there is any prosecution, litigation, arbitration or administrative or bankruptcy or winding up proceedings taken or threatened against the Customer(s) or any security party which might materially affect his/their solvency or otherwise impair or affect his/their ability to perform his/their obligations under these Terms & Conditions; or
- (d) if the Customer(s) or any security party commits an act of bankruptcy or enters into any composition or arrangement with or for the benefit of its creditors; or
- (e) if any distress, execution or other process of a court of competent jurisdiction is levied upon or issued against the Customer(s)' or any security party's property and such process is not satisfied or withdrawn within seven (7) days thereof; or
- (f) if the Customer(s) or any security party is prosecuted under any law, serves any custodial sentence, becomes insane or dies; or
- (g) if there shall be any material change in the financial condition of the Customer(s) or any security party which in HLB's reasonable opinion is likely to prejudice the Customer(s)' or any security party's ability to service the OD and interest thereon; or
- (h) if a change in applicable law or regulation makes it impossible or unlawful for HLB to continue making available the OD to the Customer(s).

5.2 Notwithstanding any provisions herein, HLB may at its absolute discretion suspend the OD at any time whether or not an Event of Default has occurred.

#### **6. Suspense Account**

Any monies received may be placed and kept to the credit of a suspense account for so long as HLB thinks fit without any obligation in the meantime to apply the same or any part thereof in or towards discharge of any money or liabilities due or incurred by the Customer(s). Notwithstanding any such payment in the event of any proceedings in or analogous to bankruptcy, liquidation, composition or arrangement HLB may prove for and agree to accept any dividend or composition in respect of the whole or any part of such money and liabilities in the same manner as if the security had not been created and no monies or dividends so received by HLB shall be treated as received, but the full amount hereby secured shall be payable by the Customer(s) until HLB shall have received from all sources one hundred per cent in the ringgit on the ultimate balance

outstanding against the Customer(s). After HLB has received such ultimate balance in full, any claim on the part of the Customer(s) to any securities remaining with HLB shall be a matter of adjustment between HLB and the Customer(s) and any other person or persons laying claim thereto.

**7. Avoidance of Payments contrary**

No assurance, security or payment which may be avoided under any law relating to winding-up or insolvency and no release, settlement or discharge given or made by HLB on the faith of any such assurance, security or payment shall prejudice or affect HLB's rights to recover from the Customer(s) the monies hereby secured to the full extent under these Terms and Conditions. Any such release, settlement or discharge shall be deemed to be made subject to the condition that it will be void if any payment or security which HLB may previously have received or may hereafter receive from any person in respect of the monies hereby agreed to be paid or repaid by the Customer(s) is set aside under any applicable law or proves to have been for any reason invalid.

**8. Enforcement**

HLB's rights under these Terms & Conditions is in addition to and not in substitution of any other rights or securities which HLB may have from or against the Customer(s) or any other person in law and/or in equity and may be enforced in accordance with these Terms & Conditions without first having recourse to any of such other rights or securities and without taking any steps or proceedings against any such other person/security.

**9. Modification & Indulgence**

The liability of the Customer(s) and any security party and the rights of HLB shall not be affected by anything done by HLB and HLB may at any time and from time to time without affecting or releasing the Customer(s) or any security party :-

- (a) determine vary increase or restructure the OD or the overdraft limit and may open and/or continue any accounts with the Customer(s) at any branches of HLB;
- (b) grant the Customer(s) or any other person any time or indulgence; or
- (c) deal with, exchange, release or modify or abstain from perfecting or enforcing any securities or other guarantees or rights HLB may now or any time hereafter or from time to time have from or against the Customer(s) or any other person; or
- (d) compound with the Customer(s) and/or any other person.

**10. "Financial Services Act 2013 ("FSA") and BNM Guidelines on Credit Transactions and Exposures with Connected Parties ("Guidelines")**

To enable HLB to comply with the FSA and the said Guidelines, the Customer(s) shall declare to HLB whether the Customer(s) is a connected party under the Guidelines, which includes but is not limited to, a spouse, child, parent or financial dependant of HLB's Director, Executive Officer or credit-approving/appraising/reviewing officer or in the case of a corporate/business-customer, includes an entity controlled by such abovementioned HLB's persons. If at any time the Customer(s) become a connected person, the Customer(s) must notify HLB in writing immediately. HLB reserves the right to terminate the Facilities in the event the Customer(s) fail to make the appropriate or correct declaration, resulting in HLB contravening the FSA or the said Guidelines."

**PART G - HLISB SAVINGS ACCOUNT - i**

- 1. The HLISB savings account-i is for individuals, societies and associations. Sole proprietorships, partnerships, companies, organizations and statutory bodies are not allowed to open a HLISB savings account-i.

2. HLISB is using either the Wadiah Yad Dhamanah or the Mudharabah Concept for HLISB savings account-i. HLISB reserves the right to use any other Concept at any time or from time to time with prior notice.
3. HLISB reserves the right to utilize or invest the funds in any way it deems fit. Such investment avenue will be in line with the Shariah requirements.
4. Under the Wadiah Yad Dhamanah Savings Concept, the Customer(s) shall give his/her consent to HLISB to deal with the whole or any part of any monies standing to the credit of his/her Account(s) in the manner that HLISB shall deem fit. HLISB guarantees principal payment of the whole or a part thereof standing to the credit of the Customer(s)' account(s) when demanded and may at its absolute discretion pay Hibah as a gift. Such Hibah is decided on voluntary basis, if declared, will be declared at HLISB's current declared rate and calculated on a daily balance basis or such other method of calculation as may be determined by HLISB at its absolute discretion from time to time with prior notice.
5. Under the Mudharabah Concept, both HLISB and the Customer(s) shall agree on the profit sharing ratio between them. The Customer(s) agree(s) that the return on the investment will be based on the agreed profit sharing ratio as may be determined by HLISB from time to time with prior notice. Any losses arising from the investment will be borne by the capital provider (Customer(s)) unless they were due to mismanagement of funds, in which event HLISB will bear the losses.
6. Under the Mudharabah Concept, HLISB undertakes to utilize or invest the funds/capital through its skills and effort to carry business ventures or investment in any way it deems fit provided that it does not contradict the Shariah requirements to generate income. The Customer(s) do not specify or intervene as to which particular sector of financing or investment activities that HLISB should concentrate in.
7. Currently HLISB is using Profit Equalisation Reserve (PER) for all Mudharabah based products. However, under the new BNM guidelines, HLISB has ceased using PER with immediate effect. The PER is replaced with a new mechanism as follows:
  - In the event that the actual rate of return is higher than the indicative rate, the Customer(s) shall waive their rights to receive the difference as incentive fee for the bank as an entrepreneur (*mudarib*)
  - However, in the event that the actual rate of return is lower than the indicated rate, HLISB may grant *Hibah* to the Customer(s).
8. The option of a passbook or statement may be offered to the Customer(s) when a HLISB savings account-i is opened.
9. Where a passbook is elected by the Customer(s),
  - (a) The Customer(s) shall be responsible for keeping the passbook under lock and key at all times. The Customer(s) is responsible to ensure that the entries in the passbook are correct before leaving the premises of HLB/HLISB failing which the Customer(s) shall be deemed to have accepted the entries therein.
  - (b) The Customer(s) shall inform HLISB immediately in the event the passbook is lost, stolen or destroyed. HLISB will close the Account(s) and the balance standing to the credit of the Account(s) may be withdrawn by the Customer(s) or transferred to a new account at the Customer(s)' option upon execution of a letter of indemnity by the Customer(s) and in the case of joint accountholders, by all the accountholders and the payment of a service charge. In the event one of the accountholders reports the passbook lost / stolen or damaged, the Account(s) cannot be operated / closed until all the accountholders execute an indemnity in favour of HLISB and paid the relevant service charge.

10. Where a statement is elected by the Customer(s), the statement of the savings account-i (s) will be rendered every quarterly or at such periods as may be determined by HLISB. The Customer(s) must examine all entries in the statement of account, or in the case of Hong Leong Online for Personal or Business Customer(s), the Online Account Statement, and to immediately report to HLISB any error found therein. If the Customer(s) does not, within fourteen (14) days (or such other period specified by HLISB in the statement/ notice/Online Account Statement) after the receipt of the statement of account or from the Statement Date of the Online Account Statement, object to any entry therein the Customer(s) shall be deemed to have accepted the entries made up to the date of the last entry in the statement of account/ Online Account Statement, as in the case of Hong Leong Online for Personal or Business Customer(s), as correct and discharge HLISB from all liabilities.
11. Any payments made by HLISB to a person producing the passbook (where a passbook is issued) and a withdrawal slip purported to be signed by the Customer(s) shall have the same effect as if made to the Customer(s) personally and shall exonerate HLISB and its employees from all liabilities to the Customer(s) or any other person.
12. All transactions concerning the HLISB savings account-i may be carried out at any branch of HLB/HLISB. In such a case, HLB/HLISB reserves the right to request for additional identification.
13. The HLISB savings account-i(s) will be deemed closed when the Customer(s) withdraws the whole of the balances in the HLISB savings account-i.
14. The HLISB Savings Account -i is eligible for protection by PIDM.

#### **PART H - HLISB CURRENT ACCOUNT - i**

1. HLISB shall accept the sum of money deposited and any sums of moneys to be subsequently deposited into the HLISB Current Account-i, which is operated on the Wadiah Yad Dhamanah Concept. HLISB reserves the right to use any other Concept at any time or from time to time with prior notice. The Customer(s) shall give his/her/their consent to HLISB to deal with the whole or any part of any monies standing to the credit of the Account(s) in the manner that HLISB deems fit.
2. The application for cheque books should be made on HLISB's prescribed forms or by any other method prescribed by HLISB. Cheques may not be drawn on HLISB except on those supplied by HLISB bearing the account number of the Current Account-i. The Customer(s) who wish(es) to withdraw cash may do so with the prior consent of HLISB by using the prescribed cheques, prescribed withdrawal slips or such other instruments or forms as may be required by HLISB.
3. The Customer(s) shall exercise care when writing out a cheque so as not to facilitate fraud. HLISB shall have the right to dishonour and return cheques where the signature of the Customer(s) differs from the specimen supplied to HLISB. No alterations whatsoever shall be made on the cheques. HLISB reserves the right to dishonour and return cheques which in HLISB's absolute opinion bear any form of alteration (whether countersigned by the Customer(s)/drawer(s) or otherwise) or HLISB has reasons to doubt the genuineness of the Customer(s)' identity or fingerprint clarity, the affixing of the fingerprint or the authority on the cheque. Customer(s) shall not affix any Company chop/personal seal on the cheque as this will be disregarded in the clearing process.
4. (a) The Customer(s) shall be responsible for keeping the chequebooks under lock and key at all times. The Customer(s) shall inform HLISB immediately in the event a chequebook or cheque leaf is missing, lost, stolen or destroyed. HLISB will not be liable or responsible for any loss

- incurred by the Customer(s) if through his/her negligence or omission an unauthorized person obtains the chequebook or leaf and fraudulently obtains payment on any sum belonging to the Customer(s).
- (b) HLISB may at the request of the Customer(s) issue a cheque book upon the execution of a letter of indemnity and in the case of a joint account by all the joint Customer(s) and the payment of a service charge. Upon issuance of a new cheque book, the original shall thereafter be invalid and if found or recovered must immediately be returned to HLISB.
- (c) The Customer(s) must check the correctness of the cheque book contents before leaving the premises of HLB/HLISB. Failure to do so shall discharge HLISB from all liabilities.
5. The Customer(s) shall use HLISB's prescribed forms when depositing cheques and monies. The Customer(s) must check and ensure that the counterfoil bears the endorsement by HLB / HLISB's teller machine or by an officer of HLB / HLISB before leaving the premises of HLB / HLISB. Counterfoils are only valid as an acknowledgment of receipt if they bear such endorsement. Failure to do so shall discharge HLISB from all liabilities.
6. Cheques and other monetary instruments paid into the Account(s) and which have been dishonoured may be returned by hand or by post or such other mode as may be determined by HLISB at its sole discretion to the Customer(s) at the address last registered with HLISB at the Customer(s)' costs and expense and at the Customer(s)' own risk.
7. The Customer(s) will indemnify HLISB, as collecting banker, from any loss which HLISB may incur by reason of its guaranteeing any endorsements, discharge or discharges, on any cheque, bill, note, draft, dividend warrant or other instruments presented for collection and every such guarantee given by HLISB shall be deemed to have been given at the Customer(s)' expressed request in every case.
8. Where HLISB accepts or incurs liability for or at the request of the Customer(s), any funds or securities and other valuables deposited with HLISB belonging to the Customer(s) and in the hands of HLISB shall automatically become security to HLISB and HLISB shall have the right to retain such funds or any part thereof and even dishonour the Customer(s)' cheques until the liability is settled.
9. HLISB will only stop payment on any cheque issued upon receipt of instructions from the Customer(s) whether in writing or through any other services made available by HLISB and HLISB shall not be responsible for any loss or damages caused by an oversight. HLISB is authorized 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 whether the Account(s) is in credit or in debit or may become overdrawn in consequence or otherwise. Where a debit or non pre-arranged overdrawn position arises, the Customer(s) shall be liable for all such sums.
10. Wherever applicable, service charges on the Account(s) and profit on credit balances will be calculated according to the rules of AIBIM or HLISB.
11. A statement of the current account-i will be rendered once a month or at such periods as may be determined by HLISB. The Customer(s) must examine all entries in the statement of account, or in the case of Hong Leong Online for Personal or Business Customer(s), the Online Account Statement, and to immediately report to HLISB any error found therein. If the Customer(s) does not, within fourteen (14) days (or such other period specified by HLISB in the statement/notice/ Online Account Statement) after the receipt of the statement of account or from the Statement Date of the Online Account Statement, object to any entry therein the Customer(s) shall be



deemed to have accepted the entries made up to the date of the last entry in the statement of account/Online Account Statement, as in the case of Hong Leong Online for Personal or Business Customer(s), as correct and discharge HLISB from all liabilities.

12. In all cases, a statement of balance ending on 30 June and 31 December or at such periods/dates as may be determined by HLISB will be sent to the Customer(s) who are requested to confirm by returning the confirmation slip duly signed for the purpose of audit. In the absence of any objection to the statement within fourteen (14) days (or such other period specified by HLISB in the statement or notice) after its receipt by the Customer(s), the Account shall be deemed to have been confirmed.
13. The HLISB Current Account-i is eligible for protection by PIDM.

#### **PART I - HLISB GENERAL INVESTMENT ACCOUNT - i**

1. HLISB shall accept the sum of money invested in the General Investment Account-i based on the Mudharabah Concept and the Customer(s) shall give his/her consent to HLISB to deal with the whole or any part of the monies standing to the credit of the Account(s) in the Shariah compliant manner that HLISB deems fit. HLISB reserves the right to use any other Concept at any time or from time to time with prior notice. The Customer(s) agree(s) that the return on the investment will be based on the profit sharing ratio determined by HLISB from time to time and agreed by the Customer(s) at the time the investment is placed.
2. Any placement under the Account(s) may be made with the minimum sum prescribed for the corresponding tenure as may be determined by HLISB from time to time with prior notice.
3. The option of a General Investment Account-i Certificate or a statement may be offered to the Customer(s) when a placement is made for the General Investment Account-i.
4. Where a statement is elected by the Customer(s), the statement of the General Investment Account-i(s) will be rendered monthly and / or quarterly or at such periods as may be determined by HLISB. The Customer(s) must examine all entries in the statement of account, or in the case of Hong Leong Online for Personal or Business Customer(s), the Online Account Statement, and to immediately report to HLISB any error found therein. If the Customer(s) does not, within fourteen (14) days (or such other period specified by HLISB in the statement / notice / Online Account Statement) after the receipt of the statement of account or from the Statement Date of the Online Account Statement, object to any entry therein the Customer(s) shall be deemed to have accepted the entries made up to the date of the last entry in the statement of account / Online Account Statement, as in the case of Hong Leong Online for Personal or Business Customer(s), as correct and discharge HLISB from all liabilities.
5. Subject to Clause I(2) above, the tenure for placements of General Investment Account-i(s) shall be for periods of one (1) month and in multiples of one (1) month thereof up to such other periods or multiples as may be determined by HLISB, AIBIM, BNM or any other authorities. The acceptance and / or renewal of such placements, tenure(s) and profit sharing ratio quoted for the General Investment Account-i(s) are entirely at the absolute discretion of HLISB. Where any cheque(s) is deposited for a placement and where the General Investment Account-i Certificate is issued to the Customer(s) it shall be subject to clearance of the cheque(s). Where the General Investment Account-i Certificate is issued by HLISB it may not be assigned, transferred or charged as security unless written consent is given by HLISB.
6. On withdrawal of the General Investment Account-i Certificate(s), the General Investment Account-i Certificate (where the General Investment Account-i Certificate is issued) must be presented, duly endorsed by the Customer(s) or identity verification via fingerprint verification

using the MyKad Reader or any other devices used by HLISB. Unless otherwise specified, HLISB will not permit withdrawals or renewals at any branch other than at the branch in which the Customer(s) maintains his / her Account(s).

7. Where the General Investment Account-i Certificate is uplifted before maturity, the following rules shall apply :-
  - (a) Customer(s) agree that profit (if any) from placement date until upliftment will be forfeited under the Shariah principle of Tanazul. As a result, no profit is to be paid on the following event :
    - (i) any investment placed for periods of one (1), two (2) or three (3) months that has not completed the full period;
    - (ii) any investment placed for periods exceeding three (3) months where the said placement is uplifted before the completion of three (3) months.
  - (b) Other than the circumstances mentioned in Clause 7(a) above, the profit payable for uncompleted tenures is calculated at the next lower tenure completed based on the number of completed months at the time of payment.

HLISB reserves the right to vary the rules specified in Clause 7(a) and (b) herein at any time or from time to time with prior notice.
8. Under the Mudharabah concept, the venture is dissolved on the maturity date. However, the Customer(s) agree upfront that the tenure for the General Investment Account-i Certificate shall automatically be renewed for the same period at the prevailing published Profit Sharing Ratio (PSR) if the monies is retained with HLISB.
9. In the event one of the joint accountholders reports the General Investment Account-i Certificate (where a General Investment Account-i Certificate is issued) lost / stolen or damaged, a replacement Certificate will not be issued until all the accountholders execute an indemnity in favour of HLISB and paid the relevant service charges.
10. Under the Mudharabah Concept, both HLISB and the Customer(s) shall agree on the profit sharing ratio between them. The Customer(s) agree(s) that the return on the investment will be based on the agreed profit sharing ratio. Any losses arising from the investment will be borne by the capital provider (Customer(s)) unless they were due to mismanagement of funds, in which event HLISB will bear the losses.
11. Currently HLISB is using Profit Equalisation Reserve (PER) for all Mudharabah based products. However, under the new BNM guidelines, HLISB has ceased using PER with immediate effect. The PER is replaced with a new mechanism as follows:
  - In the event that the actual rate of return is higher than the indicative rate, the Customer(s) shall waive their rights to receive the difference as incentive fee for HLISB as an entrepreneur (*mudarib*)
  - However, in the event that the actual rate of return is lower than the indicated rate, HLISB may grant *Hibah* to the Customer(s).
12. The Customer(s) hereby instructs HLISB to auto renew the principal sum and profit accumulated for the said General Investment Account-i (unless HLISB receives specific written notice to the contrary) for the same period (or such period as HLISB may determine at its absolute discretion on maturity date) and at the profit rate to be determined by HLISB on maturity date.
13. The HLISB General Investment Account-i is eligible for protection by PIDM.

## **PART J - HLISB ONE ACCOUNT - i**

- 1.1 The HLISB One Account-i is a current account-i which profit is earned on credit balances. The HLISB One Account-i may be opened with a minimum sum of RM1,000-00 deposited or any other amount as may be acceptable to HLISB at its absolute discretion.
- 1.2 The HLISB One Account-i is for individuals, either personally or in joint names. Sole proprietorships, partnerships, firms, societies, associations, corporations, institutions and other business entities are not eligible to open or to operate such an account.
2. Currently HLISB is using Profit Equalisation Reserve (PER) for all Mudharabah based products. However, under the new BNM guidelines, HLISB has ceased using PER with immediate effect. The PER is replaced with a new mechanism as follows:
  - In the event that the actual rate of return is higher than the indicative rate, the Customer(s) shall waive their rights to receive the difference as incentive fee for HLISB as an entrepreneur (*mudarib*)
  - However, in the event that the actual rate of return is lower than the indicated rate, HLISB may grant *Hibah* to the Customer(s).
3. These Terms and Conditions shall be additional to the Terms and Conditions of each type of the product / accounts appearing in the Consolidated Statement. In the event of any discrepancy, ambiguity or dispute in the interpretation of these Terms and Conditions and the said Terms and Conditions for each product/accounts, the said Terms and Conditions for each product/accounts shall prevail.
4. The HLISB One Account-i is eligible for protection by PIDM.