

TERMS AND CONDITIONS OF ISLAMIC TERM DEPOSIT (Effective Date: 06.05.2020)

Enumerated below are the Terms and Conditions governing the opening and operation of Islamic Term Deposit Account in Bank Simpanan Nasional. By opening a Islamic Term Deposit Account, the Customer hereby agrees to abide and to be bound by the following rules and regulations, inclusive of variation that may be prescribed by the Bank from time to time.

1. Definitions and Interpretations

1.1. Unless otherwise expressly specified, the following definitions and interpretations shall apply:

- (a) **"Account"** means BSN Term Deposit-i and BSN Term Deposit-i Senior Citizen.
- (b) **"Adequate notice"** means twenty one (21) calendar days' notice prior to the effective date.
- (c) **"Bank"** means Bank Simpanan Nasional.
- (d) **"Business Days"** means working days on which the Bank is operate in West Malaysia and East Malaysia (excluding public holidays).
- (e) **"Business Trading Days"** means the days where the purchased of the Commodity transaction is executed with Supplier which is everyday including public holiday.
- (f) **"Commodity"** means the underlying goods or assets that allowed by the Shariah.
- (g) **"Customer"** means the Accountholders including individuals, partnerships, sole-proprietorships, companies, clubs, associations, organizations and statutory bodies, unless otherwise stated in this Terms and Conditions or by the Bank from time to time.
- (h) **"Maturity Date"** means the date on which the Customers' deposits can be withdrawn based on the agreed maturity period specified in the Account.
- (i) **"Purchase Price"** means the price for the purchased commodities carried out by the Bank as an agent to the Customer which the amounts are equivalent to the deposit amount.
- (j) **"Selling Price"** means the sum payable by the Bank in Commodity Murabahah transaction to purchase the Commodity from the Customer which the amount is equivalent to the Purchase Price plus a profit margin.
- (k) **"Security Details"** shall include but not limited to an Electronic Banking Password and any other confidential information and / or security codes used in relation to the Customer's Account.
- (l) **"Supplier"** means the Commodity traders and / or suppliers who deal with the Bank.
- (m) The subtitle headings and the division of provisions into sections and clauses in these Terms and Conditions are only for the purpose for ease of reference and shall not be considered in the interpretation of the substantive provisions of these Terms and Conditions.
- (n) Words importing the singular shall include the plural and vice versa.

2. Shariah Concept

2.1. The Shariah concept used is Commodity Murabahah (Tawarruq) which refers to buying and selling of commodities as underlying assets with deferred payment on Murabahah basis (sale contract with the disclosure of the asset cost price and profit margin) and sell it to a third party for cash.

- 2.2. The Tawarruq concept also involve Wakalah contract (Agency contract) which adopts a 'dual-agency' arrangement which involves the followings:
- (a) The appointment of the Bank who acts as an agent to buy the commodity on behalf of the customer from a third party.
 - (b) The appointment of the Bank who acts as an agent on behalf of the customer to conclude the selling of the commodity to the Bank on Murabahah basis.

3. Account Opening

- 3.1. The opening of the Account is made through the Bank's prescribed form and subject to the Bank's requirements including minimum age, minimum deposit, identification documents and such other requirements which may be imposed by the Bank from time to time.
- 3.2. Customer agrees and gives consent to the Bank to perform any search (if necessary) and / or due diligence on the Customer's details as required under the Bank's policies.
- 3.3. The Bank reserves the right to require Customer to submit any supporting document when opening an Account from the Customer, whenever necessary.
- 3.4. The Bank reserves the right to reject any application by the Customer to open the Account if the Customer failed to submit a valid and accurate information and / or documents or the Customer does not meet any requirements and / or additional requirements imposed by the Bank on Account opening.

4. Deposit Placement

- 4.1. Account is open to all individual and non-individual based on age below:
- (a) BSN Term Deposit-i – Citizen & non-citizen with a permanent address in Malaysia who aged 15 years & above and business enterprises operating in Malaysia
 - (b) BSN Term Deposit-i Senior Citizen – Malaysian citizens aged 50 years & above
- 4.2. Every deposit shall be accompanied by a receipt issued by the Bank and production of any other documents by the Customer that may be required by the Bank. A receipt issued by the Bank is only valid if it is machine-validated and / or acknowledged by the Bank.
- 4.3. Deposit via cheque will only be credited into the Account upon clearance of the cheque. In the event of a dishonoured cheque, the Bank will contact the Customer to self-collect the notification of the dishonoured cheque at the branch or upon request, sent by registered post to the Customer's address last registered with the Bank at the Customer's own risk and any expense incurred hereto shall be debited from the Customer's Account.
- 4.4. Deposit placement will be effective on Business days.

5. Verification of Identification Document

- 5.1. All transactions carried out at the Bank shall be subjected to proof of identification that the Bank may require and shall be verified in a manner and method, including but not limited to identification by way of thumbprint verification that the Bank may deem fit and adopt from time to time. The Bank shall not be liable for relying on any such verification process of the identification document presented and for proceeding to carry out related banking transactions.

6. Transaction of Account

- 6.1. By signing the duly fulfilled account application form and depositing money with the Bank, Customer hereby open the Account and therefore agrees to appoint the Bank under the Wakalah contract to be its' agent to perform the following :-
 - (a) To purchase the Commodity from Supplier.
 - (b) To conclude the sales of Commodities to the Bank on Murabahah basis at the Selling Price on deferred payment.
- 6.2. Customer agrees that the appointment of the Bank as its agent as specified in clause 2.2 shall be applicable to all Customer's deposit transactions involving his Account including performing automatic renewal of the Account (if any).
- 6.3. Any placement made shall be in Ringgit Malaysia ("RM") only.
- 6.4. The Bank as Customers' agent will purchase the Commodity at the Purchase Price from the Supplier in cash subject to Business Trading Days.
- 6.5. Thereafter, the Bank as an appointed Customer's agent shall conclude the sale of Commodity to the Bank on Murabahah basis at the Selling Price with deferred payment.
- 6.6. Next, the Bank will sell the Commodity to other Supplier in cash at the price equivalent to Customers' deposit amount.
- 6.7. On Maturity Date, the Bank will pay the Selling Price in accordance with the mode of payment choose by the Customer in the account application form.
- 6.8. The Customer acknowledges that although the Commodity involved in the Commodity Murabahah Transactions is capable of being physically delivered, Customer agrees that physical delivery of the Commodity will not be executed. However, if Customer want to take over the possession of the Commodity, Customer must take over that ownership in the suitable manner and using the Customers' own cost.
- 6.9. The Customer agrees to indemnify the Bank against all actions, claims, demands, liabilities, losses, damages, costs and expenses of whatever nature which the Bank may sustain, suffer or incur as a result of acting as the Customers' Agent in the Commodity Murabahah transactions or as a result of breach of the Customers' obligations. This indemnity shall continue in spite of the termination of the Bank's agency.
- 6.10. The Bank as an agent to the customer shall not be liable for any loss or damage to the interests of the Customer (Muwakkil) except loss or damage caused by the misconduct, negligence or breach of certain conditions by the Bank.

7. Profit

- 7.1. Profit earned will be credited to the Customer's designated savings account maintained with the Bank.
- 7.2. The Bank reserves the right at any time to revise the profit rates by giving adequate notice to the Customer with the display of the revised rates at the Bank's branches or at the Bank's website. Any changes in profit rate will affect new placement / renewal of the Account.

7.3. Profit will be paid to Customer subject to the minimum placement amount and tenure as below:

(a) BSN Term Deposit-i

| Tenure (Month) | Minimum Placement (RM) | | Frequency of Profit Payout |
|----------------|------------------------|----------------|--------------------------------|
| | Individual | Non-individual | |
| 1 | 1,000 | 1,000 | Upon maturity |
| 3 - 12 | 500 | 500 | Upon maturity |
| 15 - 60 | 500 | 500 | Every 6 months / Upon maturity |

(b) BSN Term Deposit-i Senior Citizen

| Tenure (Month) | Minimum Placement (RM) | Frequency of Profit Payment |
|----------------|------------------------|-----------------------------|
| 12 - 60 | 5,000 – 50,000 | Every 4 months |
| 12 - 60 | > 50,000 | Monthly |

8. Redemption

8.1. Early redemption or demand for Selling Price (deposit amount plus profit) of the Account before its maturity date is subject to the placement / renewal date as follows:

- (a) For placement / renewal **prior to 1 January 2019**, Customer hereby acknowledge and agree to grant rebate (Ibra') by releasing part of or all profit comprised in the agreed Selling Price whereby:
- Redemption made after a period of one (1) month or more from the date of placement / renewal, Customer is entitled to receive 50% of the accrued profit;
 - Redemption made within a period of less than one (1) month from the date of placement / renewal, Customer is not entitled to receive any profit.
- (b) For placement / renewal on or **after 1 January 2019**, Customer hereby acknowledge and agrees to grant rebate (Ibra') by releasing all profit comprised in the agreed Selling Price whereby no profit will be given regardless of the number of completed months at the time of early redemption. In the event any profit has been credited into Customer's designated savings account, the Bank reserves the right to recover such profit from the principal amount at the time of such early redemption.

9. Renewal of Account

9.1. Account which has matured but not redeemed by Customer will be automatically renewed by the Bank. The renewal is subject to the existing Terms and Conditions except for the profit rate which shall be at the prevailing rate at the time of renewal is made.

9.2. Account shall not be transferable, transacted or pledged to the other party without written approval from the Bank.

10. Liability

10.1. The Bank shall not be responsible for any loss suffered by the Customer and the Customer shall fully indemnify the Bank against all losses, costs and expenses which may be incurred by the Bank arising in connection with any or all of the Account.

10.2. The Customer agrees to be liable for and to indemnify the Bank on all claims made against the Bank and all penalties, damages, claims, losses, costs and expenses (legal or otherwise including costs on a solicitor and client basis) which the Bank may incur as a result of: -

- (a) Breach of this Terms and Conditions by Customer;
- (b) Fraudulent acts by Customer;
- (c) Disclosure of Security Details by Customer to any other person or in any emails or on a website that is not of the Bank's;
- (d) Failure of the Customer to take reasonable steps to keep the Security Details private and / or secure at all times;
- (e) Failure of Customer to report a breach, disclosure or compromise of the Security Details as soon as reasonably practicable upon being aware of the breach or loss respectively;
- (f) The Bank discharging a valid mandate requested by Customer;
- (g) The Bank enforcing any of its rights against Customer;
- (h) The Bank complying with any regulatory requirements; and / or
- (i) The Bank complying with any Court judgment or any Court Order, whether or not having the force of law issued by any legally constituted tribunal body entity or authority, arising from any actions or proceedings (legally or otherwise) and which are applicable to or directed to or in any way related to the Customer, and / or Customer's Account which is / are maintained with the Bank.

10.3. The indemnities provided above shall not be applicable in relation to electronic banking transactions allowed to be carried out by the Bank to the extent that the losses, costs or expenses incurred, arising from: -

- (a) The Bank's failure to notify of the Customer obligations to ensure the confidentiality and security of Customer's Security Details, as well as of the obligation to immediately inform Bank in the event of a breach, disclosure or compromise of the same;
- (b) The Bank's failure to provide Customer with adequate means to notify the Bank of any unauthorized or disputed transactions;
- (c) A technical breakdown or proven deficiency in the systems and equipment under the full control of the Bank;
- (d) A proven weakness or vulnerability in the security features and controls adopted by the Bank;
- (e) Transaction(s) that occurred after the Bank has been notified by the Customer of unauthorized transaction or of the breach, disclosure or compromise of any Security Details provided that the said breach, disclosure or compromise of Security Details was not due to Customer's own acts;
- (f) Transaction(s) that occurred prior to Customer receiving any Security Details in relation to the access and use of Customer's Account; and / or
- (g) Security Details that are forged, faulty, expired or cancelled provided that it is not due to the Customer acts or omissions.

11. Right to Debit Account and Adjustment

11.1. The Customer irrevocably authorizes the Bank to debit the Account or any of Customer's savings account where relevant amount had been mistakenly paid / credited into the Account and / or by virtue of any of the Bank's operational and / or system errors or malfunctioning and / or any other causes which is or are beyond the Bank's reasonable control by giving adequate notice to the Customer prior to such debit.

12. Right to Set-Off

- 12.1. The Bank reserves the right to set-off or transfer any credit balance in the Account towards the reduction and / or discharge of any sum due to the Bank under the Account, by giving seven (7) calendar days' notice prior to the effective date to the Customer.

13. Joint Account

- 13.1. Joint Account Customer shall jointly and severally undertake to indemnify and hold the Bank against losses, claims, demands, proceedings, costs, expenses and other liabilities whatsoever and whenever incurred arising from any instruction issued by any of the Joint Account Customer.

- 13.2. Either singularly or jointly, the authority conferred on the authorized signatories operating the Joint Account shall include without limitation the following: -

- (a) Redemption of the Joint Account;
- (b) Renewal and closure of the Joint Account;
- (c) Use of any facilities provided by the Bank to pay bills or transfer funds from the Joint Account;
- (d) Use of any electronic services from time to time provided by the Bank upon such the terms and conditions and payment of all fees, costs or expenses in connection therewith from the Joint Account;
- (e) Giving of any standing instructions for payments from the Joint Account;
- (f) Provision of any written indemnity required by the Bank in respect of operation of the Joint Account or any of the foregoing; and
- (g) Generally the authority to apply for, cancel, modify or do all things in relation to any of the foregoing matter.

- 13.3. Upon Bank receiving notification of death of one of the Joint Account Customer, the Bank reserves the right to pay the balance from the said Account to the survivor(s).

14. Company Account

- 14.1. The Customer shall responsible for all the liabilities and provisions governing the Company Account.

- 14.2. The instructions and mandate given for operation of Company Account shall remain in force until revoked in writing and substituted with fresh instructions and mandate, and shall apply notwithstanding any change in the directorship / membership, where applicable, whether by death, bankruptcy and / or retirement.

15. Closure of Account

- 15.1. The Customer hereby agrees that the Bank reserves its right to:-
- (a) Close any Account if Customer's name appear(s) in the blacklist issued by, Bank Negara Malaysia or any relevant authorities;
 - (b) Close any Account for any reason whatsoever by giving adequate notice of such intention.

16. Unclaimed Moneys

- 16.1. Customer hereby agrees to keep their account active by updating the account at least once within 7 years from the date of the last transaction.
- 16.2. Any moneys standing in the credit of Account which has not been operated for seven (7) years from the date of the last transaction (other than credit / debit transaction conducted by the Bank and auto renewal of the Account by system) shall be classified as “Unclaimed Moneys”. The Bank shall close the Account and transfer the fund in Account to the Registrar of Unclaimed Moneys as required under the Unclaimed Moneys Act 1965 and its amendment thereto. Any claims for the said fund by the Customer must be made directly to the Registrar of Unclaimed Moneys.
- 16.3. The Bank shall give adequate notice prior to the said transfer, notify the Customer regarding the impending transfer of monies maintained under the Account due to dormancy of the Account. The Customer shall also be informed regarding the options to reactivate the Account or to close the Account to avoid the transfer of the monies maintained under the Account to the Registrar of Unclaimed Moneys.
- 16.4. Customer can activate their Account by updating it at any of the Bank’s branches subject to the verification of the identity of the Customer.
- 16.5. Profit on the Account shall cease once it has become unclaimed money.

17. Change of Particulars

- 17.1. The Customer’s updated particulars are important for delivery of communications regarding to the operation of the Account.
- 17.2. The Customer shall immediately inform the Bank of any changes of address, contact numbers, authorized signatories or other particulars by visiting Bank’s branches, failing which the Bank is entitled to rely on the last known details in its record.

18. Freezing of Account

- 18.1. Where applicable, Customer agrees that the Bank shall at any time be entitled to, at its discretion and with or without any prior notice to the Customer, carry out the freezing of Account upon but not limited to the occurrence of any one of the following events:-
 - (a) The Bank being notified that the Customer has been officially declared as a bankrupt through a bankruptcy notice and / or a creditor’s petition for bankruptcy or winding up proceeding as the case may be has been filed or presented against the Customer (“Customer’s Insolvency matter”);
 - (b) Upon the Bank being notified and / or requested by any relevant authorities to refrain from performing any transaction under the Account (“directives of the relevant authorities”);
 - (c) Upon the Bank being suspicious of any fraudulent activities concerning the Account and the Bank in its sole sound judgment, reasoning and / or evidence that the information / documents provided to the Bank for opening the Account had been found to be false and / or incorrect and / or tampered and / or a misrepresentation of identity;

- (d) In the event of any facilities granted by the Bank to the Customer which are being utilized through the Account are suspended, recalled or terminated for any reason whatsoever;
 - (e) Upon notification of Customer's death.
- 18.2. The freezing of the Account shall cease or be lifted upon the occurrence of any but not limited to of the following events: -
- (a) In respect of the Customer's Insolvency matters, it shall be shown to the satisfaction of the Bank by the Customer with appropriate evidence that the petition for winding-up or for bankruptcy has been validly withdrawn or dismissed or application dismissed or struck out by the Court;
 - (b) In respect of the directive of the relevant authorities, the Bank has been informed in writing by the relevant authorities to effect the lifting of the freezing of the Account, or in the alternative an appropriate court order has been served on the Bank sanctioning the lifting of the freezing of the Banking Account;
 - (c) In respect of the investigation by the Bank or Authorities, the Bank being satisfied that no further investigation is required or the Bank being served with a notification by the Authorities that the investigation has been discontinued and that the Account no longer has any bearing on any ongoing investigation;
 - (d) In respect of the death of a sole Customer, upon presentation to the Bank of a grant of probate or letters of administration by the deceased's successor(s) or any other related forms from the Land Office and / or any other approved bodies under the relevant legislation prevailing at such time, and
 - (e) In respect of any financing amount outstanding to the Bank (if any), upon the Bank exercising its legal right to set-off the sum against the balance of the Account.
- 18.3. The Customer further agrees that should the Bank be sued or be made a party in any suit arising out of the Bank's action in freezing of the Account herein or should the Bank before or after the freezing of the Account commence any suit including but not limited to any interpleader proceedings against any party including the Customer for any appropriate relief or declaration to be made by any court, all penalties, losses, damages, claims, expenses, charges and costs (legal or otherwise including costs on a solicitors and client basis) which may be awarded against the Bank or which the Bank may incur shall be indemnified by the Customer.

19. Unforeseen Circumstances

- 19.1. Notwithstanding any other provisions herein, in the event where the Bank is unable to perform any operations or to provide any services due to any reason beyond the Bank'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 unforeseen circumstances, the Bank shall not in any way be liable for any inconvenience, loss, injury, damages suffered or incurred by the Customer arising from the same.

20. Change of Terms and Conditions

- 20.1. Notwithstanding anything herein contained the Bank reserves the right upon giving adequate notice prior to the effective date, to add, delete or amend any of the provisions stated herein at any time. Any variations, additions, deletions or amendments ("Amendments") to the provisions herein shall be binding on the Customer and the Bank is deemed to have brought to the attention of the Customer through notices. All previous Terms

and Conditions shall be revoked and wholly be superseded by the latest Terms and Conditions.

20.2. Any notification from the Bank to the Customer can be delivered personally or by registered / ordinary post to the Customer at the current address kept by the Bank or by displaying at the Bank's website or premises or through short message service (SMS) or any other manner which deemed appropriate by the Bank.

21. Governing Law & Jurisdiction

21.1. These Terms and Conditions shall be governed by and construed in all respects in accordance with the laws of Malaysia and subject to the exclusive jurisdiction of the Court of Malaysia.