

*Last Updated 15 October 2020*

## **GENERAL TERMS & CONDITIONS OF ACCOUNTS**

- DEPOSITS
- ISLAMIC BANKING DEPOSITS

### **PART A – GENERAL [Applicable to all Account(s) unless specified otherwise for specific account types e.g. Islamic Banking accounts]**

#### **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:

“**ABC Policy**” means the HLBG Anti-Bribery and Corruption Policy which is available at HLB/HLISB’s website at [www.hlb.com.my](http://www.hlb.com.my) and [www.hlisb.com.my](http://www.hlisb.com.my) respectively.

“**ABM**” means the Association of Banks in Malaysia.

“**Account**” 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 Institutions Malaysia.

“**Anti-Bribery Laws**” means the Malaysian Anti-Corruption Commission Act 2009 as amended from time to time, and the rules and regulations issued thereunder, and any other applicable laws, statutes, regulations, rules and orders that relates to bribery or corruption.

“**Authorised Person**” means any person duly authorized by the Customer in writing to the Bank to operate the Account.

“**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 open for business in Peninsula Malaysia, Sabah and Sarawak (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.

“**Customer**” means a customer of HLB/HLISB and shall include individuals, partnerships, sole-proprietorships, limited liability partnerships, 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.

“**Designated Email**” means the last known electronic mail address of the Customer in HLB/HLISB’s records and/or as instructed or designated by the Customer for the purpose of the e-Statement Facility.

“**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.

“**e-Statement Facility**” means the service whereby HLB/HLISB will, at the Customer’s request, transmit and/or make available the Customer’s Statement(s) of Account and/or other transaction records, advices and documents (“**Documents**”) and/or tax invoices to the Customer by either one or all of the following methods:

- (a) transmission to the Designated Email;
- (b) making available all of the aforesaid Documents at HL Connect; and/or
- (c) such other electronic medium as HLB/HLISB may designate from time to time by giving prior notice to the Customer.

“**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 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**” means any time deposits placed by the Customer 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-i**” means Islamic investment placed by the Customer with HLISB 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 HLISB 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. This General Investment Account-i offering was discontinued for new placements with effect from 1 January 2013.

“**HLBG**” means Hong Leong Bank Berhad and/or its subsidiaries.

“**HL Connect**” means the internet banking services and mobile banking app services provided by HLB/HLISB.

“**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.

“**HLB/HLISB Whistleblowing Policy**” means the HLB/HLISB Whistleblowing Policy or such policies and/or procedures by whatever name called in relation to whistleblowing as may be amended from time to time, setting out HLB/HLISB’s commitment to good business ethics and integrity, pursuant to which employees of HLB and HLISB, as well as persons providing services to, or having a business relationship with HLB or HLISB, are required to raise any concerns about any improper conduct or wrongful act that may adversely impact HLB/HLISB, including but **NOT** limited to:

- (a) any criminal offences, including fraud, corruption, bribery and blackmail;
- (b) any failure to comply with legal or regulatory obligations; and
- (c) any concerns about malpractice.

“**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-Business Day, the maturity date shall be deemed to fall on the next Business Day.

**“Mudarabah”** means a contract of profit sharing between the Customer as owner of the capital and HLISB as the entrepreneur on profit sharing basis, whereby the Customer shall place a specified sum of money with HLISB for a specific tenure, and HLISB is entrusted to utilize the capital for a business venture without any intervention from the Customer 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 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 Notice”** 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’s 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 as capital provider and HLISB as entrepreneur.

**“Reference Rate”** means the reference rate per annum from time to time stipulated by HLB/HLISB as its lending rate for credit/financing facilities, including but **NOT** limited to BLR, BR, ECOF, FDR or KLIBOR as the case may be or such other rate by whatsoever name called as quoted by HLB/HLISB wherever applicable from time to time. ECOF is defined as the cost to HLB/HLISB of funding the facilities from whatever source it may select at its absolute discretion plus the cost of maintaining its statutory reserves, liquidity requirements, administrative and other related costs of HLB/HLISB as stipulated by HLB/HLISB from time to time.

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

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

**“Concept”** means the Shariah contract HLISB may utilize for Islamic accounts under Hong Leong Islamic Bank.

**“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.

**“Tax”** means any present or future, direct or indirect, Malaysian or foreign tax, levy, impost, duty, charge, fee, deduction or withholding of any nature, that is imposed by any government or taxing authority, including, without limitation, any consumption tax and other taxes by whatever name called, and any interest, fines or penalties in respect thereof.

**“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 specified otherwise for specific account types (e.g. Islamic Banking accounts).

**“Tawarruq”** or also known as “Murabahah (via Tawarruq arrangement)” refers to multiple sale and purchase transactions. The mechanics involved:

- (i) HLISB acting as an Agent purchases the Commodity on behalf of the Customer at Purchase Price.
- (ii) HLISB thereafter as an Agent to a Customer sells the Commodity to HLISB at the Selling Price on the basis of Murabahah which shall be paid to the Customer on deferred basis throughout the tenure (after taking into consideration any rebates if any).
- (iii) HLISB thereafter sells the Commodity to a third party on a cash and spot basis.

## 1.2 Interpretation

- (a) Words importing the masculine gender shall include the feminine and neuter genders and vice versa.
- (b) Words importing the singular shall include the plural number and vice versa.
- (c) Where the Customer 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 with prior notice.

2.2 Any application to open any Account(s) shall be subject to the approval of HLB/HLISB.

## 2.3 Change of Particulars

2.3.1 It is important for the Customer to ensure that the Customer particulars such as address, contact numbers, authorized signatories given to HLB/HLISB ("**Customer Particulars**") are accurate and kept updated at all times. This is to enable the Bank to deliver communications regarding the operation of the account and any marketing related activities.

2.3.2 The Customer shall immediately advise HLB/HLISB of any change in any Customer Particulars by calling +603-7626 8899 or visiting any of HLB/HLISB's branches nationwide.

2.3.3 If the Customer has not notified HLB/HLISB of any change in Customer Particulars, HLB/HLISB is entitled to rely on the last known Customer Particulars.

2.3.4 For a joint account, HLB/HLISB will only accept advice on any change in Customer Particulars if such advice is given by the Authorised Person(s).

2.4 HLB/HLISB shall be entitled to treat the particulars furnished by the Customer as complete, true and correct and rely upon and act on the same. The Customer authorizes and consent to HLB/HLISB obtaining any other information of the Customer 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 The Customer hereby authorises HLB/HLISB to:

3.1.1 rely upon and act on the Customer's notices or instructions given in the following manner ("**Instructions**"):

- (a) by telephone, post, personal delivery, facsimile transmission, e-mail or other electronic means; and
- (b) based on signatures which appear to HLB/HLISB, by reference to the names and signatures of such persons filed with HLB/HLISB to be signatures of the Customer or any persons authorised by the Customer to issue such instructions;

- 3.1.2 treat all such Instructions given as binding on the Customer without enquiry as to the identity of the person giving or purporting to give such Instructions or as to the authenticity of the Instructions.
- 3.2 HLB/HLISB may decline any Instructions without liability to the Customer.
- 3.3 HLB/HLISB may record all telephone conversations and Instructions and may use such recordings and transcripts as evidence in any dispute.
- 3.4 The Customer bears the risks of Instructions given in the manner set out herein including the risk of such Instructions being given by unauthorised persons and/or any error, loss or delay resulting from the use of telecommunication devices, networks or electronic means.
- 3.5 HLB/HLISB shall be indemnified in full by the Customer against all loss, claims, demands, costs, damages, expenses and all other liabilities whatsoever which HLB/HLISB may incur in consequence of HLB/HLISB accepting and acting on the Customer's instructions in accordance with this Clause 3.
- 3.6 Any notices by the Customer to HLB/HLISB (addressed to the Branch at which the Account 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/Disputes**

- 4.1 HLB/HLISB may close any Account in accordance with Clause 16 herein or suspend the operation of any Account in the event of any one or more of the following:
- (a) HLB/HLISB in good faith doubts the authority or authenticity of any instruction purported to be given by the Customer including changes or revocation of instructions given by the Customer; OR
  - (b) where there are changes in the constitution of the Customer 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 Accounts; OR
  - (d) HLB/HLISB believes or suspects that the Account is used for money laundering, financing of terrorism or other fraudulent or illegal schemes or activities or is in breach of any guidelines or rules issued by Bank Negara Malaysia or any other authority.
- 4.2 In the event Clause 4.1(c) occurs and HLB/HLISB has suspended the operation of one or all of the Customer's Accounts, no further operation of the Account shall be allowed 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 who in the sole opinion of HLB/HLISB has the lawful authority to give instructions on the Account.

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

- 5.1 The Customer 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 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 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 with the value of cheques previously purchased/dischonoured for or credited to the Customer if such cheques are dishonoured.
- 5.5 Cheques received for collection but are dishonoured may be returned to the Customer at the Customer's own risks and expense.
- 5.6 HLB/HLISB reserves the right to pay the Customer any amount withdrawn by cash, banker's cheque and/or other forms of remittances/means made available by HLB/HLISB, including a transfer to the Customer's account with any other bank in accordance with the Customer's written instruction and any applicable legal or regulatory requirement.

## **6. Sufficient Funds**

The Customer shall ensure that there are cleared and sufficient funds available in the Account(s) to perform any of the transactions instructed by the Customer (including at the time of issuing cheques).

## **7. Interest/Profit**

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

## **8. Joint Accounts**

- 8.1 At the Customer's request, HLB/HLISB may allow conversion of an individual Account to a joint Account or allow additional accountholders 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 except where HLB/HLISB has written 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 to the existing joint Account.
- 8.2 All joint accountholders must be present to open the joint Account. Where HLB/HLISB is instructed and authorised to act on instructions of any one of the joint accountholders, the Account(s) may be operated or closed by any one of the joint accountholders. Where HLB/HLISB is authorised to act on the instructions of all of the joint accountholders, the Account(s) may only be operated or closed by all of the joint accountholders, as the case may be.
- 8.3 HLB/HLISB reserves the right to refuse to accept cheques or monetary instruments made payable to only 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 joint accountholders, 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 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. Unincorporated Partnership Accounts

In the event of the demise, retirement, resignation or bankruptcy of any one partner of an unincorporated partnership, HLB/HLISB may but is **NOT** obliged to allow the continued operation of the Account as if there were no change in the partnership. 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 must be entitled in law and equity and/or Shariah requirements to fully operate and close any Account without restrictions. The Customer 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 for the following specified period or any other period determined by HLB/HLISB:

11.1.1 Current Account (except for basic Current Account) shall be considered dormant in the event there are no transactions for a period of **six (6)** continuous months or any other period determined by HLB/HLISB. 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 **twelve (12)** continuous months or any other period determined by HLB/HLISB.

11.1.2 Savings Account shall be considered dormant in the event there are no transactions for a period of **twelve (12)** continuous months or any other period determined by HLB/HLISB.

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

11.2 HLB/HLISB reserves the right to impose a charge on dormant Account(s) at its absolute discretion at the rate(s) stated at HLB/HLISB's website at [www.hlb.com.my](http://www.hlb.com.my) and [www.hlisb.com.my](http://www.hlisb.com.my) respectively.

11.3 Any monies standing to the credit of an Account which has **NOT** been operated for **seven (7)** years or more would be classified as unclaimed moneys under Section 8 of the Unclaimed Moneys Act 1965 ("UMA") and shall be dealt with by HLB/HLISB in accordance with the UMA, as may be amended from time to time. This may include sending such monies as aforesaid to the Registrar of Unclaimed Moneys pursuant to the UMA.

## 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 by giving **seven (7)** days' prior notice, 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 in or towards the satisfaction of any of the Customer's liabilities to HLB/HLISB under any of the Account, 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 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 prevailing spot rate of exchange.

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

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

Until all monies owing are paid or discharged in full, the Customer 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 or any other party. The Customer agrees that nothing in the arrangements between HLB/HLISB and the Customer 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 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 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 or from any person making payments on behalf of the Customer (irrespective of whether the purpose of the payment is specified or not) towards satisfaction in whole or part of any amount of principal, interest/profit (including late payment interest)/charge (including late payment interest/compensation charges) or other sums of monies then owing by the Customer to HLB/HLISB in any order that HLB/HLISB deems fit.

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

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

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

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

16.4 In the event the monies including any interest/profit accrued to the credit of the Account is remitted to the Registrar of Unclaimed Moneys pursuant to the UMA and any statutory amendments thereof, then the relevant Account shall be closed.

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

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

17.1 Subject to Clause 12, HLB/HLISB shall be entitled to impose and deduct from or debit the Account 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, the Customer 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 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 **twenty-one (21)** days prior notice.
- 17.3 The service fees, commissions and other miscellaneous charges required to be paid by the Customer to HLB/HLISB under these Terms and Conditions are exclusive of any Tax, which if payable, shall be paid by the Customer without any set-off, restriction or condition.
- 17.4 In the event HLB/HLISB is required by law to deduct or withhold any amount in respect of any Tax payable by the Customer, HLB/HLISB shall be entitled to deduct or withhold the aforesaid amount from the Account or any amounts due to the Customer, as applicable.

#### **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 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 of any sum owing including but **NOT** limited to any interest/compensation/charge or fees paid or payable on account of or in respect of any funds utilised, borrowed/financed 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 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 for collection and every such guarantee given by HLB/HLISB shall be deemed to have been given at the Customer's expressed request in every case.

20.3 In the event the Customer 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 comprises more than one person.

## 21. Limitation of Liability

21.1 Save and except for damages arising directly from HLB/HLISB's willful default or gross negligence, HLB/HLISB will **NOT** be responsible or liable to the Customer 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 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 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, pandemic, 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 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 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 rights and obligations would be communicated to such Customer's in the manner 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 authorizes and permits HLB/HLISB, its officers and employees to disclose and furnish all information concerning the Account, these Terms and Conditions, present and future accounts of the Customer and any other matters relating to the Customer or its business and operations to:

- (a) other financial institutions granting or intending to grant any credit facilities to the Customer, the Central Credit Bureau or any other central credit bureau established by Bank Negara Malaysia, Cagamas Berhad, Credit Guarantee Corporation, any other relevant authority as may be authorized by law to obtain such information or such authorities/agencies established by Bank Negara Malaysia or any agency established by the Association of Banks in Malaysia/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 2016), 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 hereby 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 hereby represents and warrants that the Customer 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 Notice as may be amended from time to time.

## 27. Consent to Process Personal Information

The Customer hereby agrees and consents to the holding, collection and use of all personal data provided to HLB/HLISB by the Customer 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 in connection with the Account in accordance with the Privacy Notice of HLB/HLISB as may be amended from time to time.

## 28. Anti-Bribery, Anti-Corruption and Whistleblowing Undertakings

28.1 The Customer hereby acknowledges that HLB/HLISB practices a zero-tolerance position towards any form of bribery and corruption in line with its ABC Policy.

28.2 The Customer hereby acknowledges and undertakes as follows:

- (i) that the Customer has read and understood the ABC Policy;
- (ii) that the Customer shall, and shall cause its directors, officers, employees and its authorized representatives or agents, to comply with the ABC Policy and Anti-Bribery Laws; and

- (iii) to notify HLB/HLISB of any non-compliance or attempted non-compliance with the ABC Policy and/or Anti-Bribery Laws by any employee of HLBG or persons associated with HLBG by reporting the same through the HLB/HLISB Whistleblowing Policy.

## **29. Terms & Conditions**

- 29.1 The operation and utilisation of the Account shall be on these Terms and Conditions and any other terms and conditions which may be prescribed by HLB/HLISB. The Customer may only vary or amend these terms if expressly agreed to in writing by HLB/HLISB.
- 29.2 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 with **twenty-one (21)** days' prior notice. The opening and continued maintenance of the Account by the Customer shall constitute consent by the Customer to be bound by these Terms & Conditions (subject to Shariah compliance for Islamic Banking Accounts).
- 29.3 New/Additional Products, Features or services – Where HLB/HLISB offers new or additional products, features or services to the Customer, 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 of these Terms and Conditions and such additional terms and conditions (if any) as may be prescribed by HLB/HLISB (subject to Shariah compliance for Islamic Banking Accounts).
- 29.4 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 only to the extent of such inconsistency.

## **30. 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 and any party in Malaysia and/or elsewhere as HLB/HLISB may deem fit and the Customer agrees that where any actions or proceedings are initiated and taken in Malaysia it shall submit to the non-exclusive jurisdiction of the Malaysian Courts in all matters connected with its obligations and liabilities under or arising out of the Account and these Terms and Conditions.

## **31. Terms & Conditions Supersedes**

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

## **32. Security and Disclaimer**

These Terms & Conditions contain requirements/instructions to the Customer with regard to 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, HLB/HLISB will be discharged from all liabilities in relation to the same. The Customer understands that where access to accounts is facilitated by the Customer to other/multiple parties, the Customer will address the need for internal safeguards and the checking of account statements as set out herein.

- 33.** 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.

34. The Customer 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, 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, unincorporated partnerships, limited liability 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 when a savings account is opened.
3. Where a passbook is elected by the Customer:
  - (a) The Customer shall be responsible for keeping the passbook under lock and key at all times. The Customer is responsible to ensure that the entries in the passbook are correct before leaving the premises of HLB failing which the Customer shall be deemed to have accepted the entries therein.
  - (b) The Customer shall inform HLB immediately in the event the passbook is lost, stolen or destroyed. HLB will close the Account and the balance standing to the credit of the Account may be withdrawn by the Customer or transferred to a new account at the Customer's option upon execution of a letter of indemnity by the Customer and in the case of joint accountholders, by all the accountholders and the payment of a service charge at the rate stated at HLB's website at [www.hlb.com.my](http://www.hlb.com.my). In the event one of the accountholders reports the passbook lost/stolen or damaged, the Account 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, the statement of the savings account will be rendered monthly or at such periods as may be determined by HLB and notified to the Customer. The Customer must examine all entries in the statement of account, or in the case of Hong Leong Online for Personal or Business Customers, the Online Account Statement, and to immediately report to HLB any error found therein. If the Customer 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 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 Customers, 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 shall have the same effect as if made to the Customer personally and shall exonerate HLB and its employees from all liabilities to the Customer or any other person provided that HLB has duly verified the authority of the said person in accordance with HLB's standard operating procedures.
6. All transactions concerning the savings account may be carried out at any branch of HLB. In such a case, HLB 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 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 withdraws the whole of the balances in the savings account.



9. The savings account is protected by PIDM up to **Ringgit Malaysia Two Hundred Fifty Thousand (RM250,000)** for each depositor.

#### **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 who wishes 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 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 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/drawer 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 shall **NOT** affix any rubber stamp/seal on the cheque as this will cause the cheque to be rejected in the clearing process.
3.
  - (a) The Customer shall be responsible for keeping the cheque books under lock and key at all times. The Customer shall inform HLB immediately in the event a cheque book or cheque leaf is missing, lost, stolen or destroyed. HLB will **NOT** be liable or responsible for any loss incurred by the Customer if through his/her negligence or omission an unauthorized person obtains the cheque book or leaf and fraudulently obtains payment on any sum belonging to the Customer.
  - (b) HLB may at the request of the Customer 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 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 must check the correctness of the cheque book contents before leaving the premises of HLB. Failure to do so shall discharge HLB from all liabilities.
4. The Customer shall use HLB's prescribed forms when depositing cheques and monies. The Customer must check and ensure that the counterfoil bears the endorsement by HLB's teller machine or by an officer of HLB before leaving the premises of HLB. 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 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 at the address last registered with HLB at the Customer's costs and expense and at the Customer's own risk.
6. The Customer 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, any funds or securities and other valuables deposited with HLB belonging to the Customer 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 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 from the Customer. 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 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-prearranged overdrawn position arises, the Customer shall be liable for all such sums.
10. Wherever applicable, service charges on the current account and interest on credit balances will be calculated according to the rules of the ABM or HLB.
11. A statement of the current account will be rendered once a month or at such periods as may be determined by HLB. The Customer must examine all entries in the statement of account, or in the case of Hong Leong Online for Personal or Business Customers, the Online Account Statement, and to immediately report to HLB any error or discrepancy found therein. If the Customer 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 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 Customers, as correct and discharge HLB from all liabilities.
12. 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 relevant Customer who will be requested to confirm the statement 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, the current account shall be deemed to have been confirmed.
13. The current account is protected by PIDM up to **Ringgit Malaysia Two Hundred Fifty Thousand (RM250,000)** for each depositor.

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

1. Any placement of Fixed Deposit 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 statement of the fixed deposit account(s) will be rendered monthly and/or quarterly or at such periods and may be issued electronically or in such manner as may be determined by HLB. The Customer must examine all entries in the statement of account, or in the case of Hong Leong Online for Personal or Business Customers, the Online Account Statement, and to immediately report to HLB any error or discrepancy found therein. If the Customer 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 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 Customers, as correct and discharge HLB from all liabilities.

3. Subject to Clause D(1) above, the period or tenure accepted for placements of Fixed Deposit 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 or BNM or any other authorities. The acceptance and/or renewal of such placements, tenure (s) and rate(s) quoted for Fixed Deposit are entirely at the discretion of HLB. Where any cheque is deposited for a placement, the placement of the Fixed Deposit shall be subject to clearance of the cheque(s).
4. On withdrawal of the Fixed Deposit, the Fixed Deposit Receipt (where a fixed deposit receipt is issued) must be presented, duly endorsed by the Customer(s) or identity verification performed via fingerprint verification using the MyKad Reader or any other devices used by HLB.
5. With effect from 27 September 2018, partial withdrawals in multiples of **Ringgit Malaysia One Thousand (RM1,000)** are allowed during the tenure of the Fixed Deposit, subject to a minimum balance of **Ringgit Malaysia Five Thousand (RM5,000)** only being maintained in the Fixed Deposit until the relevant maturity date of the Fixed Deposit. HLB reserves the right to amend the value or quantum of the withdrawals and/or minimum balance to be maintained hereunder at any time with notice to the Customer.
6. Partial withdrawals of Fixed Deposit(s) where the balance is less than **Ringgit Malaysia Five Thousand (RM5,000)** shall **NOT** be allowed. Any withdrawal of such Fixed Deposit(s) shall be treated as a premature withdrawal of the entire Fixed Deposit in accordance with **Clause 7 of Part D** below.

#### **Premature Withdrawals**

7. No interest shall be payable on partially withdrawn amounts and premature withdrawals of Fixed Deposits, regardless of the number of completed months at the time of partial/premature withdrawal.
8. In the event interest is paid to the Customer prior to the maturity date and the Customer prematurely withdraws the Fixed Deposit, HLB reserves the right to deduct the interest paid from the principal sum of the Fixed Deposit upon such withdrawal.
9. The Customer 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 discretion on maturity date) and at the interest rate to be determined by HLB on maturity date.
10. 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 have paid the relevant service charges to HLB at the rate(s) stated at HLB's website at [www.hlb.com.my](http://www.hlb.com.my).

#### **Receipt-less Fixed Deposits**

11. Effective 26 August 2019, no Fixed Deposit Receipt will be issued for all Fixed Deposits placed with HLB. A transaction advice will be issued for each Fixed Deposit placement. The advice slip shall bear the signature(s) of the authorized signatory of HLB. The advice slip is **NOT** a document of title and acts only as an evidence of placement of the Fixed Deposit. It is also non-negotiable, non-transferable and non-assignable.
12. Statements will be issued electronically to the Customer on a monthly basis or such other basis as determined by HLB ("**Monthly e-Statements**") and will be available to the Customer through HLB's e-Statement Facility.
13. The Customer is required to register for the e-Statement Facility through HL Connect or through any HLB Branch to receive the Monthly e-Statements.

14. Effective 1 October 2019, online withdrawal of Receipt-less Fixed Deposits is available through HL Connect for Fixed Deposit Accounts held solely by individuals only.
15. Upon withdrawal of a Receipt-less Fixed Deposit via HL Connect, the principal sum and interest earned thereon (if any), shall be automatically credited into the Current or Savings Account maintained by the Customer with HLB, as selected by the Customer upon placement of the Receipt-less Fixed Deposit.
16. The Fixed Deposit(s) is/are protected by PIDM up to **Ringgit Malaysia Two Hundred Fifty Thousand (RM250,000)** for each depositor.

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

**\*\*Note: Part E is only applicable for Hong Leong One Accounts opened prior to 23 November 2015**

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 placed by the Customer with HLB at any time and from time to time.
2. The Hong Leong One Account is for individuals, either personally or in joint names. Sole proprietorships, unincorporated partnerships, limited liability partnerships, firms, societies, associations, corporations, institutions and other business entities are **NOT** eligible to open or to operate such an account.
3. 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.
4. Placement of Fixed Deposits and the OD
  - (a) The Fixed Deposits placed must be in the name of the Customer before the OD is available for utilization. The Customer represents and warrants that the Customer is the sole and beneficial owner of the Fixed Deposits and the Fixed Deposits are free from any mortgage, security arrangement or security interest of any kind. The Customer will not:
    - (i) withdraw, assign transfer or create a trust in respect of the Fixed Deposits or otherwise enter into any arrangement with any person whereby the whole or any part of the Fixed Deposits 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 Deposits or any part of it. The interest or other payment howsoever derived from or accruing in respect of the Fixed Deposits shall **NOT** be withdrawn and shall be added and form part of the Fixed Deposits.
  - (b) The Customer authorizes HLB to renew and to continue renewing from time to time and retain the Fixed Deposits 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 discretion for as long as the Hong Leong One Account is maintained by the Customer 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.
  - (c) The Fixed Deposits shall be and are 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 Deposits against the monies owing by the Customer under the Hong Leong One Account and any other liabilities of the Customer

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 Deposits 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 of its obligations under these Terms & Conditions;
  - (ii) shall be continuing security for any outstanding sums owing by the Customer to HLB on the Account 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.

5. Bonus Interest

- (a) Customers (“**Debit Cardholders**”) who have been issued a debit card by HLB (“**Debit Card**”) are awarded an interest rate (“**Bonus Interest**”) on the balance of their Hong Leong One Account when they use their Debit Card for a Retail Purchase Transaction. “Retail Purchase Transaction” means transaction effected on the Debit Card at the authorized merchant where the Debit Card can be accepted for payment locally and overseas including online purchases, Touch 'n Go auto-reload, purchase of petrol and any other purchases made at the petrol kiosks, auto-billing/recurring transactions and excluding cash withdrawals, fund transfer, annual fees payment and other services/miscellaneous fees as defined by HLB from time to time with prior notice.
- (b) The minimum Retail Purchase Transaction to qualify for Bonus Interest is **Ringgit Malaysia Thirty (RM30)** in a single receipt (“**Eligible Transaction**”).
- (c) The Bonus Interest is awarded based on the following number of Eligible Transactions accumulated in a calendar month:

Number of swipes per calendar month	Bonus Interest p.a.
1	0.12%
2	0.24%
3	0.36%
4	0.48%
5 and above	0.60%

- (d) The Eligible Transaction must be successfully posted in the HLB system and any reversal of Retail Purchase Transaction shall be disqualified from the calculation of Bonus Interest.
- (e) The posting date of the Eligible Transaction shall be used to calculate the number of swipes per calendar month.
- (f) For the avoidance of doubt, if the date and time of Eligible Transaction posted in the HLB system differs from the action by the Debit Cardholder, the date and time captured in the HLB system shall prevail.
- (g) Bonus Interest is calculated monthly based on Monthly Average Balance (“**MAB**”) and credited on the **first (1<sup>st</sup>)** of the following month, as follows:

$$\text{Bonus Interest} = \text{MAB} \times \text{Time (T)} \times \text{Rate (R)}$$

Note:

MAB = Total end-day balance/Total number of days in the month

Time (T) = Number of days in the month/ Number of days in the year (e.g. 365 days)

Rate (R) = Bonus Interest based on the number of Eligible Transactions

- (h) The maximum Bonus Interest awarded to a Debit Cardholder is capped at **Ringgit Malaysia Thirty (RM30)** per month.
- (i) The Bonus Interest is non-transferable to any **third (3<sup>rd</sup>)** party and non-exchangeable for up-front cash, credit, cheque or in kind.

6. 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.
7. The current account component of the Hong Leong One Account is protected by PIDM up to **Ringgit Malaysia Two Hundred Fifty Thousand (RM250,000)** for each depositor.

#### **PART F – OVERDRAFT/CASHLINE (“OD”/Cashline”)**

1. The OD/Cashline and the limit of the OD/Cashline available to the Customer is entirely at the absolute discretion of HLB/HLISB respectively. Notwithstanding any other provisions in Parts E, F or elsewhere in these Terms and Conditions, HLB/HLISB may at its discretion reduce or vary the limit of the OD/Cashline available to the Customer at any time and from time to time with prior notice. The Customer shall ensure that the limit of the OD/Cashline is **NOT** exceeded at any time.
2. The OD/Cashline may be made available to the Customer with or without security and upon any other conditions which may be imposed by HLB/HLISB. Notwithstanding any other provisions herein, the OD/Cashline is repayable/payable on demand.
3. **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 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 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 or applicable Reference Rate, 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 shall maintain in respect of the Fixed Deposits 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 Deposits) and/or the provision of any other securities which may be acceptable to HLB. The Customer 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.



#### 4. Profit Payable on the Cashline

- (a) For HLISB cashline facility, the profit will be charged on a daily rest basis. The Customer must **NOT** utilise in excess of the approved utilisation limit. If the Customer have withdrawn or utilised sums in excess of the approved utilisation limit, the account must be regularised on the next day or upon expiry of the approved temporary excess period. If the account becomes in excess due to the periodic approved utilisation limit reduction program or due to an expired approved utilisation limit, a compensation charge rate of **NOT** more than Bank Negara Malaysia's prevailing daily overnight Islamic Interbank Money Market rate ("**IIMM**") will apply.
- (b) If required by HLISB, the Customer shall maintain in respect of the Fixed Deposit-i 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 HLISB by depositing and charging on demand by HLISB of any additional sums (which shall form part of the Fixed Deposit-i and/or the provision of any other securities which may be acceptable to HLISB. The Customer shall execute any other documents or instruments and do any act or thing which HLISB may require for perfecting such charges over any existing or new securities.

#### 5. Statement of Account

The Statement of Account or certificate issued by HLB/HLISB and electronic sales certificate for Cashline issued by HLISB shall be final and conclusive proof of the Customer's indebtedness under the OD/Cashline.

#### 6. Periodic Review

HLB/HLISB reserves the right to review the OD/Cashline 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/HLISB any obligation either at law or in equity to make or to continue to make available the OD/Cashline to the Customer.

#### 7. Events of Default

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

- (a) if the Customer or any security party fails to make payment of any monies whether principal or interest/profit due and payable to HLB/HLISB 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 or any security party is blacklisted due to dishonoured cheques; or
- (c) the Customer or any security party, or any related company (by virtue of section 7 of the Companies Act 2016) or substantial shareholder (under Section 136 of the Companies Act 2016) of the Customer or any security party, is in default under any account with HLB/HLISB or any other financial institution or if the account of any other party of which the Customer 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 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 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 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 or any security party which in HLB's/HLISB's reasonable opinion is likely to prejudice the Customer's or any security party's ability to service the OD/Cashline and interest/profit thereon; or
- (h) if a change in applicable law or regulation makes it impossible or unlawful for HLB/HLISB to continue making available the OD/Cashline to the Customer.

7.2 Notwithstanding any provisions herein, HLB/HLISB may at its discretion suspend the OD/Cashline at any time with prior notice whether or **NOT** an Event of Default has occurred.

#### **8. Suspense Account**

Any monies received may be placed and kept to the credit of a suspense account for so long as HLB/HLISB 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. Notwithstanding any such payment in the event of any proceedings in or analogous to bankruptcy, liquidation, composition or arrangement HLB/HLISB 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/HLISB shall be treated as received, but the full amount hereby secured shall be payable by the Customer until HLB/HLISB shall have received from all sources one hundred sen in the ringgit on the ultimate balance outstanding against the Customer. After HLB/HLISB has received such ultimate balance in full, any claim on the part of the Customer to any securities remaining with HLB shall be a matter of adjustment between HLB/HLISB and the Customer and any other person or persons laying claim thereto.

#### **9. 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/HLISB on the faith of any such assurance, security or payment shall prejudice or affect HLB's/HLISB's rights to recover from the Customer 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/HLISB 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 is set aside under any applicable law or proves to have been for any reason invalid.

#### **10. Enforcement**

HLB's/HLISB's rights under these Terms & Conditions is in addition to and **NOT** in substitution of any other rights or securities which HLB/HLISB may have from or against the Customer 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.

#### **11. Modification & Indulgence**

The liability of the Customer and any security party and the rights of HLB/HLISB shall **NOT** be affected by anything done by HLB/HLISB and HLB/HLISB may at any time and from time to time without affecting or releasing the Customer or any security party:

- (a) determine vary increase or restructure the OD/Cashline or the OD/Cashline limit and may open and/or continue any accounts with the Customer at any branch of HLB/HLISB; or
- (b) grant the Customer 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/HLISB may now or any time hereafter or from time to time have from or against the Customer or any other person; or
- (d) compound with the Customer and/or any other person.

**12. “Financial Services Act 2013 (“FSA”)/Islamic Financial Services Act 2013 (“IFSA”) and BNM Guidelines on Credit Transactions and Exposures with Connected Parties (“Guidelines”)**

To enable HLB/HLISB to comply with the FSA/IFSA and the said Guidelines, the Customer shall declare to HLB/HLISB whether the Customer is a connected party under the Guidelines, which includes but is **NOT** limited to, a spouse, child, parent or financial dependent of HLB’s/HLISB’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 become a connected person, the Customer must notify HLB/HLISB in writing immediately. HLB/HLISB reserves the right to terminate the Facilities in the event the Customer fail to make the appropriate or correct declaration, resulting in HLB/HLISB contravening the FSA/IFSA or the said Guidelines.

**PART G – HLISB SAVINGS ACCOUNT-I**

1. The HLISB savings account-i is for individuals, societies and associations. Sole proprietorships, unincorporated partnerships, limited liability partnerships companies, organizations and statutory bodies are **NOT** allowed to open a HLISB savings account-i.
2. HLISB Savings Account-i is using Shariah principal of Tawarruq.
3. HLISB reserves the right to use any other Concept at any time or from time to time with prior notice.
4. 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.
5. The option of a passbook or statement may be offered to the Customer when a HLISB savings account-i is opened.
6. Where a passbook is elected by the Customer:
  - (a) The Customer shall be responsible for keeping the passbook under lock and key at all times. The Customer is responsible to ensure that the entries in the passbook are correct before leaving the premises of HLB/HLISB failing which the Customer shall be deemed to have accepted the entries therein.
  - (b) The Customer shall inform HLISB immediately in the event the passbook is lost, stolen or destroyed. HLISB will close the Account and the balance standing to the credit of the Account may be withdrawn by the Customer or transferred to a new account at the Customer’s option upon execution of a letter of indemnity by the Customer 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 cannot be operated/closed until all the accountholders execute an indemnity in favour of HLISB and paid the relevant service charge.
7. Where a statement is elected by the Customer, the statement of the savings account-i will be rendered every quarterly or at such periods as may be determined by HLISB. The Customer must

examine all entries in the statement of account, or in the case of Hong Leong Online for Personal or Business Customers, the Online Account Statement, and to immediately report to HLISB any error found therein. If the Customer 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 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 Customers, as correct and discharge HLISB from all liabilities.

8. 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 shall have the same effect as if made to the Customer personally and shall exonerate HLISB and its employees from all liabilities to the Customer or any other person.
9. 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.
10. The HLISB savings account-i will be deemed closed when the Customer withdraws the whole of the balances in the HLISB savings account-i.
11. The HLISB Savings Account-i is protected by PIDM up to **Ringgit Malaysia Two Hundred Fifty Thousand (RM250,000)** for each depositor.

#### **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 Tawarruq Concept. HLISB reserves the right to use any other Concept at any time or from time to time with prior notice. The Customer 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 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 who wishes 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 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 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/drawer 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 shall **NOT** affix any rubber stamp/seal on the cheque as this will be cause the cheque to be rejected in the clearing process.
4.
  - (a) The Customer shall be responsible for keeping the chequebooks under lock and key at all times. The Customer 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 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.
  - (b) HLISB may at the request of the Customer 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 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 must check the correctness of the cheque book contents before leaving the premises of HLISB. Failure to do so shall discharge HLISB from all liabilities.
5. The Customer shall use HLISB's prescribed forms when depositing cheques and monies. The Customer must check and ensure that the counterfoil bears the endorsement by HLISB's teller machine or by an officer of HLISB before leaving the premises of 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 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 at the address last registered with HLISB at the Customer's costs and expense and at the Customer's own risk.
  7. The Customer 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, any funds or securities and other valuables deposited with HLISB belonging to the Customer 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 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-prearranged overdrawn position arises, the Customer shall be liable for all such sums.
  10. Wherever applicable, service charges on the Account 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 must examine all entries in the statement of account, or in the case of Hong Leong Online for Personal or Business Customers, the Online Account Statement, and to immediately report to HLISB any error found therein. If the Customer 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 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 Customers, 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 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, the Account shall be deemed to have been confirmed.

13. The HLISB Current Account-i is protected by PIDM up to **Ringgit Malaysia Two Hundred Fifty Thousand (RM250,000)** for each depositor.

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

1. HLISB General Investment Account-i was discontinued from offering new placements effective from 1 January 2013.
2. HLISB shall accept the sum of money invested in the General Investment Account-i based on the Mudarabah Concept and the Customer 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 agrees 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 at the time the investment is placed.
3. 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.
4. The option of a General Investment Account-i Certificate or a statement may be offered to the Customer when a placement is made for the General Investment Account-i.
5. Where a statement is elected by the Customer, 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 must examine all entries in the statement of account, or in the case of Hong Leong Online for Personal or Business Customers, the Online Account Statement, and to immediately report to HLISB any error found therein. If the Customer 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 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 Customers, as correct and discharge HLISB from all liabilities.
6. Subject to Clause I(3) 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.
7. 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 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 maintains his/her Account(s).
8. Where the General Investment Account-i Certificate is uplifted before maturity, Customer agrees 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 placement uplifted before maturity.

HLISB reserves the right to vary the rules specified in Clause 8 (herein at any time or from time to time with prior notice.

9. Under the Mudarabah concept, the venture is dissolved on the maturity date. However, the Customer agrees that no profit will be paid for premature withdrawal made on or after 1 January 2019, regardless of the number of completed months at the time of premature withdrawal.
10. 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.
11. Under the Mudarabah Concept, both HLISB and the Customer shall agree on the profit sharing ratio between them. The Customer agrees 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) unless they were due to mismanagement of funds, in which event HLISB will bear the losses.
12. Previously HLISB is using Profit Equalisation Reserve (“**PER**”) for all Mudarabah 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:
  - (a) In the event the actual rate of return is higher than the indicative rate, the Customer shall waive their rights to receive the difference as incentive fee for HLISB as an entrepreneur (*mudarib*).
  - (b) However, in the event that the actual rate of return is lower than the indicated rate, HLISB may grant *Hibah* to the Customer.
13. The Customer 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.
14. The HLISB General Investment Account-i is **NOT** an investment product hence it is protected by PIDM up to **Ringgit Malaysia Two Hundred Fifty Thousand (RM250,000)** for each depositor.