

**GENERAL TERMS AND CONDITIONS**  
**COMMODITY MURABAHAH TERM FINANCING-i (CMTF-i) FOR EDUCATION FINANCING**  
**FACILITY**

*Effective [25 November 2025]*

These General Terms and Conditions govern the Commodity Murabahah Term Financing-i for Education Financing Facility (“**Facility**”). For marketing and communication purposes, the Facility may also be referred to as “**RHB Education Financing-i**” or “**Education Financing-i**”.

The Customer (as defined herein) is advised to read and understand these General Terms and Conditions before accepting the Facility. For the avoidance of doubt, these General Terms and Conditions shall be read together with the Letter of Offer (as defined herein). If there is any conflict or discrepancy between any of the provisions of these General Terms and Conditions, and any of the provisions of the Letter of Offer, the provisions of the Letter of Offer shall prevail.

These General Terms and Conditions are governed by and construed in accordance with the laws of Malaysia and shall apply to the Customer who has been granted the Facility by the Bank (as defined herein).

**1. DEFINITION**

The following words and expression have the following meaning:

<b>“Bank”</b>	means RHB ISLAMIC BANK BERHAD [Registration No.: 200501003283 (680329-V)], a licensed Islamic financial institution incorporated in Malaysia and having its registered office at Level 10, Tower One, RHB Centre, Jalan Tun Razak, 50400 Kuala Lumpur, Malaysia;
<b>“BNM”</b>	means Bank Negara Malaysia, a body corporate established under the Central Bank of Malaysia Act 1958 (repealed 2009);
<b>“Customer”</b>	means the person to whom the Facility is granted by the Bank upon these General Terms and Conditions;
<b>“Financing Amount”</b>	means the amount of the Facility granted by the Bank to the Customer upon these General Terms and Conditions;
<b>“Grace Period”</b>	refers to a period of up to four (4) years from the date of the Letter of Offer, or such shorter period corresponding to the duration of the Customer’s programme of study (whichever is earlier). During the Grace Period, the Customer shall pay to the Bank the profit due each month in the manner as notified by the Bank in writing. For the avoidance of doubt, the Grace Period shall not apply to working professionals with an existing source of income who are pursuing postgraduate programme or professional course on a part-time or full-time basis; and
<b>“Letter of Offer”</b>	means the letter of offer in respect of the Facility issued by the Bank and duly accepted by the Customer and/or co-applicant(s), which includes any amendment, variation, modification, notification or supplement whatsoever in relation thereto.

**1A. FACILITY**

- 1A.1 This is the Commodity Murabahah Term Financing-i (CMTF-i) for Education Financing Facility offered to the Customer.

## 2. PURPOSE

- 2.1. The Facility is to be utilised for the purpose as set out in the Letter of Offer and/or these General Terms and Conditions (as the case may be).
- 2.2. The Customer agrees that the Facility must not be utilised for any non-halal goods or services.
- 2.3. In the event that the remaining Facility (after deducting the authorized deduction under these General Terms and Conditions) is insufficient to be utilised towards the purpose of the Facility, the Customer shall be solely responsible for the payment of such difference from the Customer's own funds and shall ensure that such payment is made directly to the relevant education institution. The Bank shall not be responsible or liable to finance or pay any additional cost, expense, or amount exceeding the Financing Amount.

## 3. PROFIT RATE

- 3.1. Ceiling Profit Rate
  - (a) Ceiling Profit Rate is used to calculate total profit for the Selling Price of the Facility, which refers to the maximum profit amount for the Bank to collect from the Customer.
  - (b) The Ceiling Profit Rate is 18% p.a.  
The Selling Price\* is calculated based on the Ceiling Profit Rate  
\*Selling Price consist of Purchase Price + Total Profit Amount
- 3.2. Effective Profit Rate
  - (a) The monthly payment is calculated based on the Effective Profit Rate, subject to the provision of *ibra'* (rebate) as set out in Clause 11 (*Ibra' (Rebate)*) herein.
- 3.3. Profit Calculation Method
  - (a) Reducing balance is the method used for computing profit portion on the principal balance that reduces the calculated payments made i.e. daily rest.
  - (b) From the total payment made per transaction, the hierarchy of deduction is in accordance to the following sequences;
    - (i) profit portion
    - (ii) principal portion;
    - (iii) any related fees (if any).

## 4. MONTHLY PAYMENTS

- 4.1. The monthly payments amount for payments of the Selling Price shall consist of the principal amount and profit portion. The monthly payments amount for payments of the Selling Price and monthly due date will be notified to the Customer in a manner which shall be determined by the Bank upon disbursement of the Facility.
- 4.2. The monthly payments of the Selling Price may vary according to the changes of SBRI ("**Standardised Base Rate**") and incidental costs charged. The Customer may refer to RHB Banking Group website for the updated SBRI. The above monthly payments amount for payments of the Selling Price is indicative only and consists of the principal amount and profit margin. The actual monthly payments amount for payments of the Selling Price will be notified to the Customer in writing and in a manner determined by the Bank upon disbursement of the Facility to the Customer.
- 4.3. Any variation to the monthly payment of the Selling Price and the duration for payment of the Selling Price due to the changes in the Effective Profit Rate will be communicated by written notice by the Bank to the Customer for a period of not less than seven (7) calendar days and they shall become effective on the corresponding date of the subsequent months. In any case, the Selling Price must remain unchanged.

- 4.4. At the discretion of the Bank, a notice of such additions or amendments or variations may be affected by:
- (a) Displaying the same at the premises of the Bank or its branch offices or by mailing the aforesaid notice to the Customer, or
  - (b) By sending notice of the same by short message service ("**SMS**") or electronic mail to the Customer or by posting the notice of the same on RHB Banking Group website, or
  - (c) By letter delivered by hand.
- 4.5. If there is any non-payment, insufficient installment payment of the Selling Price or shortfall in installment for reasons (including insufficient funds), the Customer must immediately pay the installment payment or shortfall amount directly to the Bank, on notification by the Bank.
- 4.6. In the event of accounts still with outstanding balance at the end of financing tenor due to upward or downward adjustment to the SBRI, the Customer are required to make lump sum settlement of the Selling Price at the end of financing tenor. If the Customer is not able to make full settlement in such event, recovery process will be initiated on the affected accounts.
- 4.7. For clarity:
- (a) **Monthly payments will commence as follows: -**
    - (i) If the final disbursement of the Financing Amount by the Bank to the education institution is made within the last fifteen (15) calendar days from the due date, the Customer's monthly payments are to commence on or before the 5<sup>th</sup> day of the 3<sup>rd</sup> month from the month of disbursement and on every 5<sup>th</sup> day of each of the following months until full settlement.
    - (ii) If the final disbursement of the Financing Amount by the Bank to the education institution is made within the first fifteen (15) calendar days of the billing cycle, the Customer's monthly payments are to commence on or before the 5<sup>th</sup> day of the 2<sup>nd</sup> month from the month of disbursement and on every 5<sup>th</sup> day of each of the following months until full settlement.
  - (b) **Profit payment during Grace Period (if applicable) will commence as follows:**
    - (i) If the first disbursement of the Financing Amount by the Bank to the education institution is made within the last fifteen (15) calendar days from the due date, the Customer's Profit Payments are to commence on or before the 5<sup>th</sup> day of the 3<sup>rd</sup> month from the month of disbursement and on every 5<sup>th</sup> day of each of the following months until full settlement.
    - (ii) If the first disbursement of the Financing Amount by the Bank to the education institution is made within the first fifteen (15) calendar days of the billing cycle, the Customer's Profit Payments are to commence on or before the 5<sup>th</sup> day of the 2<sup>nd</sup> month from the month of disbursement and on every 5<sup>th</sup> day of each of the following months until full settlement.

## 5. DISBURSEMENT

- 5.1. The Facility is available for disbursement on completion of the financing processes and fulfilment of the Conditions Precedent. The disbursement of the Facility will be made in accordance with the terms of the Facility as set out herein and/or in the Letter of Offer (as the case may be).
- 5.2. If the Customer is in arrears or fail to make payment of any profit amount due during the Grace Period, no further disbursement of the Facility shall be made until such arrears have been fully settled to the satisfaction of the Bank.
- 5.3. If the Customer fails to comply with any terms and conditions stipulated herein and in the

Letter of Offer, the Conditions Precedent and the Shariah principles, the Customer cannot utilise the Facility and the Bank may cancel the Facility (with prior written notice to the Customer). The Customer must reimburse and/or indemnify the Bank for all costs and expenses incurred by the Bank in connection with the approval and/or grant of the Facility to the Customer.

- 5.4. The Customer acknowledges and agrees that the Bank may make use any of the Customer's undisbursed amount in the Facility account, provided always that the Bank shall disburse any amount that the Customer's has yet to utilise upon the Customer's fulfilment of the relevant terms and conditions as set out in the Letter of Offer and/or these General Terms and Conditions.
- 5.5. The Bank shall not disburse any part of the Facility if, at any time during the tenure of the Facility, the Customer discontinues, withdraws from, or otherwise ceases to pursue or (subject to Clause 5.6 below) attend the course/programme specified in the Letter of Offer, or ceases from remaining to be enrolled at the education institution as stated in the Letter of Offer. The Customer shall immediately notify the Bank in writing upon the occurrence of any such event during the tenure of the Facility.
- 5.6. The disbursement of any part of the Facility shall continue in the event the Customer is required to re-attend (due to whatsoever reason) the course/programme as stated in the Letter of Offer. If re-attending the course/programme by the Customer results in an increase in the fees charged by the education institution, the Customer shall be solely responsible for paying such increased fees from the Customer's own funds and shall ensure that such payment is made directly to the relevant education institution. The Bank shall not be responsible or liable to finance or pay such increased fees or any additional cost, expenses or amount exceeding the Financing Amount.

## **6. PRE AND POST DISBURSEMENT CANCELLATION**

- 6.1. The Bank may, with prior written notice to the Customer, cancel the Facility offered, at any time before or after disbursement, if there is any breach of Shariah principles, material omission of facts or misrepresentation of any material facts, that may change the creditworthiness of the Customer and/or the Customer's ability to perform the Customer's obligation.
- 6.2. If the Customer wishes to cancel the Facility, the Customer must settle all the indebtedness, including all fees, costs, brokerage fee (if applicable), Takaful contribution (if applicable) and stamp duty, in full.
- 6.3. Upon cancellation of the Facility, the full amount of the Selling Price and all monies outstanding (subject to rebate) under the Facility together with compensation thereon (if any) and all other monies relating thereto will become immediately due and payable by the Customer.

## **7. PREPAYMENT**

- 7.1. Provided that all payments due under the Facility (whether principal and/or profit) have been made in full and are not outstanding, the Customer may prepay the whole or part of the outstanding amount of the Facility without prior notice to the Bank, subject always to each partial prepayment must be in multiples of Ringgit Malaysia One Thousand (RM1,000) or such other amount as the Bank may, in its discretion, accept. For the avoidance of doubt, any such prepayment shall be subject to the provision *ibra'* (rebate) as set out in Clause 11 (*Ibra' (Rebate)*) herein.

## **8. ACCOUNT**

8.1. The Customer is encouraged to open a deposit account and execute a Standing Instruction for the purpose of payment of monthly payment of the Selling Price. For payment via Standing Instructions:

- (a) The Customer agrees and authorise the Bank to debit Customer's account according to the instruction(s) specified, including any charges (Clause 12 – *Fees, Cost and Other Expenses*), with respect to the frequencies and mode of effecting the reciprocal credit entry or payment as provided, subject to the terms and conditions stipulated herein and in the Letter of Offer.
- (b) The Customer irrevocably and unconditionally authorises the Bank at any time and from time to time to debit the Customer's account with the Bank for any payment due under or pursuant to the Facility, including payment of the monthly payment of the Selling Price.
- (c) The Customer agrees and authorises the Bank to set-off the Standing Instruction account manually in the event the auto-deduction does not take place due to insufficient balance in the account.  
A manual deduction will be used to set-off against the debt owed by the Customer from the Standing Instruction account.

## **9. APPOINTMENT OF COLLECTION AGENT**

9.1. The Bank may (with prior written notice to the Customer) appoint an agent of its choice to collect all and any sums due to the Bank from the Customer under the Letter of Offer.

## **10. DISCLOSURE OF CUSTOMER INFORMATION**

10.1. The Customer understand that RHB Banking Group will use, collect, record, store, share and/or process the Customer's personal information, including, without limitation:

- (a) personal information including the Customer's particulars, images and biometrics (the measurement and analysis of unique physical or behavioral characteristics (such as fingerprint or voice patterns) especially as a means of verifying personal identity);
- (b) financial data, tax residency;
- (c) specimen signatures, as well as, digital or electronic signatures as defined under the applicable laws and regulations;
- (d) financial standing, employment details, creditworthiness and/or suitability for any RHB Banking Group's products/services applied for;
- (e) personal information that the Customer provide when the Customer applies for any of the Bank's products and services, including the Customer's views or opinions made known to RHB Banking Group via feedback or surveys;
- (f) information about the Customer's risk profile, investments, tax and insurance/takaful, investment objectives, knowledge and experience and/or business interests and assets;
- (g) information relating to the Customer's activities, habits, preferences and interests arising from the use of products and services of RHB Banking Group;
- (h) other electronic data or information relating to the Customer such as IP addresses, cookies, activity logs, online identifiers and location data through the Customer's usage of the Bank's products and services or as part of their delivery to the Customer; and/or
- (i) other information relevant to the Customer/the Customer's application for the product and / or service which:
  - (i) the Customer have provided in this form or through any other contact with RHB Banking Group (which shall include its holding company, subsidiary(s), and any associated company(s), including any company as a result of any restructuring, merger, sale or acquisition), or
  - (ii) has been obtained from analysis of the Customer's payment and other

- (iii) transactions/services within RHB Banking Group, or has been obtained from third parties such as employers, joint applicants/accountholders, guarantors, legal representatives, industry/financial related associations, government/regulatory authorities, credit bureaus or credit reporting agencies, retailers, social networks and fraud prevention agencies or other organizations
- (iv) has been obtained from recordings of Closed Circuit Television (CCTV) installed at the Bank's premises including the branches located within or outside Malaysia
- (v) has been obtained from insurance/Takaful claims or other documents; and/or
- (vi) has been supplied and/or collected when the Customer visit RHB Banking Group's websites and/or download RHB Banking Group's mobile device applications which may include the Customer's device's IP address or from data that is collected via cookies.

The Customer expressly hereby agree, consent to and authorise RHB Banking Group to disclose any information relating to the Customer, the Customer's affairs and/or any accounts, products and/or services provided by RHB Banking Group to the Customer to:

1. third parties such as service providers, merchants and strategic partners, contract for services (CFS) staff, auditors, legal counsel, vendors including debt collection agencies, professional advisers, industry/financial related associations, credit bureaus or credit reporting agencies and fraud prevention agencies, other financial institutions and any of their respective agents, servants and/or such persons, whether located within or outside Malaysia, if applicable, subject at all times to any laws (including regulations, standards, guidelines and/or obligations) applicable to RHB Banking Group;
2. the entities and/or other companies within the corporate group of RHB Banking Group
3. any tribunal, courts, governmental agencies or bodies or other relevant authorities to whom RHB Banking Group is required to make disclosures or have jurisdiction over RHB Banking Group whether in or outside Malaysia in order to comply with any order, demand, request or reporting requirement or for the purposes of litigation or potential litigation involving RHB Banking Group as and when required or requested to do so from time to time and at any time;
4. any company and/or organization that assists or facilitates the processing and/or fulfillment of transactions or instructions that the Customer has requested and/or given to RHB Banking Group;
5. any potential transferee or assignee with whom RHB Banking Group is negotiating the transfer, assignment and novation of the rights or obligations under or by reference to the account; and/or
6. for any and/or all of the following purposes, if applicable:
  - a. facilitating the business, operations, provision of the financial product/facilities and performance of the contract, services granted or provided by RHB Banking Group;
  - b. providing this product and/or service and notifying the Customer about important changes or developments to the features;
  - c. updating and managing the accuracy and completeness of RHB Banking Group's records;
  - d. prevention, detection or prosecution of crime, and complying with legal and regulatory obligations;
  - e. assessment and analysis including credit, lending/financing, insurance/takaful risks and/or other risk purposes, behaviour scoring, mining, profiling, data analytics, due diligence, market and product analysis and/or market research;
  - f. communications and ensuring customer satisfaction, which may include conducting surveys to improve the quality of the Bank's products and services, responding to inquiries and complaints and to generally resolve disputes;



- g. determining the amount of the Customer's indebtedness and recovering debt that the Customer owe to RHB Banking Group;
- h. maintaining the Customer's credit history for present and future reference;
- i. enabling an actual or proposed assignee of RHB Banking Group, or participant or sub-participant of RHB Banking Group to evaluate the Customer's transactions which are intended to be the subject of the assignment, participation or sub-participation;
- j. for RHB Banking Group's corporate events (including networking events, launching of products, etc) /contests, of which photographs / images of the Customer may be captured and may be used for RHB Banking Group's publications;
- k. protecting RHB Banking Group's interests; or
- l. all other purposes which are ancillary to or related with any of the above.

The Customer understand and agree that:

- 1. the consent given above cannot be withdrawn where such disclosure of the Customer's information is necessary for the provision / operation of the account, product and/or service or the performance of the contract with the Customer to comply with contractual requirements or to comply with any legal requirements in where without such information RHB Banking Group will not be able to offer product/ service requested by the Customer.
- 2. where the Customer have provided RHB Banking Group with sensitive personal information (in particular, information consisting the Customer's physical/mental health for applications of insurance/takaful products/services), the Customer provide consent for RHB Banking Group to process the same in the manner described pursuant to the personal data requirements under the Personal Data Protection Act 2010 and applicable guidelines including BNM Guidelines as may be issued from time to time.
- 3. RHB Banking Group may modify or update its Disclosure of Customer Information from time to time, a copy of which is available at [www.rhbgroup.com](http://www.rhbgroup.com).
- 4. the Customer may exercise the Customer's options in respect of receiving marketing materials (including cross-selling, marketing and promotions) by visiting the branch or contact RHB Customer Contact Centre (03-9206 8118).

## 11. IBRA' (REBATE)

11.1. The Bank shall grant *ibra'* (rebate) on any amount payable by the Customer in respect of any payment due under the Facility in any of the following situations:

- (a) upon early settlement or early redemption of the Facility, including prepayment;
- (b) upon settlement of the Facility pursuant to any financing restructuring exercise initiated by the Customer;
- (c) upon settlement by the Customer on occurrence of an Event of Default;
- (d) upon settlement by the Customer due to termination or cancellation of the Facility before the expiry of the tenure of the Facility and/or the Grace Period (as the case may be); and
- (e) if the Facility is based on variable rate, on the difference between the amount of profit based on the Effective Profit Rate and the Ceiling Profit Rate (if any). The *ibra'* (rebate) will be granted if the Effective Profit Rate is lower than Ceiling Profit Rate.

11.2.  $\text{Ibra' (rebate)} = \text{*Remaining Unearned Profit} - \text{Early Settlement Charges (if any)}$ .  
*\*Remaining Unearned Profit is equal to unrealised profit at the time of full settlement.*

11.3. The calculation of *ibra'* (rebate) will be made in accordance with any rules, regulations

and/or directives, required of or imposed on the Bank by BNM or any other authority having jurisdiction over the Bank.

- 11.4. The ibra' (rebate) will only be deemed granted on receipt of the settlement sum as determined by the Bank.

## **12. FEES, COST AND OTHER EXPENSES**

- 12.1. All charges, legal and professional fees, stamp duties and present and future taxes, which are payable in connection with the Facility and which are payable not due to the act, omission, default, negligence and/or misconduct on the part of the Bank and/or any of its employees, representatives and agents, including service charge, withholding or other deductions whatsoever, and the Bank's solicitor's fees on a solicitor-client basis, are to be borne and paid by the Customer.
- 12.2. The stamp duties payable in connection with the Facility will be deducted by the Bank from the proceeds prior to disbursement to the Customer.

## **13. COMPENSATION FOR LATE PAYMENT (TA'WIDH)**

- 13.1. The Bank has the right (with written notice to the Customer) to impose compensation for late payment (Ta'widh) as follows:
- (a) for the Customer's failure to pay any amounts of monthly payment under the Facility on the due date of payment, the Customer must pay compensation charges to the Bank on the overdue amount, based on the following formula or any other method approved by BNM:  
*Compensation Charges = Overdue Amount x 1% (Compensation Rate for Late Payment) x (No. of Days Overdue/365).*
  - (b) for the Customer's failure to pay any amount overdue and which failure continues beyond the tenure of the Facility, the compensation rate applicable is the BNM prevailing Islamic Money Market Rate on the overdue amount or any other method approved by BNM; and
  - (c) the amount of such compensation must not be compounded.
- 13.2. The compensation for late payment at the rate specified above must be paid by the Customer before as well as after any judgment or order of court.

## **14. CROSS-DEFAULT**

- 14.1. If:
- (a) any of the Customer's indebtedness becomes payable; or
  - (b) any of the Customer's other indebtedness may be declared payable or due prematurely (due to the Customer failing to pay the Customer's other indebtedness); or
  - (c) the Customer fails to pay the Customer's other indebtedness on the due date for such payment (or if due on demand, when demanded) or
  - (d) the security for the Customer's other indebtedness becomes enforceable

then this will be considered as an Event of Default under the Facility, and the Bank may at its discretion exercise any of its rights and remedies under the Facility and/or the Letter of Offer due to such Event of Default.

## **15. AMENDMENTS AND/OR ADDITIONAL TERMS**

- 15.1. The Bank may vary any of the terms and conditions of the Facility and these General Terms and Conditions by giving notice of such variation to the Customer not less than twenty-one (21) calendar days before the effective date of such variation, provided that



such variation is subject to and is in compliance and in conformity with Shariah principles.

- 15.2. Such notice will state the reason(s) for such variation and such variation will become effective on the date specified in such notice. On and after the effective date, the variation will be deemed to have been made and are to be read and construed as having formed part of these terms and conditions at the time of execution.
- 15.3. Notice of such variation may be effected by:
- (a) displaying such notice at the premises of the Bank or its branch offices; or
  - (b) mailing such notice to the Customer; or
  - (c) sending such notice by SMS or electronic mail to the Customer; or
  - (d) posting such notice on the Bank's website or internet site.
- 15.4. Such notice is deemed received by or communicated to the Customer:
- (a) in the case of displaying or posting of such notice at the Bank's premises or on the Bank's website or internet site, as the case may be, on the date of such posting;
  - (b) in the case of mailing of such notice, by second (2nd) day after dispatch, unless there is contrary evidence that such notice was in fact not delivered; or
  - (c) in the case of delivery by SMS or electronic mail, at the time such notice is sent by the Bank to the Customer, unless the Bank has received a delivery error message.

## **16. MISCELLANEOUS**

- 16.1. If the Customer misrepresent to the Bank, or give the Bank false information, or give the Bank supporting documents which are not satisfactory to the Bank, the Bank may withdraw or cancel the Facility (with prior written notice) without being liable to the Customer.
- 16.2. The Bank may cancel the Facility (with prior written notice to the Customer) if any of the following happens:
- (i) If the Facility is not utilised for purposes as set out in the Letter of Offer or for any intended purposes approved by the Bank;
  - (ii) If there is a significant change in the Customer's financial or other condition after the date of the Letter of Offer; and
  - (iii) If the Customer have provided the Bank with any inaccurate, misleading or erroneous information in applying for the Facility.
- The Customer must pay any incidental cost/s arising from this cancellation. The Bank may (with written notice to the Customer) recover all such costs from the Customer.

## **17. COMMODITY MURABAHAH TRANSACTION**

- 17.1. **Commodity Supplier/Broker**  
As agreed by the Bank.

- 17.2. **Commodity**  
Any commodity or asset as determined by the Bank which is halal and is in compliance with Shariah principles (being Shariah-compliant commodities that exclude *ribawi* items classified as mediums of exchange such as currency, gold and silver) on an "as is where is" basis, without any representations or warranties from the Bank as to the quality, condition, quantity and description, and without the Bank being liable for any loss, damage or deterioration.

Among the commodities used are Aluminum metal, Crude Palm Oil (CPO), plastic resin, or combinations of existing commodities or other commodities as specified in the commodity trading certificate.

**17.3. Brokerage Fee (if applicable)**

The brokerage fee, if any, shall be payable by the Customer in relation to the Commodity Transaction under this Facility, as may be determined by the Bank from time to time.

**17.4. Terms of Agency**

The Agency is subject to the terms as follows:

- (a) The Agency must not be revoked so long the Facility remains outstanding.
- (b) All the Bank's actions as the agent under the Agency will remain binding on the Customer and not be affected by any event taking place which may have the effect of revoking the Agency.
- (c) In consideration of the Bank acting as the Customer's agent, the Customer must indemnify the Bank against all actions, claims, demands, liabilities, losses, damages, costs and expenses, which the Bank may sustain or incur as result of acting as the Customer's agent, except if such actions, claims, demands, liabilities, losses, damages, costs and expenses are due to any error, omission, misrepresentation, *ta'addi* (misconduct), *taqsir* (negligence) or *mukhalafah al-shurut* (breach of specified terms) by the Bank.
- (d) Pursuant to the above, the Bank is authorized to conduct all requisite transactions pertaining to the Agency on the Customer's behalf.

**17.5. Method of Financing**

The Facility is granted in accordance with the Shariah contract of *Commodity Murabahah* via *Tawarruq* arrangement as follows:

- (a) On acceptance of the Letter of Offer (or in any other form and manner acceptable to the Bank), the Customer will appoint the Bank as agent (*wakeel*) to perform the commodity transactions on the Customer's behalf, as follows ("**Agency**"):
  - (i) as agent to purchase commodity from the Bank in accordance with Murabahah Sale\* at a selling price which consists of Financing Amount and profit margin ("**Selling Price**"); and
  - (ii) as agent to sell commodity to commodity broker at a purchase price equivalent to Financing Amount ("**Purchase Price**").

\*"**Murahabah Sale**" is an Arabic term that describes a sale in which the purchaser knows the cost and profit of the underlying commodity.

For the avoidance of doubt, the Agency shall terminate upon the death, dissolution or loss of legal capacity of the Customer, and shall be deemed completed upon fulfilment of all obligations under the Facility, upon expiry of the tenure of the Facility, or upon termination of the Facility, whichever is earlier.

- (b) On acceptance of the Letter of Offer (or in any other form and manner acceptable to the Bank), the Customer will request the Bank to purchase commodity from commodity supplier ("**Commodity Purchase Order**").
- (c) As requested by the Customer, the Bank will purchase commodity from commodity supplier ("**Bank's Purchase**"), whereby the Bank has ownership of the commodity upon completion of the Bank's Purchase.
- (d) On completion of the Bank's Purchase, the Bank will sell the commodity to the Customer (via Bank acting as the Customer's agent) at the Selling Price payable by the Customer to the Bank on deferred payment term ("**Customer's Purchase**"). The Customer's Purchase shall be evidenced in such form and manner as may be determined by the Bank.
- (e) On completion of the Customer's Purchase, the Bank (acting as the Customer's agent) will sell the commodity to a commodity broker at the Purchase Price ("**Customer's Sale**"). The Bank will utilise the proceeds for the purpose of disbursement of the Facility for the Customer's benefit. The Customer's Sale will be completed by the Bank (acting as the Customer's agent) and the commodity broker respectively issuing the sale document (in the form and manner acceptable to the Bank) on acceptance of the Letter of Offer and these General Terms and Conditions.

**17.6. Rights and Obligations**

- (a) The Bank may:
  - (i) perform any of its obligations and responsibilities through its personnel or agents;

- (ii) refrain from doing anything which would or might in its opinion be contrary to any law of any jurisdiction or any directive of any agency of any state or otherwise render it liable to any person and may do anything which is in its opinion necessary to comply with any such law or directive;
  - (iii) assume that no Event of Default has occurred unless an officer of the Bank, while active on the account of the Customer, acquires actual knowledge to the contrary;
  - (iv) rely on any communication or document believed by it to be genuine;
  - (v) rely as to any matter of fact which might reasonably be expected to be within the knowledge of the Customer on a statement by or on behalf of the Customer;
  - (vi) assume that any person notified to it by the Customer as duly authorised to take any action contemplated by the Facility remains so authorized until it has received written notice to the contrary from the Customer; and
  - (vii) act as it deems fit to assist the Customer in selling the commodity to the commodity broker.
- (b) The Customer:
- (i) is liable for the sale and purchase contract entered into by the Bank as its agent in accordance with these terms and conditions, save and except for any actions, claims, demands, liabilities, losses, damages, costs and expenses which arise from the act, omission, default, negligence and/or misconduct on the part of the Bank and/or any of its employees, representatives and agents; and
  - (ii) is to indemnify the Bank against all losses, claims, actions, proceedings, damage, costs and expenses whatsoever brought or claimed by any party and/or incurred or sustained by the Bank as a result of:
    - (1) the buying and selling of the specified commodity under any transaction as the Customer's agent; or
    - (2) a breach by the Customer of any of the Customer's/their obligations under the Facility,
 save and except where such losses, claims, actions, proceedings, damage, costs and expenses are attributable to the act, omission, default, negligence and/or misconduct on the part of the Bank and/or any of its employees, representatives and agents. This indemnity will survive termination of these terms and conditions.

#### 17.7. Terms of Murabahah Sale

- (a) The commodity transaction as referred to in Clause 17.5 above (*Method of Financing*) ("**Commodity Transaction**") must be governed by the terms and conditions of the commodity transaction documents as referred to in Clause 17.5 above (*Method of Financing*) ("**Commodity Transaction Documents**").
- (b) The Customer will obtain such title to the commodity as the Bank receives from the commodity supplier. The Bank must not be deemed to give any warranty or representation (express or implied), whether arising by law or by statute and, without limiting this Clause 17.7(b), any such warranty or representation by the Bank is expressly excluded to the full extent permitted by law.
- (c) On completion of the Commodity Transaction Documents and subject to fulfillment of the Conditions Precedent, the sale proceeds as referred to in Clause 17.5(e) above will be deposited/credited/paid to the party as acceptable to the Bank for the Customer's benefit in accordance with the terms and conditions as set out herein and the Letter of Offer.
- (d) If the Customer intends to take delivery of the Commodity (instead of selling the commodity to a commodity broker as referred to in Clause 17.5(e) above), the Customer acknowledge and agrees that the Customer must indicate in writing of such intention not later than three (3) calendar days from the date of acceptance of the Letter of Offer, failing which it is deemed that the Customer have agreed to the method of financing set out herein and/or the Letter of Offer. The Customer further acknowledge and agrees that pursuant to the Customer indicating in writing of its intention to take delivery of the commodity, the Bank may review such request and provide its terms and conditions in respect of and/or arising from the Customer's intention to take delivery of the commodity, and such terms and conditions of the Bank must then be accepted by the Customer before the Bank purchases the commodity.

**17.8. Risk in Commodity**

All risks in the commodity are passed to the Customer immediately at the time when the Customer's Purchase is effected, being the time the Bank (acting as the Customer's agent) execute the Customer's Acceptance.

**17.9. Warranties in Commodity Transaction**

- (a) The Customer acknowledge that:
  - (i) the commodity is sold on an "as is where is" basis and free from encumbrances;
  - (ii) there is no representation or warranty from the Bank on the quality, condition, quantity and description of the commodity, and the Bank is not liable for any loss, damage or deterioration of the commodity; and
  - (iii) it waives any claims which it may have against the Bank in respect of any loss or damage which it, or its officers, employees or agents, may suffer (due to, or arising out of or in connection with these General Terms and Conditions, the Letter of Offer or any Commodity Transaction Documents), in connection with or arising from any Commodity Transaction and/or purchase of commodity from the commodity supplier, except if such loss or damage is due to any error, omission, misrepresentation, ta`addi (misconduct), taqsir (negligence) or mukhalafah al-shurut (breach of specified terms) by the Bank.
- (b) The Customer agrees that if the Customer requests for the Bank's assistance in selling the Commodity to the commodity broker, the Customer authorise the Bank to take all necessary actions to facilitate the selling of the commodity to the commodity broker, including the authority to send and/or receive notices in relation to the Commodity Transaction on the Customer's behalf.

**17.10. Commodity Transaction Limitation**

The Bank's obligation to accept a Commodity Purchase Order and enter into a Commodity Transaction is subject to:

- (a) the Bank being satisfied that no circumstances exist and no event has occurred, which jeopardises the Bank's security and/or which renders the Facility immediately payable, and that no Event of Default has happened and is continuing;
- (b) the representations and warranties set out under the Facility are true and correct in all respects, as if made on the date on which the Commodity Purchase Order is delivered to the Bank, and as if repeated by reference to the existing circumstances;
- (c) no extraordinary circumstances or change of law or other government action have occurred, which materially and adversely affects the Customer's ability to perform the Customer's obligations under the provisions of the Commodity Transaction Documents;
- (d) availability of commodity and the Bank's fund;
- (e) receipt by the Bank of a duly completed Commodity Purchase Order; and
- (f) the proper conduct of the Customer's account and satisfactory utilisation of the Facility.

**18. REPRESENTATIONS AND WARRANTIES**

**18.1. The Customer represent and warrant to the Bank that:**

- (a) the Customer have full legal right, authority, power and capacity to accept the Facility and to perform the Customer's obligations in accordance with the terms in the Letter of Offer and these General Terms and Conditions;
- (b) the Letter of Offer and these General Terms and Conditions constitute the legal, valid and binding obligations enforceable against the Customer, in accordance with its respective terms;
- (c) all consents, authorisations and approvals, which are required or advisable to be obtained in connection with the acceptance, delivery, legality or enforceability of

- the Letter of Offer, these General Terms and Conditions and the use of the Facility, have been obtained and are in full force and effect;
- (d) neither the Customer's acceptance and delivery of the Letter of Offer and these General Terms and Conditions nor the performance of the terms of the Letter of Offer and these General Terms and Conditions will violate any law, regulation, order or decree of any government authority, agency or court;
  - (e) the Customer are not in default under any agreement to which the Customer are a party to, or by which the Customer may be bound, and there is no ongoing or pending litigation, arbitration or administrative proceedings against the Customer;
  - (f) all information given by the Customer to the Bank in connection with the Facility are true and correct, and there has been no omission which would render the information inaccurate or misleading;
  - (g) there are no bankruptcy proceedings currently pending or threatened against the Customer; and
  - (h) the Customer will not utilise the Facility for any non-halal goods or services.

## **19. AFFIRMATIVE COVENANTS**

- 19.1. During the tenure of the Facility, the Customer will:
- (a) punctually pay, discharge or satisfy, at or before maturity or before they become delinquent, as the case may be, the instalment payment of the Selling Price and all of the Customer's indebtedness and other obligations;
  - (b) simultaneously perform and carry out any and all of the Customer's obligations under the Facility;
  - (c) take all steps as may be necessary to ensure that there is no material adverse effect on the Customer's financial position;
  - (d) give the Bank all information reasonably required by the Bank in relation to the Customer; and
  - (e) notify the Bank of the occurrence of an Event of Default, or any event of default in relation to any of the Customer's other indebtedness.

## **20. EVENT OF DEFAULT**

- 20.1. The full amount of the Selling Price and all monies outstanding under the Facility together with compensation for late payment (if any) must be paid by the Customer, on demand being made by the Bank or on the occurrence of any of the following events:
- (a) The Customer default in the payment of any monies payable to the Bank after such monies become due to the Bank (whether formally demanded or not); or
  - (b) The Customer fail to observe or perform any of the provisions of the Letter of Offer and these General Terms and Conditions; or
  - (c) Any of the Customer's indebtedness or the indebtedness of any of the Customer's guarantor(s) (if any) 1) becomes payable or due prematurely, or becomes capable of being declared payable or due prematurely, due to the Customer's default or the Customer's guarantor(s) (if any) in its obligations with respect to that indebtedness; 2) the Customer or the Customer's guarantor(s) (if any) fails to make payment in respect of that indebtedness on the due date for such payment, or if due on demand when demanded and 3) the security for any such indebtedness becomes enforceable; or
  - (d) If legal proceedings, suits or actions of any kind (civil or criminal) is instituted against the Customer and the Customer's guarantor(s) (if any) which in the Bank's opinion would materially and adversely affect the Customer's ability or the guarantor's ability to perform and observe the Customer's obligations under the Facility; or
  - (e) The Customer and any of the Customer's guarantor(s) (if any) commit any act of bankruptcy or become bankrupt or enter into any composition or arrangement for the benefit of the creditors and such step, action or petition remain unsatisfied for a period of fourteen (14) calendar days; or
  - (f) The Customer or any of the Customer's guarantor(s) (if any) becomes insane or dies; or
  - (g) If the Bank consider that the Facility or any of its security or its security position is in jeopardy; or



- (h) If in the Bank's opinion, there is any change or possible changes in circumstances which would materially and adversely affect the Customer's financial condition or the Customer's ability to perform the Customer's obligations under the Facility; or
- (i) If in the opinion of the Bank the Customer's account(s) with the Bank has/have been unsatisfactorily conducted;

For the purposes of this Clause, "**Event of Default**" shall mean each of the events set out in this Clause 20.1(a) to Clause 20.1(i) above.

- 20.2. The Bank may arrange under its collection and recovery initiative to visit the Customer at the Customer's workplace in the course of collecting outstanding debts or dues when the Customer becomes uncontactable either by telephone, via face-to-face contact, through other forms of communication and is not responding to the recovery actions.

## **21. BANK'S RIGHT TO COMMENCE LEGAL PROCEEDING CONCURRENTLY**

- 21.1. If the Customer fail to fulfil any term or condition in the Letter of Offer and these General Terms and Conditions, the Bank may exercise all or any of the remedies available whether by the Letter of Offer, by these General Terms and Conditions, by statute or under the law. The Bank may exercise such remedies concurrently, including via a civil suit to recover all moneys due and owing to the Bank.

## **22. SOLICITOR/ LEGAL AND INCIDENTAL EXPENSES**

- 22.1. The Customer must pay all legal fees and incidental expenses and also all professional fees, taxes (including service tax), out-of-pocket expenses incurred, and any other fees and expenses in respect of the Facility. The Customer must also pay the Bank's solicitors' fees (on a solicitor and client basis) and any other fees and expenses incurred in respect of any recovery or any collection of any money payable under the Facility by the Bank's solicitors.

## **23. WAIVER AND INDULGENCE**

- 23.1. The terms and conditions as set out here and in the Letter of Offer may be fully or partly waived by the Bank, with or without conditions, and without affecting the Bank's rights hereunder and under the Letter of Offer.

## **24. CREDIT FACILITIES TO CONNECTED PARTIES**

- 24.1. The approval of the Facility is subject to the Bank's full compliance with any applicable law including the provisions of Section 57 of Islamic Financial Services Act 2013 (IFSA) (relating to power of BNM) to specify standards on prudential matters) read together with BNM's Guidelines on Credit Transactions and Exposures with Connected Parties for Islamic Bank and/or any prevailing requirement issued by BNM. The Customer declare that the Customer is not related to/a guarantor to/in control of/controlled by a connected party. No connected party is a director, partner, executive officer, agent or guarantor in your firm/partnership/company/legal entity and/or subsidiaries/entities controlled by the Customer. The Customer must declare to the RHB Banking Group if any connected party relationship arises during the tenure of the Facility. If the Bank later discovers any undisclosed connected party relationship, the Bank may (with written notice to the Customer) terminate and recall the Facility immediately.
- 24.2. In this Clause 24 (*Credit Facilities to Connected Parties*), "connected party" means any of the directors, controlling shareholders, officers of the RHB Banking Group, member of the Shariah Committee of the Bank and their respective close relatives (spouse and dependents of the spouse, child (including step/adopted child) and spouse of the child, parent and brother or sister and their spouses.



**25. ANTI-MONEY LAUNDERING, ANTI-TERRORISM FINANCING AND PROCEEDS OF UNLAWFUL ACTIVITIES ACT2001 (ACT 613) (“AMLA”)**

25.1. The Customer hereby represents, warrants and undertakes with the Bank that, The Customer:

- (a) have not engaged, and shall not at any time engage, directly or indirectly, in a transaction that involves proceeds of an unlawful activity or instrumentalities of an offence;
- (b) have not acquired, received, possessed, disguised, transferred, converted, exchanged, carried, disposed of or used, and shall not at any time acquire, receive, possess, disguise, transfer, convert, exchange, carry, dispose of or use, proceeds of an unlawful activity or instrumentalities of an offence;
- (c) have not removed from or brought into Malaysia, and shall not at any time remove from or bring into Malaysia, proceeds of an unlawful activity or instrumentalities of an offence; and
- (d) have not concealed, disguised or impeded, and shall not at any time conceal, disguise or impede, the establishment of the true nature, origin, location, movement, disposition, title of, rights with respect to, or ownership of, proceeds of an unlawful activity or instrumentalities of an offence;
- (e) will at all times comply with the Regulatory Requirements (as defined below in Clause 25.3 (a));
- (f) will be fully liable if found to have contravened the Regulatory Requirements (as defined below in Clause 25.3 (a)) causing legal repercussion to the Bank due to the Customer's action; and
- (g) understand that any breach(es) due to AMLA and sanction requirements are non-negotiable.

25.2. For the purpose of this Clause, the following are the definitions:

**“instrumentalities of an offence”** means:

- (a) anything which is used in, or in connection with, the commission of any unlawful activity; or
- (b) any property which is wholly or partly used in, or in connection with, the commission of any unlawful activity, whether the thing or property is situated within or outside Malaysia.

**“proceeds of an unlawful activity”** means any property, or any economic advantage or economic gain from such property, within or outside Malaysia:

- (a) which is wholly or partly:
  - (i) derived or obtained, directly or indirectly, by any person from any unlawful activity;
  - (ii) derived or obtained from a disposal or other dealings with the property referred to in subparagraph (i); or
  - (iii) acquired using the property derived or obtained by any person through any disposal or other dealings referred to in subparagraph (i) or (ii); or
- (b) which, wholly or partly, due to any circumstances such as its nature, value, location or place of discovery, or to the time, manner or place of its acquisition, or the person from whom it was acquired, or its proximity to other property referred to in subparagraph (a)(i), (ii) or (iii), can be reasonably believed to be property falling within the scope of subparagraph (a) (i), (ii) or (iii);

**“property”** means:

- (a) assets of every kind, whether corporeal or incorporeal, moveable or immovable, tangible or intangible, however acquired; or
- (b) legal documents or instruments in any form, including electronic or digital, evidencing title to, or interest in, such assets, including currency, bank credits, deposits and other financial resources, traveller's cheques, bank cheques, money orders, capital market products, drafts and letters of credit, whether situated within or outside Malaysia, and includes a legal or equitable interest, whether full or partial, in any such property;

**“unlawful activity”** means:

- (a) any activity which constitutes any serious offence or any foreign serious offence; or
- (b) any activity which is of such a nature, or occurs in such circumstances, that it results in or leads to the commission of any serious offence or any foreign serious offence, regardless whether such activity, wholly or partly, takes place within or outside Malaysia;

**“serious offence”** means:

- (a) any of the offences specified in the Second Schedule to the AMLA;
- (b) an attempt to commit any of those offences; or
- (c) the abetment of any of those offences;

**“transaction”** includes an arrangement to open an account involving two (2) or more persons and any related transaction between any of the persons concerned and another;

25.3. The Customer acknowledge and agree with the Bank that:-

- (a) the Bank is obliged to comply with all applicable laws, regulations, directives, policy documents, guidelines, practice directions, sanctions, industry standards and practices and other requirements, including without limitation AMLA, the Strategic Trade Act 2010, Financial Services Act 2013 and the Islamic Financial Services Act 2013, to which the Bank as a licensed Islamic financial institution may from time to time be subject to in Malaysia (collectively, **“Regulatory Requirements”**);
- (b) the Bank shall be entitled to do or refrain from doing any act or thing, for compliance with the Regulatory Requirements;
- (c) if the Bank is of the opinion that any event or circumstance (whether related or not), which would make it unlawful or illegal for the Bank to approve the Facility has occurred or arisen, or the approval of the Facility would contravene any of the Regulatory Requirements (in whole or in part), including without limitation the Bank’s receipt of any alert or positive name match from the relevant checks conducted on the Customer and any related third party involved in the underlying transaction(s) (including without limitation the vendor/ developer/ promoter/ agent/ trustee/ supplier who are involved in the provision of Services) by the Bank pursuant to the Regulatory Requirements, then, notwithstanding anything to contrary contained herein and/or in the Letter of Offer, the Bank shall, at any time by giving not less than fourteen (14) calendar days written notice or such shorter period as required or permitted by such Regulatory Requirement, be entitled to:-
  - (i) Suspend the Facility, and do all such acts and things as may be necessary to comply with the Regulatory Requirements; and/ or
  - (ii) Cancel the Facility and terminate its relationship with the Customer, and do all such acts and things as may be necessary to comply with the Regulatory Requirements.
- (d) If the Facility is cancelled/ terminated by the Bank pursuant to their compliance to Regulatory Requirements:
  - (i) no utilisation or further utilisation of the services under the Facility shall be allowed; and
  - (ii) the Bank shall be entitled to exercise all or any of its rights and remedies available to it under the legal documentation in relation to the Facility, the applicable laws or otherwise;
- (e) the Customer shall provide all such documents and information as the Bank may require (at all times during the term of the Facility) for the purposes of complying with the Regulatory Requirements;

- (f) the Bank shall be entitled to stop all services to be performed and received under the Facility until such further notice (revocation order) is received from the said enforcement agency or the cease of the order (whichever the first); or unless there is a variation order.

## **26. MALAYSIAN ANTI-CORRUPTION COMISSION ACT 2009 ("MACC ACT")**

- 26.1. The Customer are required to read and understand the anti-corruption policies and procedures of the Bank that are available on the Bank website at [www.rhbgroup.com](http://www.rhbgroup.com). The Customer will be notified by the Bank of any amendments or revisions to the anti-corruption policies and procedures of the Bank, and the Customer are required to read and understand such amendments or revision, which will be made available on the Bank website. If the Customer do not understand the policies, procedures or any related updates, the Customer may contact RHB's Group Integrity & Governance Division.
- 26.2. The Customer represent and warrant to the Bank that the Customer are in compliance with all the relevant laws, regulatory requirements and the anti-corruption policies and procedures of the Bank, including all anti-corruption and anti- bribery laws and regulatory requirements, and will at all times remain in compliance with all such laws, regulatory requirements and the anti-corruption policies and procedures of the Bank. The Customer agree that the Customer will co-operate with the Bank to complete any verification exercises conducted by the Bank in accordance with the anti-corruption policies and procedures of the Bank, including but not limited to providing all documents and/or information required by the Bank.
- 26.3. The Customer further represent and warrant to the Bank that the Customer have not nor have suspected of having given, promised, offered, solicited, accepted, obtained, received, agreed or attempted so to do, and will not at any time give, promise, offer, solicit, accept, obtain, receive, agree or attempt so to do, any forms of gratification, whether directly or indirectly, to or from any person connected or associated to the Facility or the Customer's affairs or business ("**Person**") in order to:
  - (i) improperly influence any act, omission or decision by that Person in respect of any matter or transaction, whether actual or proposed or likely to take place; or
  - (ii) improperly induce that Person to use the Person's influence with or on any entity or any other person to affect any act, omission or decision by such entity or other person; or
  - (iii) secure any improper advantage.
- 26.4. For purposes of the Letter of Offer and these General Terms and Conditions, the "gratification" has the meaning set out in Section 3 of the MACC Act/ herein below:
  - (a) money, donation, gift, loan/facilities, fee, reward, valuable security, property or interest in property being property of any description whether movable or immovable, financial benefit, or any other similar advantage;
  - (b) any office, dignity, employment, contract of employment or services, and agreement to give employment or render services in any capacity;
  - (c) any payment, release, discharge or liquidation of any loan/ facilities, obligation or other liability, whether in whole or in part;
  - (d) any valuable consideration of any kind, any discount, commission, rebate, bonus, deduction or percentage;
  - (e) any forbearance to demand any money or money's worth or valuable thing;
  - (f) any other service or favour of any description, including protection from any penalty or disability incurred or apprehended or from any action or proceedings of a disciplinary, civil or criminal nature, whether or not already instituted, and including the exercise or the forbearance from the exercise of any right or any official power or duty; and
  - (g) any offer, undertaking or promise, whether conditional or unconditional, of any gratification within the meaning of any of the preceding paragraphs (a) to (f).
- 26.5. The Customer agree that the Customer shall upon the occurrence of any of the above stated events, at the earliest opportunity thereafter, report such events to the Malaysian

Anti-Corruption Commission or a police officer, and the confidential reporting channel (Speak Up Corner) of the Bank available on the Bank's corporate website at [www.rhbgroup.com](http://www.rhbgroup.com). Failure to make such report amounts to an offence and on conviction will attract a fine not exceeding Ringgit Malaysia Ten Thousand (RM10,000.00) or imprisonment for a term not exceeding two (2) years or both.

- 26.6. The occurrence of any of the foregoing activities shall amount to an Event of Default under the Facility and the Bank shall be entitled without further notice to the Customer to exercise forthwith all or any of its rights, powers and remedies under the Facility or by statute or otherwise, and the Bank shall make the necessary disclosures in compliance with the relevant laws and regulatory requirements.

## **27. FOREIGN EXCHANGE POLICY NOTICE**

- 27.1. The Customer understands that under BNM's Foreign Exchange Policy Notices:

27.1.1. RHB Banking Group has the right to suspend the Customer's application denominated in currencies other than Ringgit Malaysia if my facility has exceeded the stipulated aggregate threshold per calendar year without the approval letter from BNM.

27.1.2. Resident refers to:

- (a) A citizen of Malaysia, excluding a citizen who has obtained permanent resident status in a country or a territory outside
- (b) Malaysia and is residing outside Malaysia;
- (c) A non-citizen of Malaysia who has obtained permanent resident status in Malaysia and is ordinarily residing in Malaysia;
- (d) A body corporate incorporated or established, or registered with or approved by any authority, in Malaysia;
- (e) An unincorporated body registered with or approved by any authority in Malaysia; or
- (f) The Government or any State Government

27.1.3. Non-Resident refers to:

- (a) Any person other than a resident;
- (b) An overseas branch, a subsidiary, regional office, sales office or representative office of a resident company;
- (c) Embassies, Consulates, High Commissions, supranational or international organisations; or
- (d) A Malaysian citizen who has obtained permanent resident status of a country or territory outside Malaysia and is residing outside Malaysia.

For the avoidance of doubt, this includes Malaysian Embassies, Consulates and High Commissions.

27.1.4. Entity refers to:

- (a) any corporation, statutory body, local authority, society, co-operative, limited liability partnership and any other body, organisation, association or group of persons, whether corporate or unincorporate, in or outside Malaysia; or
- (b) the Federal Government, any State Government or any other government.

27.1.5. Domestic Ringgit borrowing/financing refers to any borrowing/financing in Ringgit obtained by a resident from another resident (including individuals, corporations and financial institutions) in the form of credit facility, financing facility, trade guarantee or guarantee for payment of goods, redeemable preference share, Islamic redeemable preference share, corporate bond or sukuk other than:

- (a) Trade credit terms extended by a supplier for all types of good or services;

- (b) Credit limit that licensed onshore bank apportions to undertake a forward basis transaction, excluding a transaction that involves:
  - (i) the exchanging or swapping of Ringgit Malaysia or foreign currency debt with another foreign currency debt; or
  - (ii) the exchanging of foreign currency debt with a Ringgit Malaysia debt;
- (c) Financial guarantee or non-financial guarantee;
- (d) Operational leasing facility;
- (e) Factoring facility without recourse;
- (f) Credit facility or financing facility obtained by a resident individual from a resident to purchase one residential property and one vehicle;
- (g) Credit card/-i and charge card/-i facility obtained by a resident individual from a resident and used for payment for retail goods or services only.

Domestic Ringgit borrowing/financing' above shall also exclude the borrowing/financing in Ringgit of a resident entity from another resident entity within its group of entities with parent-subsidary relationship, the borrowing/financing obtained from its direct shareholder, and any facility including credit facility or financing facility which is used for sundry expenses or employee' expenses only.

A resident individual, sole proprietor or general partnership with Domestic Ringgit borrowing/financing is allowed to invest in foreign currency asset up to RM1 million equivalent (computed in aggregate based on the resident individual, sole proprietor and general partnership) per calendar year, and a resident entity with Domestic Ringgit borrowing/financing is allowed to invest in foreign currency asset up to RM50 million equivalent (computed in aggregate based on the resident entity within its group of entities with parent-subsidary relationship) per calendar year, using funds sourced from the aggregate of:

- (a) conversion of Ringgit into foreign currency;
- (b) trade foreign currency account;
- (c) a borrowing/financing in foreign currency from a licensed onshore bank for purposes other than direct investment abroad; and
- (d) swapping of a Ringgit-denominated financial asset in Malaysia for a financial asset in Labuan Entity or outside Malaysia.

27.1.6. Foreign currency asset refers to Foreign Currency Asset Offshore and Foreign Currency Asset Onshore.

27.1.7. Foreign Currency Asset Offshore (previously referred to as "**Investment Abroad**") refers to:

- (a) a financial asset in Malaysia swapped for a financial asset in a Labuan Entity or outside Malaysia;
- (b) foreign currency borrowing/financing given to a Non-Resident;
- (c) working capital arising from the set up of any business arrangement outside Malaysia (including a joint venture project where no Entity is created or established);
- (d) deposit in a foreign currency account maintained with a Labuan Entity or outside Malaysia excluding reasonable amount of deposit for education, employment or migration outside Malaysia;
- (e) foreign currency-denominated
  - (i) asset (tangible or intangible) offered by a Non-Resident or any person whose residency cannot be determined;
  - (ii) asset (tangible or intangible) in or maintained with a Labuan Entity, or outside Malaysia;
  - (iii) financial instrument or Islamic financial instrument (excluding exchange rate derivatives) without firm commitment offered on a specified exchange under the Capital Markets and Services Act 2007 (Act 671) outside Malaysia undertaken by a Resident through a Resident futures broker; or

- (iv) financial instrument or Islamic financial instrument (excluding exchange rate derivatives) without firm commitment issued or offered by a Non-Resident.

27.1.8. Foreign Currency Asset Onshore refers to:

- (a) foreign currency-denominated securities or Islamic securities offered in Malaysia by a Resident as approved in writing by the Bank;
- (b) foreign currency-denominated financial instrument or Islamic financial instrument offered in Malaysia by a Resident as approved in writing by the Bank excluding a derivative or Islamic derivative transaction entered with firm commitment;
- (c) deposit in investment foreign currency account with a licensed onshore bank or an approved financial institution as specified in Notice 3 of the Foreign Exchange Policy Notices; or
- (d) any instrument offered by a licensed onshore bank with foreign currency delivery at maturity.

27.1.9. Direct Investment Abroad refers to:

- (a) an investment in Foreign Currency Asset Offshore by a Resident resulting in at least 10% equity ownership or control of a Non-Resident Entity outside Malaysia or a Labuan Entity;
- (b) an inter-company lending by a Resident Entity to a Non-Resident Entity within the Resident Entity's Group where the Non-Resident Entity is outside Malaysia or a Labuan Entity; or
- (c) a capital expenditure by a Resident investor in an unincorporated Entity outside Malaysia or a project outside Malaysia by an agreement with no establishment created, where the Resident investor:
  - (i) contributes capital of at least 10% of the cost of the project;
  - (ii) is entitled to at least 10% of profits from the unincorporated Entity or project; or
  - (iii) has management control of the unincorporated Entity or project.

27.1.10. The Customer shall consent to abide with and be bound by the provision of the Financial Services Act 2013/Islamic Financial Services Act 2013 and Foreign Exchange Policy Notices and any amendments from time to time with regards to any transaction or payments to or from the Customer's relevant account(s).

27.1.11. In the event there are changes to the circumstances and/or details contained in this declaration and undertaking, the Customer undertakes to update the Bank of the changes immediately, failing which the Bank may proceed to take any actions the Bank deems fit without further reference to the Customer.

27.1.12. The Customer hereby declare that the information given in these General Terms and Conditions is true and correct.

## 28. **PRIVACY NOTICE**

The Customer understand that the Bank will use, collect, record, store, share and/or process the Customer's personal information, including, the Customer's contact details, background information, financial data, tax residency and other information relevant to the Customer's application for the product and / or service which:

- (a) the Customer has herein provided or through any other contact with RHB Banking Group (which shall include its holding company(s), subsidiary(ies), and any associated company(ies), including any company as a result of any restructuring, merger, sale or acquisition), or
- (b) has been obtained from analysis of my payment and other transactions/services within the RHB Banking Group, or



- (c) has been obtained from third parties such as employers, joint applicants/accountholders, guarantors, legal representatives, industry/financial related associations, government/regulatory authorities, credit bureaus or credit reporting agencies, retailers, social networks and fraud prevention agencies or other organizations/for any and/or all of the following purposes ("**Purpose**"), if applicable:
- (i) providing this product and/or service and notifying me about important changes or developments to the features;
  - (ii) updating and managing the accuracy of RHB Banking Group's records;
  - (iii) prevention, detection or prosecution of crime, and complying with legal and regulatory obligations;
  - (iv) assessment and analysis including credit, financing, insurance/Takaful risks or other risk purposes, behaviour scoring, mining, profiling, data analytics, due diligence, market and product analysis and/or market research;
  - (v) communications and ensuring the Customer satisfaction, which may include conducting surveys to improve the quality of the Bank's products and services, responding to inquiries and complaints and to generally resolve disputes;
  - (vi) determining the amount of my indebtedness and recovering debt that I owe to the Bank;
  - (vii) maintaining my credit history for present and future reference;
  - (viii) enabling an actual or proposed assignee of the Bank, or participant or sub-participant of the Bank to evaluate my transactions which are intended to be the subject of the assignment, participation or sub-participation;
  - (ix) cross-selling, marketing and promotions of products and/or services of RHB Banking Group and its strategic alliances;
  - (x) for the Bank's corporate events (including networking events, launching of products, etc) /contests, of which photographs/ images of the Customer may be captured and may be used for the Bank's publications;
  - (xi) protecting RHB Banking Group's interests; and
  - (xii) all other purposes which are ancillary to or related with any of the above.

The Customer understand and acknowledge that it is necessary for the Bank to process the Customer's personal information for the purpose, without which the Bank will not be able to provide the product/service that the Customer has requested from the Bank and to notify the Customer about important changes or developments to the products/services. Where the Customer has provided the Bank with sensitive personal information (in particular, information consisting of the Customer's physical/mental health for applications of insurance/takaful products/services), the Customer expressly consent to the Bank processing the same in the manner described in this Clause. The Customer may exercise the Customer's options in respect of receiving marketing materials (including cross-selling, marketing and promotions as described above) at any time by visiting any branch of the Bank or contact RHB Customer Contact Centre by telephone at 03-92068118 or by email at [customer.service@rhbgroup.com](mailto:customer.service@rhbgroup.com).

The Customer understand that the Bank may disclose the Customer's personal information (or sensitive personal information, if applicable) to other companies within the RHB Banking Group, service providers, merchants and strategic partners, vendors including debt collection agencies, professional advisers, industry/financial related associations, credit bureaus or credit reporting agencies and fraud prevention agencies, governmental agencies, other financial institutions and any of their respective agents, servants and/or such persons, whether located within or outside Malaysia for the Purpose, if applicable, subject at all times to any laws (including regulations, standards, guidelines and/or obligations) applicable to the Bank.

The Customer further understand that the Customer may request for correction (if the Customer's personal information is inaccurate, outdated, incomplete, etc.), access to (a

prescribed fee may be charged), or deletion (if the Customer no longer have any existing products/services with RHB Banking Group) of the Customer's personal information or limit the processing thereof at any time hereafter by contacting RHB Customer Contact Centre by telephone at 03-92068118 or by email at [customer.service@rhbgroup.com](mailto:customer.service@rhbgroup.com).

The Customer acknowledge that RHB Banking Group may modify or update its Privacy Notice from time to time, a copy of which is available at [www.rhbgroup.com](http://www.rhbgroup.com) and that the Customer may channel any complaints or inquiries the Customer may have in the manner indicated above.

### **ACKNOWLEDGEMENT AND CONSENT**

By providing personal information and signature, the Customer consent to the Bank processing the Customer's personal information for any necessary disclosures and overseas transfers of the personal information to relevant third parties, for the Purpose, if applicable.

The Customer agree to the disclosure and/or transfer of the Customer's personal information to relevant third parties as a result of any restructuring, sale or acquisition of any company within the RHB Banking Group, provided that the recipient uses the Customer's personal information for the Purpose, if applicable.

The Customer also represent and warrant that he/she has sufficiently obtained the consent of third party individual(s) (e.g. family, spouse, related parties, supplementary cardholder and/or emergency contact persons, etc.) whose personal information he/she has disclosed to the Bank to allow the Bank to process the same in relation to the Purpose, if applicable.

## **29. DUTY TO VERIFY STATEMENTS OF ACCOUNTS/CERTIFICATE OF BANK**

- 29.1. The Customer must verify all statements of accounts sent to the Customer by the Bank (signed by any of its officers as to what at any time is the amount outstanding), and within reasonable time inform the Bank if there is any discrepancy in such statements of accounts. If the Customer fail to inform the Bank accordingly, then such statement of accounts will (except for manifest errors) be deemed to be conclusive and binding against the Customer.
- 29.2. If the Customer have selected for e-Statement in the Statement Type, the Customer acknowledged that the Customer have read, agreed to and understand the contents of the Electronic Statement User Agreement - Terms & Conditions ("**e-Statement T&C**") and the Customer agreed that the Customer is bound by such e-Statement T&C. The Customer may view the e-Statement T&C by visiting [www.rhbgroup.com](http://www.rhbgroup.com).

## **30. SET OFF/ COMBINATION OR CONSOLIDATION OF ACCOUNTS**

- 30.1. The Bank may, by giving seven (7) calendar days prior written notice to the Customer, deduct any money in any of the Customer's accounts with the Bank and the RHB Banking Group (up to the principal portion only for non-Islamic account(s)) to pay any amount due and payable under the Facility by the Customer to the Bank. The Bank may take any reasonable action to cause such deduction to be made under this Clause (including making currency exchanges).

## **31. SUSPENSE ACCOUNT**

- 31.1. Any monies received by the Bank in respect of the Facility may be placed temporarily in a (non-income bearing) general account of the Bank for so long as the Bank thinks fit, without the Bank being required to use such monies to pay any of the Customer's liabilities to the Bank.

## **32. NOTICES & SERVICE OF LEGAL PROCESS**

### **32.1. Notices/ Communications:**

32.1.1. Any notice, demand or other communication between the Customer and the Bank under the Letter of Offer and these General Terms and Conditions may be given in writing to the other party at the address details as stated herein and/or in the Letter of Offer or at such other address as the recipient may have notified to the other party in writing. No change in the Customer's address stated in the Letter of Offer and/or these General Terms and Conditions is effective or binding on the Bank, unless the Bank has received an actual notice of such change of address.

32.1.2. The notices or other communications may be given or made in any manner as set out in this Clause. The notices or other communications are deemed delivered to the Customer (unless there is contrary evidence that such notice/communication was in fact not delivered):

- (a) in the case of telephone call, when made;
- (b) in the case of a letter, by the fifth (5<sup>th</sup>) day after posted;
- (c) in the case of courier or other fast postal service, at the time of delivery, so long as the notice or other communication has been duly addressed and posted;
- (d) in the case of facsimile, at the time the transmission report is received by the sender, confirming that the addressee has received such facsimile;
- (e) in the case of electronic mail, on the day such electronic mail enters the Customer's information system, so long as the Bank has not received a failed or undeliverable message from the host provider on the day of transmission;
- (f) in the case of personal delivery, at the time of delivery; and
- (g) in the case of SMS, on the day that such SMS sent to the Customer, so long as the Bank has not received delivery error message on the day that the SMS was sent.

32.1.3. Despite the above provisions, the Customer agree that the Bank may make a demand for payment, in the form of a computer-generated demand or notice which requires no signature or which contains a printed or facsimile signature. Any such demand or notice (except for manifest error), is binding and conclusive on the Customer.

32.1.4. If the Customer send any instruction, notice or communication, or if the Customer execute or perfect any documents by facsimile or electronic mail to the Bank, the Customer must indemnify the Bank against any claim, loss and liability arising from the Bank relying on such instruction, notice, communication, execution or perfection.

32.1.5. To avoid any doubt, the Customer authorise the Bank to rely on and act on any instruction, notice or communication from the Customer made by telephone or facsimile to the Bank. The Customer must indemnify the Bank and must not make the Bank liable for any actions, suits, proceedings, costs, claims, demands, charges, expenses, losses and liabilities (unless due to the Bank's gross negligence or wilful default), due to or related to the Bank having relied on or acted in good faith in accordance with the Customer's telephone or facsimile instruction, notice or communication, even if such instruction, notice or communication had been initiated or transmitted in error, fraudulently altered, misunderstood or distorted in the lines of communication or transmission.

### **32.2. Service of Legal Process:**

32.2.1. Legal Process may be served by prepaid registered or ordinary post sent to the

respective address of the parties, and such Legal Process is deemed to have been duly served (unless there is contrary evidence that such Legal Process was in fact not served) after five (5) calendar days from the date it is posted and if delivered by hand, on the day it was delivered; and duly acknowledged.

32.2.2. No change in the address for service will be effective or binding on either party, unless that party has given to the other actual notice of the change of address for service, and nothing done in reliance of sub-section (a) above is affected by any later change in the address for service, of which the other party has no actual knowledge of at the time the act or thing was done or carried out.

32.2.3. "**Legal Process**" means pleadings, all forms of originating processes, interlocutory applications, affidavits, orders and such other documents which are required to be given to the other party, notices, under the Companies Act 2016, the Insolvency Act 1967 and other Malaysian laws.

### **33. AVAILABILITY OF FUNDS/ REVIEW**

33.1. The availability of the Facility is subject to the availability of funds of the Bank and the Bank may, from time to time, review the Facility as deemed appropriate. The Bank may terminate or withdraw the Facility (with prior written notice to the Customer) at any time, regardless of whether the Customer have breached any of the terms and conditions contained in the Letter of Offer, these General Terms and Conditions or in any other documents in relation to the Facility.

### **34. IRREVOCABLE RIGHT TO DEBIT ACCOUNT**

34.1. The Customer must maintain a deposit account with the Bank and execute a standing instruction that irrevocably and unconditionally authorises the Bank to deduct the Customer's account for the following:

- (a) monthly payments of the Selling Price due and payable under the Facility; and
- (b) all other expenses, duties, fees and other sums due and payable arising from the Facility, including all Takaful contributions, assessment rates, maintenance costs and services charges on the financing arrangement, including service tax and/or any applicable taxes imposed from time to time.

### **35. ILLEGALITY**

35.1. If any law, regulation or official directive, or any change in the interpretation or application of such law, regulation or official directive, makes it unlawful for the Bank to carry out its obligations under the Letter of Offer and/or these General Terms and Conditions, the Bank will immediately notify the Customer that the Facility is terminated, and on such notice the Facility will be cancelled and the Customer must immediately pay all monies outstanding and payable under the Facility.

### **36. TAKAFUL**

36.1. The Customer is encouraged to take up a Group Credit Family Takaful plan to secure the payment under the Facility either from a Takaful operator listed on the Bank's panel of Takaful operators or from any other legitimate Takaful operator of the Customer's choice.

36.2. The contribution payable will be deducted from the proceeds prior to disbursement to the Customer only if the Takaful operator is listed in the Bank's panel.

### **37. BANKRUPTCY/WINDING UP SEARCH**

- 37.1. The Bank will conduct bankruptcy searches on the Customer/ the Customer's guarantor(s) (if any) before the disbursement of the Facility and at any time after the disbursement. All charges incurred with regard to the bankruptcy/winding up searches must be paid by the Customer. If any of the searches confirm that the Customer/the Customer's guarantor(s) are an adjudged bankrupt/wound up, or if there are any legal proceedings suits or actions instituted against the Customer and the Customer's guarantor, the Bank may (with prior written notice to the Customer) withdraw/cancel/terminate the Facility granted to the Customer.

### **38. DISHONoured CHEQUE**

- 38.1. The Bank may close the Customer's current account with the Bank (with prior written notice to the Customer) once the Customer's account has been blacklisted by Bank's dishonored cheque tracking system. The Bank may (with prior written notice to the Customer) terminate the Facility once an account is blacklisted.

### **39. NON-CONTRAVENTION OF SHARIAH PRINCIPLES**

- 39.1. The Customer agree that utilisation of the Facility is for the purpose set out herein and/or in the Letter of Offer, and that the Facility is in compliance with the Shariah principles. The Customer further confirm that the Customer do not have and will not raise any objection on matters of Shariah compliance in respect of the Facility.

### **40. INDEPENDENT LEGAL/SHARIAH ADVICE AND REFERENCE TO SHARIAH ADVISORY COUNCIL OF BNM ("SAC OF BNM")**

- 40.1. The Customer is responsible for assessing the terms in these General Terms and Conditions and shall seek own independent legal and/or Shariah advice. The Customer also agrees that the Facility granted or to be granted to the Customer are in conformity with the Shariah principles stated in these General Terms and Conditions and confirm that it would not have and will not raise, any objections as to matters of Shariah compliance in respect of the Facility. In the event any Shariah compliance related issue or objection is raised, the parties agree to refer such issues or objections to SAC of BNM for a ruling which decision (in respect of such Shariah compliance related issues or objections) will be final and binding against the parties.

### **41. OTHER TERMS AND CONDITIONS**

- 41.1. The Customer must operate the Customer's account with the Bank in a satisfactory manner, and pay the installments or payments and any monies due in respect of the Facility promptly.
- 41.2. If any provision of the Letter of Offer and these General Terms and Conditions becomes invalid, illegal or unenforceable, the validity, legality or enforceability of the remaining provisions will not be affected or impaired.
- 41.3. Unless specified differently in the Letter of Offer, the Bank may (with twenty-one 21 calendar days' prior written notice to the Customer and by stating reasons in such written notice) vary the terms and conditions governing such Facility, including varying the amount of the Facility.
- 41.4. The Bank may at its discretion vary the Bank's SBRI and/or the Margin of Profit imposed above the Bank's SBRI in the following manner:
- (i) In respect of the Bank's SBRI — by displaying at the Bank's premises a general notice on the change in the Bank's SBRI addressed to the public generally, and such display is deemed to be an effective notice on the Customer, or by any other

- methods deem fit and proper by the Bank; and
- (ii) In respect of the change in the Margin of Profit imposed above the Bank's SBRI —by serving a notice in writing to the Customer of at least twenty-one (21) calendar days before the effective date of such change in the rate(s), and such notice is deemed to have been sufficiently served on the Customer if sent by hand or by ordinary mail to the Customer's last known place of residence/business or to the Customer's address as stated in the Letter of Offer.

The Bank may at any time at its discretion (by giving prior written notice to the Customer) change the fundamental basis of calculation of the prescribed rate (whether the SBRI or any other basis). In any case, the effective date of such change in the Bank's SBRI and/or Margin of Profit imposed above the Bank's SBRI, must be the date specified in the notice or in the display at the Bank's premises.

- 41.5. Where these General Terms and Conditions are translated into any language other than English, in the event of any conflict, discrepancy, or inconsistency between the English version and the translated version(s), the English version shall prevail.

#### **42. AGENCY KAUNSELING DAN PENGURUSAN KREDIT (AKPK)**

- 42.1. BNM has established Agensi Kaunseling dan Pengurusan Kredit (AKPK) to provide free services on money management, credit counseling, financial education and debt restructuring for individuals. For enquiry, please call 03- 2616 7766.

#### **43. BANK NEGARA MALAYSIA LINK (BNMLINK) AND FINANCIAL MARKETS OMBUDSMAN SERVICES (FMOS) -formerly known as Financial Mediation Bureau.**

- 43.1. If the Customer are not satisfied with the outcome of the investigation or of the complaint, the Customer may appeal against such outcome by referring such complaint to BNM or FMOS. For enquiry, please call:  
BNMLINK or TELELINK: 1-300-88-5465  
Financial Markets Ombudsman Service: +603-22722811

#### **44. FINANCING RECOVERY**

- 44.1. Without prejudice to any of the Bank's rights and remedies upon the occurrence of the Event of Default, the Customer irrevocably and unconditionally authorise the Bank to:
- (i) Debit the available balances from the Customer's overdraft account, current account, savings account and/or fixed or term deposits account to settle any existing arrears/overdue amounts of other Facility/ies, with prior written notice to the Customer.
  - (ii) Subject to Clause 30 (*Set Off/ Combination or Consolidation of Account*) above, the Bank can return post-dated cheque(s) issued from any of the Customer's current account and the Bank shall deduct the credit balance in the said accounts to settle any existing arrears upon expiry of seven (7) calendar days' written notice to the Customer after which the Customer can only withdraw any credit balance in the said accounts upon obtaining the Bank's prior written consent.
  - (iii) Debit any of the Customer's accounts/credit balances (applicable to full flexi & semi flexi package) to set off all payments of the Facility/ies which are in arrears/overdue with prior written notice to the Customer including but not limited to the Bank's right to return cheques drawn from the Customer's current account and/or overdraft account.
  - (iv) Surrender the takaful policy on behalf of the Customer to recover the financing loss in the Event of Default, providing seven (7) calendar days' prior written notice to the Customer. The Bank will claim/use the surrender value (cash value) from the takaful company to cover for the financing loss.

**[End of General Terms and Conditions]**