

TERMS AND CONDITIONS OF UNCALLABLE NEGOTIABLE ISLAMIC DEBT CERTIFICATE (UNIDC)

This Uncallable Negotiable Islamic Debt Certificate (“UNIDC”) is governed by applicable laws of Malaysia, rulings of the Shariah Advisory Council of Bank Negara Malaysia (“BNM”) and Shariah Committee of Bank Kerjasama Rakyat Malaysia Berhad (“Bank Rakyat” or “the Bank”), terms and conditions of Bank Rakyat (“Terms and Conditions”) and banking regulations effective from the date of account opening or any amendments, changes or variations made thereto. Any amendment and/or variation of any fees, charges, terms and conditions herein contained, shall be made or caused by way of the Bank giving twenty-one (21) days’ notice to the depositor/customer before the new terms and conditions take effect which is in accordance to any guidelines issued by Bank Negara Malaysia applicable at that time and/or in the absence of the internal policy and/or procedure of the Bank.

1.0 Concept

- 1.1 The UNIDC is based on the concept of Tawarruq with Murabahah (cost-plus) and Dual Wakalah (dual agencies which consist of Wakalah and Wakalah Bil Ujrah) application for the purpose of account opening and automatic renewal. The Dual Wakalah contracts are valid with effect from account opening until closure of account upon request by the depositor/customer or termination by the Bank.
- 1.2 The depositor/customer authorizes the Bank as an agent to perform and complete Tawarruq transactions via the commodity platform, Bursa Suq Al-Sila` (“BSAS”), with commercially traded commodities which meet the contract grade and price as specified by the BSAS as underlying asset. The commodities’ specification can be viewed from Bursa Malaysia website at <http://www.bursamalaysia.com>.
- 1.3 Pursuant to the appointment of the Bank as agent, the Bank will first purchase the commodities from BSAS on behalf of the depositor/customer (based on pre-agreed Wakalah Bil Ujrah) and subsequently purchases the said commodities from the

depositor/customer (whereby the Bank acts as the depositor/customer’s agent to sell the commodities based on pre-agreed Wakalah) on Murabahah (cost plus) and deferred payment basis.

- 1.4 The depositor/customer has the right to take delivery of the commodities prior to the sale of commodities to the Bank by informing the Bank in writing. The delivery request cannot be cancelled once confirmed and all costs and expenses related thereto such as transportation, storage and licensing shall be solely borne by the depositor/customer. Other terms and conditions are available at Bursa Malaysia website.
- 1.5 The sale price of the commodities (which comprises of the principal and profit) will be paid to the depositor/customer upon maturity on lump sum or staggered basis depending on the features and types of the depositor/customer’s account.
- 1.6 Deposit by the depositor/customer will be placed with the Bank upon realizing the proceeds of sale of the commodities by the Bank to BSAS on cash basis.

2.0 Shariah Laws

- 2.1 The operation of the account shall be subject to the nature of the depositor/ customer’s business or occupation not being against Shariah Law and principles. The Bank reserves the right to close the account if the nature of the depositor/customer’s business or occupation has changed from a lawful (*halal*) to an unlawful/prohibited (*haram*) activity.
- 2.2 The Bank reserves the right to reject any form of **fund** acquired from sources that are unlawful/prohibited (*haram*) under Shariah Law.

3.0 Features For UNIDC

Features	Description						
Eligibility	<table border="1" data-bbox="443 331 1377 512"> <tr> <td data-bbox="443 331 607 512">Corporate Depositor</td> <td data-bbox="607 331 1377 512"> <table border="1"> <tr> <td data-bbox="607 331 786 368">Cooperative</td> <td data-bbox="786 331 1377 368"> <ul style="list-style-type: none"> • Cooperatives registered in Malaysia. </td> </tr> <tr> <td colspan="2" data-bbox="607 368 1377 512"> <ul style="list-style-type: none"> • Public and private companies. • Federal, State and Local Government. • Government agencies. • Statutory bodies. </td> </tr> </table> </td> </tr> </table>	Corporate Depositor	<table border="1"> <tr> <td data-bbox="607 331 786 368">Cooperative</td> <td data-bbox="786 331 1377 368"> <ul style="list-style-type: none"> • Cooperatives registered in Malaysia. </td> </tr> <tr> <td colspan="2" data-bbox="607 368 1377 512"> <ul style="list-style-type: none"> • Public and private companies. • Federal, State and Local Government. • Government agencies. • Statutory bodies. </td> </tr> </table>	Cooperative	<ul style="list-style-type: none"> • Cooperatives registered in Malaysia. 	<ul style="list-style-type: none"> • Public and private companies. • Federal, State and Local Government. • Government agencies. • Statutory bodies. 	
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Minimum Deposit	<ul style="list-style-type: none"> • RM 60,001 						
Maximum deposit	<ul style="list-style-type: none"> • Subject to the liquidity position of the Bank 						
Tenure of deposit	<ul style="list-style-type: none"> • Minimum tenure is one (1) day up to 4 years 11 months 						
Profit	<ul style="list-style-type: none"> • Profit is paid to the depositor/customer upon maturity with the following formula: <ul style="list-style-type: none"> a) Issued at Face Value (FV): <div data-bbox="539 994 1149 1046" style="border: 1px solid black; padding: 5px; margin: 10px 0;"> $\text{Principal (RM)} \times \text{Profit Rate (\%)} \times \text{Tenure/365 days}$ </div> b) Issued at discount: <div data-bbox="539 1145 1160 1198" style="border: 1px solid black; padding: 5px; margin: 10px 0;"> $\text{Principal (RM)} - [\text{Principal (RM)}] \times [1/1+ (\text{Profit Rate} \times \text{Tenure/365 days})]$ </div> • Profit rate is based on the Bank's prevailing profit rate and determined upon placement of deposit together with the tenure. 						

Feature	Description
Payment upon maturity /Redemption	<ul style="list-style-type: none"> • Customer will receive principal plus profit upon maturity for the certificate issued at FV or nominal. • Customer will receive the face value amount upon maturity for the certificate issued on discounted basis. <p>For any third-party payment/ transfer, official instruction letter must be provided and being signed by the authorized signatories of the depositor/customer.</p> <p>In the event of payment instruction is not provided or unsuccessful payment crediting to depositor/customer due to whatsoever reasons, the Bank reserves the right to perform automatic renewal on the whole deposit amount based on the Bank's prevailing profit rate.</p>
Automatic renewal	<ul style="list-style-type: none"> • Automatic renewal is allowed subject to instruction by the depositor/customer upon opening of the account. • By default, renewal is based on the whole sale price (principal and profit) unless otherwise requested by the depositor/customer. • The profit rate upon automatic renewal is subject to the Bank's prevailing profit rate. • Date of automatic renewal is on the maturity of the previous Certificate.
Premature withdrawal	<ul style="list-style-type: none"> • Early redemption is NOT ALLOWED; however, depositor/customer may sell the certificate of UNIDC in secondary market for liquidation purposes.
Partial withdrawal	<ul style="list-style-type: none"> • Not allowed.
Certificate and Deposit Confirmation	<ul style="list-style-type: none"> • UNIDC Certificate will be issued upon deposit placement. • Should placement made by cheque, the issuance of Certificate is subjected to the cheque clearance.
Fees and charges	<ul style="list-style-type: none"> • No charges applied
Guarantee	<ul style="list-style-type: none"> • The deposit amount is guaranteed by the Bank.

4.0 **Perbadanan Insurans Deposit Malaysia (PIDM)**

4.1 The UNIDC is not protected by PIDM.

5.0 **Confirmation Advice**

5.1 A confirmation Advice detailing the information of the UNIDC transaction such as tenure, maturity date, profit rate, Nominal Amount, UNIDC certificate number and etc. will be mailed to depositor/customers on the start date of the UNIDC for record purpose.

5.2 The Bank shall issue the Confirmation Advice as soon as reasonably practicable after the terms of UNIDC have been confirmed.

5.3 The depositor/customer shall verify the Confirmation Advice issued by the Bank. If no written objection is raised by the depositor/customer within seven (7) calendar days from the statement date, the Confirmation Advice shall be deemed conclusive and binding, save for manifest error, against the depositor/customer and the depositor/customer shall not entitle to object thereto. However, the Bank may at any time, rectify any error on the Confirmation Advice where the depositor/customer will be informed via notice.

5.4 In the event of any inconsistency between the Confirmation Advice and the UNIDC, the Confirmation Advice shall prevail.

6.0 **UNIDC Certificate and Authorised Depository**

6.1 UNIDC certificate will be generated for each UNIDC transaction. The original certificate is kept custody and stored electronically by the Bank on start date which act as Authorised Depository i.e a licensed financial institution approved by Bank Negara Malaysia and a member of Real-time Electronic Transfer of funds and Securities System (RENTAS). The Bank shall keep the UNIDC certificate (s) in its custody on behalf of the depositor /customer.

7.0 **General Declarations**

7.1 The depositor/customer hereby declare that all information and particulars provided to the Bank during the account opening are true and correct and

that there is no omission of material facts or information which may affect the Bank's decision in allowing the said account opening.

7.2 The Bank has the right at any time and from time to time by providing written notice to the depositor/customer to terminate **UNIDC** upon occurrence of any of the following events:

- (a) failure by the depositor/customer to comply with the Customer Due Diligence ("CDD") requirements as required by BNM;
- (b) bankruptcy or liquidation of the depositor/customer;
- (c) withdrawal by the depositor/customer of all moneys deposited;
- (d) the depositor/customer commits breach of any of the Terms and Conditions stated herein;
- (e) the depositor/customer does not accept or refuses to accept any amendments, changes and/or variations to these Terms and Conditions;
- or
- (f) the death or insanity of the depositor/customer.

7.3 The depositor/customer hereby agree and authorize the Bank to disclose any information about the account or any documents related thereto including of personal data of the depositor/customer for the purpose of implementing banking operations, business, administration, professional advice and for any other purposes as permitted under the laws to:-

- (a) the Bank's branches, subsidiaries and/or any companies within the Bank's group;
- (b) the Bank's agents;
- (c) Central Credit Bureau, e-SPICK, Financial Information Services (FIS), Angkasa Salary Deduction System (SPGA) and Angkasa Credit Reporting System & RAM Credit Information Sdn Bhd (SPEKAR);
- (d) service providers and debt collection agencies
- (e) any other authorities having jurisdiction over the Bank;
- (f) permitted assigns; and
- (g) any other enforcement authorities.

The depositor/customer hereby acknowledge and agree that disclosure of information under this provision is for the purpose of Section 120 of Development Financial Institutions Act 2002 and no further consent from the depositor/customers is required for the purpose of the said Act. The said

information shall however be kept strictly confidential by the company/agency and/or members/contributors.

- 7.4 The depositor/customer agrees that the Bank is authorised to check and verify any of the information provided to the Bank and to obtain credit and other relevant information on the depositor/customer from any parties. The depositor/customer also authorizes the Bank or its representatives to obtain further information pertaining to account opening application from any sources in accordance with the Bank's internal policy.
- 7.5 Due to the nature of access via internet, the depositor/customer agrees and acknowledges that the Bank does not guarantee or ensure and does not make any representations or warranties in respect of the confidentiality of the information and the depositor/customers hereby agree to accept the risk associated with use of the internet medium including but not limited to the risk that all information transmitted through the account may be accessed by unauthorized third parties and accordingly, the depositor/customer agrees not to hold the Bank responsible or liable for any such unauthorized access.
- 7.6 The depositor/customer hereby acknowledges and agrees that the Bank has the obligation under the Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act 2001 ("AMLATFA") and/or other laws, regulations, rules, guidelines or directive to disclose any information relating to the depositor/customer, banking account(s) or any other information or matters related thereto to BNM and/or other relevant authorities or law enforcement agencies. The depositor/customer hereby agree that the Bank, its officers and employees shall not be held liable or responsible in any manner whatsoever for such disclosure. The Bank has also the right to lodge a report to the relevant authorities and to extend full cooperation in order for the authorities to carry out their duties under AMLATFA, Penal Code and/or any written law. If it is found that the depositor/customer is in violation of AMLATFA, the Bank is entitled to exercise all of its rights contained in this Terms and Conditions.
- 7.7 The Bank is irrevocably authorised and permitted to provide any information concerning the depositor/customer, the account opening application, depositor/customer's present and future accounts and/or facilities, products and/or services /with the Bank, to any credit bureaus, any relevant authorities, bodies, persons or agencies as may be authorised by law to

obtain such information or established by BNM, any other financial institutions or establishments to facilitate the execution of instructions given in respect of the credit facilities, accounts, products and/or services from/with the Bank and the Bank's auditors, lawyers and/or agents.

- 7.8 The depositor/customer agrees to comply with the Foreign Exchange Administration Rules on the conduct of account.

8.0 Foreign Account Tax Compliance Act (FATCA)

- 8.1 "FATCA" is a legislation enacted by the U.S. Government that requires the Bank which has participated in the FATCA regime either through the Intergovernmental Agreement or via a Foreign Financial Institution Agreement to report account information relating to U.S. Persons via the IRBM/relevant tax authorities or directly to the U.S. Internal Revenue Service (IRS) on an annual basis.
- 8.2 In attaining the objectives of enforcement and compliance with FATCA, the Bank will request certain information to be submitted by its Customer to meet its FATCA obligations. Failure by the Customer to provide this information will result in reporting of Customer information to the Malaysian Competent Authority. Payments to the Customers will generally not be subject to reporting, provided that appropriate certification or other documentation concerning their status is provided to the Bank as instructed. To ensure that the Customer information is accurate, the Bank requires that Customers provide notification in the event of changes in Customer information, including change of residential/business address, phone number and nationality within thirty (30) days of a change in circumstances that causes the Bank's prescribed account opening form to become incorrect.
- 8.3 The depositor/customer hereby confirms and declares that all information provided by the depositor/customer in any of the Bank's prescribed new issuance form related to UNIDC to the best of the Customer knowledge is true and correct.

9.0 Notices and Communications and Service of Legal Process

9.1 Any notice, request or demand requiring to be served by the Bank to the depositor/customer under the provisions of this Terms and Conditions shall be in writing and shall be sufficiently served or delivered:

- (a) if delivered by hand, when delivered;
- (b) if sent by ordinary post or registered post, in its ordinary course of posting;
- (c) if sent by facsimile or electronic mail or digital transmission, when transmission has been completed;
- (d) if by displaying notices in any of the Bank's premises or branches, such notification shall be effective from the first day such notice is displayed;
- (e) if by advertisement made once in any national newspapers in English language or national language, such notification shall be effective from the date of publication of such advertisement; or
- (f) if by broadcasting message on the Bank's internet banking information website, such notification shall be effective from the first day of such broadcast.

9.2 Unless otherwise specified, all notices and communications to the Bank shall be in writing and signed by the depositor/customer and sent to the Bank's address or in such manner as may be notified to the depositor/customer from time to time and all notices from the depositor/customer shall take effect only upon the Bank receiving the same.

9.3 Service of all legal process shall be validly effected if served by posting the same by way of registered post to the parties at his/its last known address as notified in writing by the other party to the other party and that such legal process shall be sufficiently served on the parties three (3) days after posting thereof.

10.0 Change of Account Particulars

10.1 Any changes of name, address, telephone number, signature and/or other particulars that are recorded with the Bank which include instruction to stop payment must be notified to the Bank as soon as possible and be supported by any documentations as the Bank may require.

11.0 Data Protection Notice and Consent

11.1 The depositor/customer is aware that the Bank's Privacy Notice on the collection, use, storage and sharing of the Customer personal information and matters related thereto are available at the Bank's website. The Bank's Privacy Notice may also be obtained from any of the Bank's branches.

11.2 The depositor/ customer is aware of the Bank's intention to keep the Customer informed of important information, announcements and news about the products and services including promotional offers and marketing material of the Bank and its Affiliates. The list of the Bank's Affiliates is set out in the Bank's Privacy Notice.

12.0 Right to Set-Off

The Bank, in addition to any general lien or other similar right to which it is entitled by law, may at any time, combine, consolidate or merge any or all of the banking accounts with the depositor/customer's liabilities to the Bank and with seven (7) calendar days' prior notice to the depositor/customer set-off or transfer any sum(s) standing in the credit of any one or more of the depositor/customer's banking accounts in or towards satisfaction of any liabilities with the Bank whether such liabilities to the Bank be primary or collateral or joint and several.

13.0 Event of Death, Bankruptcy and Insanity

13.1 Subject to any legislation applicable thereto and in accordance with the internal policy and/or procedure of the Bank, in the event of the death of any one joint account holders, the Bank may hold any credit balances now or hereafter standing to any accounts in joint names of the depositor/customers and any securities held in the joint names to the order of the survivors without prejudice to the Bank's right of consolidation and off-set contained herein or the Bank's rights in respect of such balance or securities arising out of any lien charge pledge counter-claim or otherwise whatsoever or to any step which the Bank may deem reasonable to take in view of any claim by any person other than the survivors. Any payment made by the Bank to

the survivors shall constitute a complete discharge of the Bank's obligations and shall be binding on all the account holders and their personal representatives.

- 13.2 In the event of bankruptcy or insanity, the Bank may deal the UNIDC subject to compliance with the relevant laws and regulations prevailing at such time, any court order or any other approved bodies.

14.0 Taxation

Unless otherwise specified herein, the fees and charges exclude any current taxes and future taxes that may be imposed, including the Sales and Services Tax ("SST") under relevant legislation. Upon the effective date of implementation of any such taxes in the future and wherever applicable, the Bank will be entitled to recover such taxes from the depositor/customer.

15.0 Limitation of Liability

- 15.1 Without prejudice to any other provisions herein, save and except for gross negligence, willful default and/or fraud on the part of the Bank, the Bank shall not in any event be held liable for any loss or damages whatsoever arising whether in contract, tort, negligence, strict liability or any other basis, including but not limited to, direct or indirect, special, incidental, consequential or punitive damages, or loss of profits or loss of savings arising in connection with the depositor/customer's access or use or the inability to access or use the mobile banking services, any technical failure of any kind, the interruption, error, omission, delay in operation or otherwise, whether or not the Bank has been advised of the possibility of such loss or damage or claim by any third party. This exclusion clause shall take effect to the fullest extent permitted by law.
- 15.2 Subject to the provisions herein, the Bank's sole and entire liabilities to the depositor/customer in contract, tort (including negligence or breach of statutory duty) or any other basis 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.

16.0 Indemnity

The depositor/customer hereby shall at all times keep the Bank save, harmless and indemnified against all actions, claims, direct losses, damages and expenses (including legal costs and expenses incurred on a solicitor and client basis) which may be brought or made against or incurred by the Bank in any nature whatsoever by reason or on account of the deposit except where such actions, claims, direct losses, damages and expenses were directly attributable to the Bank's gross negligence, willful default or fraud.

17.0 Force Majeure

In the event that the Bank is unable to observe or perform any of its obligations under these Terms and Conditions, whether in whole or in part, by reason of causes beyond its control including but not limited to equipment, system or transmission link malfunction or failure, fire, flood, explosion, acts of God, acts of terrorism, war (declared or undeclared), accidents, epidemics, pandemic, strikes, floods, sanctions, lockouts, power blackouts or failure, labour disputes, acts, demands or requirements of the Malaysian Government or as a result of any international or supranational sanctions, or by any other causes which it cannot reasonably be expected to avoid, the performance of the Bank's obligations under the Terms and Conditions as they are affected by such causes shall be excused for the duration of the abovementioned Force Majeure events. Further, the Bank shall not be liable for any losses or delay or inconvenience whatsoever and howsoever caused or arising from or in connection with any of the abovementioned Force Majeure events.

18.0 Modifications and Amendments to Terms and Conditions

- 18.1 Any amendment and/or variation of any fees, charges, terms and conditions herein contained, shall be made or caused by way of the Bank giving twenty-one (21) days' notice to the depositor/customer before the new terms and conditions takes effect which is in accordance to any guidelines issued by Bank Negara Malaysia applicable at that time and/or in the absence of the internal policy and/or procedure of the Bank.

- 18.2 The Bank has the right to revise any of its requirements in terms of value or figure including account balances, charges, fees, the number of transaction and any other value that has been quantified as indicated in the applicable clauses and brochure's description from time to time.
- 18.3 Unless expressly stated to the contrary herein, all other Terms and Conditions governing the operations of an account with the Bank shall remain and be binding with full force and effect on the account and/or the depositor/customers.
- 18.4 If any Terms and Conditions are found to be illegal or prohibited, they shall be ineffective only as to the illegal or prohibited parts of such Terms and Conditions. The remaining Terms and Conditions shall not be effected and shall continue to remain in full force and effect

- **The information provided in this Terms and Conditions is valid with effect from 24 June 2021.**