

Terms & Conditions (“Term”)

HSBC Amanah Personal Financing-i (“Facility”)

The Applicant (whose particulars are in Part 3 of this Form) applies for the Facility and agrees to be bound by the Terms below.

Applications.

1. The Bank may decline this application. It need not provide any reason or justification for its decision. If the Applicant withdraws his application at any time after he submits it (but before it has been approved or rejected) he shall be liable for all legal expenses, charges and disbursements the Bank incurred.

Applicant’s declarations

2. The Applicant makes the following declarations:
 - He is not an undischarged bankrupt
 - He is not insolvent
 - He has no bankruptcy proceedings pending against him
 - He has no legal suits or other actions pending against him which may affect his ability to meet his obligations under these Terms
 - No Event of Default has occurred or is continuing.

The Bank relies on these declarations whether or not it conducts any checks of its own in processing this application.

The Applicant agrees that if any of the above is untrue:

- a) the Bank may demand the immediate payment of the Bank’s Selling Price or the unpaid balance thereof, and
- b) he must compensate the Bank for any loss.

Usage of monies.

3. The Bank does not require the Applicant to use the Facility for any specific purpose. However, the Applicant agrees he will not use it for a purpose against the principles of Shariah.

How the Facility is created

4. The Bank and the Applicant shall enter into transactions under the Shariah principle of Bai Inah in the following steps:

Step 1: The Bank sells the Asset (an Islamic Negotiable Instrument of Deposit owned by the Bank of at least the Facility Amount value) to the Applicant. The price is as stated in, or is determined as provided in, this Form. (This price is called the Bank’s ‘Selling Price’ and ‘The Applicant’ shall interchangeably be referred to as ‘the Customer’ hereafter).

Step 2: The Bank immediately purchases the Asset from the Customer. This is at the Bank’s Purchase Price (also called the ‘Facility Amount’). The Facility Amount will be paid to the Customer by a credit into his account (less any deduction for the amount to put in place Takaful coverage (including any inland revenue charges), if applicable.)

This account must:

- (a) be opened with, or
- (b) be an existing account with, and informed to, the Bank. Such account must be in his sole name.

If the Customer has no account as required above, the Customer requests that an Amanah Statement Savings Account-i be opened for him. The Customer agrees to be bound by the Bank’s

- (a) Generic Terms & Conditions, and
- (b) Specific Terms & Conditions – Personal Financial Services.

Copies of these are available at the Bank's premises (the Customer shall obtain and read the same upon making this application).

Customer to activate account (where relevant)

5. The Customer must activate his account within the time the Bank states in its Approval Advice to him. Further, no conditions are to exist at the time of intended activation that the Bank reasonably feels would justify its declining to allow the account's activation. Otherwise, the Bank may reverse all provisional account entries and terminate the Facility / transaction.

What Customer has to pay

6. The Customer shall pay the Selling Price to the Bank. The Selling Price, which is the aggregate of the Facility Amount and the profit thereon, is stated as a single lump sum, with the Bank's profit portion calculated by applying the rate specified in this Form.

How and when Selling Price to be paid

7. Subject to clause 10 below, the Customer shall pay the Selling Price by the number of, and in the amount of, monthly instalments as stated in the Approval Advice. The Approval Advice shall be read as part of this Form, but the former shall prevail in the event of inconsistency. The first instalment is to be paid on a date to be advised by the Bank to the Customer in the Approval Advice by way of debiting the Customer's account on the said date or on such other date fixed by the Bank if not practicable. Subsequent instalments will be debited on or before the corresponding day of each subsequent month. The Customer hereby effects a standing instruction in accordance with Clause 19 below. In spite of this arrangement, the Customer agrees the Bank shall have the right by notice to require payment to be made by any other method the Bank may prescribe.

Customer to compensate for late payments

8. If the Customer fails to pay any instalment or other amount payable when due, or the outstanding Selling Price in full when demanded (where these Terms allow for such demand), Customer shall pay late payment compensation to the Bank.

The compensation shall be at such rate as prescribed by the Shariah Committee overseeing the Bank, or by Bank Negara Malaysia. As of now, the applicable late payment compensation rates are:

- prior to Facility being classified as a Non-Performing Financing, One per centum per annum (1% pa) calculated from overdue date until date of full payment;
- upon the Facility being classified as a Non-Performing Financing, the then-current R-rate. (R-rate shall be the Bank's gross profit rate for its General Investment Account based on 12 months). The compensation amount will not be calculated in a compounding manner. The right to late payment compensation shall not prejudice any of the Bank's other rights.

Right to debit

9. The Customer agrees that if he has any account with the Bank, the Bank may (but does not have to) use any money in the account(s) to pay any money owing under the Facility. The balance of the account(s) will thus reduce by the amount used for this purpose. The Bank need not give him notice of the exercise of this right.

Facility subject to there being no Events of Default

10. The arrangement for the payment of the Bank's Selling Price by instalments stated in Clause 7 above

shall be cancelled and the Bank's Selling Price or the unpaid balance of the Bank's Selling Price, as the case may be, as well as any other sum owing, whether or not it is yet due, shall become payable on demand if the Customer:

- (a) does not pay any sum owing to the Bank when it is due under the Facility, or
- (b) in the opinion of Bank has given incomplete, misleading or incorrect information to the Bank in this Form or otherwise in relation to the Facility or conducts his account in an unsatisfactory manner; or
- (c) fails to observe or perform any of the covenants or obligations on his part under the Facility; or
- (d) dies or becomes of unsound mind; or
- (e) is unable to pay his debts, suspends payment of his debts, or enters into any arrangement or composition with his creditors; or
- (f) commits an act of bankruptcy or has a petition presented against him for bankruptcy; or
- (g) has a distress or execution levied or enforced upon any of his properties, or a trustee, or similar official, appointed over all or a substantial part of his assets; or
- (h) does not pay when due any debt owed to any party (including any other money owed to the Bank) or has any debt become capable according to its terms of being declared due prematurely or in advance of its stated maturity, or any security given for any of his debts has become enforceable for any reason; or
- (i) has a guarantee or security (if any) given to the Bank for this Facility which terminates or lapses for any reason, or if the guarantor or security provider shall be in default under the terms of their guarantee or security document, as the case may be or die or become of unsound mind or is wound-up or commits any act of bankruptcy; or
- (j) ceases or threatens to cease carrying on his business or transfers or disposes or intends to transfer or dispose of a substantial part of his assets; or
- (k) alleges that all or a material part of these Terms have ceased to be of full force or effect; or
- (l) in the Bank's opinion, undergoes any change or threatened change in circumstances or financial condition which would materially and adversely affect his ability to perform his obligations under the Facility, or any other agreement with Bank; or
- (m) has any of his current accounts closed by any bank following the requirements of the applicable regulations from time to time governing dishonoured cheques and the policies of the bank of account, notwithstanding that his current account(s) with the Bank, whether held solely or jointly with others, has been conducted satisfactorily; or
- (n) in the case where Takaful coverage is arranged, the Customer suffers Total and Permanent Disability (TPD) within the meaning of the Takaful policy but the Takaful operator informs the Bank that payment on such TPD is not within the terms of the Takaful coverage; or
- (o) any applicable law or regulations or their interpretation or application changes, making it unlawful for the Bank to comply with its obligations or to allow the Facility to continue to be outstanding.

Stamp duty, solicitors' fees and other costs

11. All stamp duty and solicitors' fees that is payable (assessed on a 'solicitor and client' basis) or incurred by the Bank:

- (a) in connection with or incidental to the provision of the Facility; and/or
- (b) in its enforcement of its rights under the Facility;

shall be payable by the Customer. Any costs incurred by the Bank in engaging agents or other parties to assist the Bank in the enforcement of its rights under the Facility (including any debt collection agency) shall also be borne by the Customer.

Such amounts may be debited without prior notice to the Customer's stated account or other account(s) with the Bank.

Independent advice and verbal representations

12. When applying for this Facility, the Customer is responsible for assessing these Terms. He is to seek his own independent legal advice on them. Customer confirms that he is not relying on anything the Bank's staff or its representatives have purported to advise, represent or promise that is not expressly stated in these Terms. Even if there is any advice, representation or promise given, the Customer agrees that they shall not be legally binding upon the Bank, or form a defence or support any claim by the Customer in any legal proceedings.

Application of moneys received

13. The Bank will apply any payment monies received firstly for Instalments, then for other outstanding monies. It shall have the discretion to revise these priorities as it sees fit. If any amount received in payment or recovered in enforcement is less than the amount then due, the Bank shall apply that amount in such proportions and order of priority and generally in such manner as it may determine.

Early Settlement

14. The Customer may only make early settlement of the Selling Price or the unpaid balance of the Selling Price in whole and not in part. The Customer must give the Bank at least three (3) months prior written notice of early settlement. The Customer understands that early settlement of the Selling Price (including any early settlement arising from a demand made pursuant to an Event of Default, or if payment is made under the terms of Takaful coverage, if applicable) will not automatically operate to reduce the amount that he has to pay, but the Bank may, at its discretion and upon any terms as it decides, grant him a rebate (Ibraa') on the Selling Price for any early repayment made. If the required 3 months notice is not given before the Customer tenders the early repayment, the Bank may factor in three (3) months' profit in lieu of notice in its Ibraa calculation, if Ibraa is decided to be granted. Notice of early settlement, once given, is irrevocable. The Customer may be treated as if he had defaulted on a payment that is due if he then fails to make payment, and the Bank may exercise any of its rights in these Terms accordingly. The Bank may also at its absolute discretion grant to the customer an Ibraa' of an amount to be determined by the Bank at the time of the receipt of payment in the event the amount due is recovered by legal process and such receipt of payment is before the end of the tenure for the payment of the Bank's Selling Price.

Consent to Bank to reveal information

15. The Customer gives his consent to the Bank to disclose information relating to the Facility, his accounts and other facilities presently held, or which may subsequently be opened or obtained ("Information"):
 - (a) to any person it considers necessary
 - (i) in providing the Facility or other services
 - (ii) as part of its operating procedures (including its accounting, client relationship and risk management functions) including to members of the HSBC Group (in or outside Malaysia), any service provider (including debt collection agencies) or other third party (including the Takaful operator, if coverage is applicable);
 - (b) to any bureaus or agencies established by Bank Negara Malaysia or by other regulatory authorities (including the Central Credit Reference Information System - "CCRIS");
 - (c) the Association of Banks in Malaysia;
 - (d) the Bank's potential assignees;
 - (e) any of Customer's present or prospective security providers;
 - (f) any person Bank believes in good faith to be tendering payment of monies on the Customer's behalf.

Information may be used, stored, transferred, compiled, matched or exchanged by or with any of the

parties mentioned above ('Users'). Information shall be kept confidential by the Users, unless disclosure is required under any laws or regulations which apply to a User. When the Bank provides or obtains any Information, it takes utmost care in compiling, collating or processing the Information. The Customer agrees that as long as the Bank acts in good faith, it and its officers shall not be liable for any loss or damage (whether indirect, consequential or punitive) or any monetary loss to him for any inaccuracy, incompleteness or authenticity of the Information the Bank provides or relies on. The consent given shall be irrevocable.

Exercise by the Bank of its available remedies

16. The Bank may exercise any right, power or remedy it may have, whether it is stated here or conferred upon it by law even after a delay. All rights and powers of the Bank in law or equity are exercisable even if they overlap with any rights and powers in these Terms.

If the Bank does not act when it is entitled to, that does not mean it:

- (a) has agreed to a breach by the Customer; or
- (b) has given up its right; or
- (c) is prevented from acting later.

Where the Bank has expressly waived a default by the Customer, this shall not impair any right, power or remedy of the Bank in respect of any other of the Customer's defaults, whether occurring prior or subsequent to the waiver.

Takaful Coverage

17. Where the Customer has elected for the Bank to arrange Takaful coverage, he declares that the salient terms of the coverage have been made known to him. These include, but are not limited to, the situations where the Takaful Operator will not make payment under the terms of the coverage, and where the coverage may not wholly pay off his obligations under the Facility.

How to deal with invalidity of Terms

18. If any provision of these Terms

- (a) is prohibited or unenforceable by law; or
- (b) found to be contrary to Shariah principles;

the remaining Terms shall remain valid, or continue to be valid in any other jurisdiction where the law or Shariah interpretation provides that it is valid.

Customer's standing instructions for payment

19. The Customer hereby puts in place an Instalments Payment Standing Instruction Order with the Bank for the amount of the Instalments as payable by him from time to time. This Order shall be subject to the Bank's applicable terms for acceptance of Standing Instruction Orders.

- The Customer must ensure he has sufficient funds at all times in his account to meet the payments due.
- The Customer acknowledges that while the Bank will endeavour to effect payments under the Order, he agrees that it shall not be obligated to make the same; and if it omits or refuses to effect such payment, the Bank shall incur no liability for its omission or refusal.
- The Order is subject to any arrangement subsisting or which may hereafter subsist between the Customer and Bank affecting his account, or any banking accommodation afforded to him.
- The Bank conclusively determines the priority of payment of any moneys from the Customer's account, for example whether the Order, any other order or instruction, or any cheque drawn on his account, is to be paid before the others.
- The Customer agrees the Order will remain effective in respect of payments notwithstanding his death or bankruptcy until notice thereof in writing is received by the Bank.
- The Bank shall have the right to levy a charge for any failed payments under the Order if there is

lack of funds.

Notices by the Bank to the Customer

20. The Bank may give the Customer a notice or demand or other correspondence in writing by
- delivering it personally;
 - sending it by ordinary post to the address the Customer has stated for receipt of correspondences in this Form or such other addresses he subsequently notifies the Bank of in writing. The Customer shall be deemed to have received any notice or other correspondence from the Bank:-
 - if delivered personally, when so delivered;
 - if sent by post (which in this clause 19 shall not mean AR Registered post), on the third day after posting, notwithstanding that the postal authorities subsequently returns it.

A demand or any court process (including summons) may be sent to the Customer by registered post and if sent by registered post to his address given for receipt of correspondences in this Form or last known to the Bank, shall be deemed to be given on the third day after posting notwithstanding the postal authorities subsequently returns it.

The Customer agrees he must notify the Bank in writing of any change of address seven (7) days before such change.

Evidence of amounts owing

21. The Customer agrees that
- any admission or acknowledgment in writing by him or by any person authorised on his behalf, or
 - a judgment (including a judgment in default) obtained against him, or
 - a certificate showing his indebtedness signed by an officer of the Bank, shall be binding and conclusive evidence that he owes monies to the Bank under the Facility in a court of law.

Governing law, jurisdiction and time

22. The Facility is governed by Malaysian law. The Customer accepts the non-exclusive jurisdiction of the Malaysian courts. This however does not mean the Bank cannot take proceedings against him in another jurisdiction. Where a time is stipulated for the Customer to perform any of his obligations, time shall be of the essence.

Assignment or transfer

23. The Customer cannot assign or transfer any of his rights and obligations without the consent of the Bank. The Bank may assign or transfer any rights it has to any other person. If it does, the Terms of the Facility will apply in the favour of the person as if that person were the Bank.

English version to prevail

24. These Terms may be printed in different languages but the English version shall prevail if there is any inconsistency with, or uncertainty arising in, the other versions. The masculine gender is used to refer to the Applicant in these Terms, but shall be read as referring to the relevant gender of the Applicant.