

TERMS AND CONDITIONS OF MAYBANK MULTI ASSET INVESTMENT ACCOUNT -i
(MAIA)

(1) DEFINITIONS

1.1 Unless otherwise expressly specified, the following definitions shall apply to these Terms and Conditions:

- “Authorised Signatory”** means the person to whom the Mandate is given;
- “Bank”** means Maybank Islamic Berhad Registration No: 200701029411(787435-M), a company incorporated in Malaysia and having its registered office at 15th Floor, Tower A, Dataran Maybank, 1 Jalan Maarof, 59000 Kuala Lumpur and includes its successors in title, assigns and transferees;
- “Bank Negara Malaysia or BNM”** means the Bank Negara Malaysia and includes any entities assuming the role of the Central Bank of Malaysia;
- “Business Day”** means a day (other than Saturday, Sunday and a public holiday) on which the Bank is open for business;
- “Custodian”** means Maybank Trustees Berhad Registration No: 196301000109 (5004-P), a company incorporated in Malaysia under the laws of Malaysia and registered as a Trust Company under the Trust Companies Act 1949 and having its principal place of business at 8th Floor, Menara Maybank, 100 Jalan Tun Perak, 50050 Kuala Lumpur;
- “Electronic Banking Services”** means the electronic banking services provided by the Bank which enables the IAH to communicate with, obtain information from or give instructions and authorisations to the Bank using electronic devices such as computers, telephones, smartphones and tablets through channels such as phone banking, Maybank2u and self-service terminals and includes automated teller machines (“ATM”), cheques deposit machines (“CQM”) and smart recycle machine (“SRM”);
- “External Fund Manager”** means Maybank Islamic Asset Management Sdn Bhd Registration No: 201301012623 (1042461-K), a company incorporated in Malaysia under the laws of Malaysia and having its principal place of business at 12th Floor, Tower C Dataran Maybank, 1, Jalan Maarof, 59000 Kuala Lumpur which is appointed by the Bank to act as the external fund manager of the MAIA and includes its successors in title, assigns and transferees;
- “Force Majeure”** means any event which is beyond the reasonable control of the Bank including but not limited to acts of God, flood, drought, epidemics, pandemics or outbreak of

communicable diseases, quarantines; national or regional emergencies or any other cause, explosion, sabotage, accident, embargo, riot, war, acts of terrorism, civil commotion or civil authority, including acts of local government and parliamentary authority, failure or malfunction of servers, systems, or networks or of any telecommunication lines or devices and all other natural, technological or political causes which renders the obligations of the parties in this Terms and Conditions practicably impossible to be performed due to the occurrence of such circumstances beyond the reasonable control of the parties;

- “Freezing of the MAIA”** means where the Bank freeze, refrains or suspends the IAH from effecting or carrying out any transactions including but not limited to the withdrawal or payment of any monies, or honouring of any cheques or any other instruments, or acting or effecting any instructions for payment or withdrawal out of the MAIA;
- “Initial Placement Period”** means the period of up to forty (40) calendar days from the Launch Date. The Bank reserves the right to shorten the Initial Placement Period at the Bank’s discretion if it is deemed beneficial to the IAH;
- “Internal Matter”** means any opposing or adverse or conflicting claims by:
- (i) any partners, directors, shareholders, members or beneficiaries; or
 - (ii) by any persons alleging to be partners, directors, shareholders, members, beneficiaries in relation to any accounts which is or are a partnership, limited liability partnership and/or company account(s) or the banking accounts of any other organisations, bodies, committee, associations, clubs, societies which have legal status, pertaining to the proceeds or balances of such banking accounts or the operation of such banking accounts or the operational mandate;
- “Investment Account Holder (“IAH”)”** means the MAIA’s account holder as the capital provider of the MAIA maintained at the Bank whereby the Bank is responsible to manage the Investment provided by the IAH and reference to the “IAHs” shall be construed accordingly;
- “Investment”** means the investments by the respective IAHs in the Mudarabah by virtue of the MAIA;
- “Investment Portfolio”** means the portfolio of assets being cash, fixed income securities or such other investment assets from time to time invested by the Bank as the mudarib which are in

	accordance with Shariah and the Investment Account Guideline issued by Bank Negara Malaysia;
“Launch Date”	means 9 December 2020;
“Maybank Multi Asset Investment Account-i or MAIA”	means an unrestricted investment account known as MAIA based on the contract of Mudarabah, where the customer provides the Bank with the general mandate to make the ultimate investment decisions without specifying any particular restrictions and/or conditions;
“Maybank Group”	means, collectively, the Bank, its affiliates, and any related companies of the Bank (by virtue of Section 7 of the Companies Act 2016) as well as associated companies of the Bank or of its parent company;
“Mandate”	means the written authorisation or resolution given by the IAH to another person to operate to operate and manage the MAIA as further described under clause 8.21;
“Mudarabah”	means a contract between the IAH/capital provider (“rabbul mal”) and an entrepreneur (“mudarib”) under which the rabbul mal provides capital to be invested in a Mudarabah venture that is managed by the mudarib. Any profit generated from the venture is shared between the rabbul mal and the mudarib according to a mutually agreed profit sharing ratio whilst financial losses are borne by the rabbul mal provided that such losses are not due to the mudarib’s misconduct (Ta’adi), negligence (Taqsir) or breach of specific terms (Mukhalafah Al-Shurut);
“Net Asset Value” or “NAV”	means the value of all MAIA’s assets less the value of all MAIA’s liabilities, at the point of valuation;
“Profit Sharing Ratio” or “PSR”	means the predetermined profit-sharing ratio to be shared between the IAH and Bank;
“Rabbul Mal”	means the capital provider that must be a natural person or a legal entity (e.g. the IAH) who shall have the legal capacity to enter into the Mudarabah contract;
“Ringgit Malaysia or RM”	means the lawful currency of Malaysia;
“Securities Commission”	means the commission established by the Securities Commission Act 1993;
“Security Details”	means details which includes but is not limited to a passbook/ATM card/ electronic banking password and PIN and other confidential information, security codes and or security devices used in relation to the account holder’s MAIA;

“Terms and Conditions” means the terms and conditions herein, as may be amended from time to time by the Bank in accordance with the terms hereof.

(2) INTERPRETATION

2.1 Unless a contrary intention appears, any reference in these Terms and Conditions to:

- (a) Words importing the singular shall include the plural and vice versa and words importing one gender shall include all other genders.
- (b) The headings and sub-headings in these Terms and Conditions are inserted convenience only and shall not affect the interpretation of the substantive provisions of these Terms and Conditions.
- (c) Where a word or phrase is given a particular meaning, other parts of speech and grammatical forms of that word or phrase shall have the corresponding meanings.
- (d) Words applicable to natural persons include any establishment, body, person, company, corporation, firm or partnership, corporate or otherwise and vice versa.
- (e) Any references to statutes, rules, regulations or statutory provisions shall include a reference to its amendments or re-enactments thereto.
- (f) References to any party to this Terms and Conditions or any other agreement or instrument shall include that party’s successors and permitted assigns.
- (g) Reference to “pay”, or cognate expressions, includes payments made in cash or by way of cheque in cleared fund or bank drafts or effected through inter-bank transfers to the account of the payee.

(3) MULTI-ASSET INVESTMENT ACCOUNT-I (MAIA)

The MAIA is based on a Mudarabah contract between the IAH and the Bank whereby the IAH will place their money in the MAIA and the funds in the MAIA is then managed and invested by the Bank and its appointed External Fund Manager into a portfolio of assets, whereby the funds shall be placed with the Custodian, who is acting as custodian for MAIA. The profits generated from the Investment Portfolio are to be distributed to the customers and the Bank based on an agreed Profit-Sharing Ratio. This Investment is tied to the performance of the underlying Investment Portfolio, and the principal and returns are not guaranteed by the Bank. The financial losses associated with the Investment (if any) are to be borne by the IAH provided that such losses are not due to the Bank’s misconduct, negligence or breach of specific terms.

3.1 Investment Objectives

The MAIA aims to preserve capital funds while providing stable returns through low to moderate risk investments and ensuring that the overall operation of the MAIA will be managed by the Bank in compliance with Shariah principles.

3.2 Type of Investment

The MAIA is an unrestricted investment account where the IAH provides the Bank with the general mandate to make the ultimate investment decisions, including facilitating the opening of accounts by the Custodian, without any particular restrictions and/or conditions.

3.3 Investor Profile

- (a) All individuals and non-individuals are eligible as an IAH and the MAIA is suitable for a person who has a low to moderate risk appetite who seek stable return investing in Shariah-compliant financing assets and equities listed and/or traded in Malaysia.
- (b) The minimum aggregate size of the MAIA shall be Ringgit Malaysia Fifty Million RM50,000,000.00 (“Minimum MAIA Size”) by or before the end of the Initial Placement Period, failing which the MAIA shall be cancelled and the IAH’s respective placement will be refunded to the IAH.
- (c) The Bank reserves the right not to commence the investment if the Minimum MAIA Size is not achieved at the end of the Initial Placement Period. Should that be the case, the Bank shall refund the principal amount to the respective IAHs within a stipulated period of not more than thirty (30) calendar days.

3.3A Placement of Investment

- (a) The placement period shall be a period of three (3) years (“Placement Period”) with a minimum initial placement of Ringgit Malaysia Ten Thousand (RM10,000.00).
- (b) The IAH is also entitled to make an additional placement of Ringgit Malaysia One Thousand (RM1,000.00) during the Initial Placement Period.

3.4 Profit Sharing Ratio

- (a) Any profit generated from the MAIA is shared between the IAH and the Bank according to the mutually pre-agreed PSR of 95:5 (IAH: Bank);
- (b) The profit generated (if any) from the MAIA shall be distributed to the IAH on an annual basis subject to the performance of the underlying Investment Portfolio and at the discretion of the Bank.

3.5 Withdrawal, Redemption or Termination of the MAIA

- (a) The IAH is not allowed to partially withdraw any sum out of the MAIA. In the event that the IAH intends to withdraw from the MAIA prior to the maturity of the Placement Period, the IAH is subject to an exit fee on a staggered basis, based on the time of the redemption.

Year 1: 2.0% of the NAV of the IAH's investment in the MAIA.
Year 2: 1.5% of the NAV of the IAH's investment in the MAIA.
Year 3: 1.0% of the NAV of the IAH's investment in the MAIA.

- (b) Redemption at maturity shall be in accordance with the terms and/or conditions agreed between the Bank and the IAH.
- (c) In relation to the submission of redemption request, any redemption application received or deemed to have been received by the Bank before the cut-off time of 2.30pm on any Business Day, the Investment in the MAIA would be cancelled based on the NAV of the Investment as at the valuation point after the request for redemption of the Investment is received and accepted by the Bank.
- (d) In relation to the payment of redemption proceeds, the Bank will pay the redemption proceeds to the IAH thirty-one (31) days plus the day where the request/application to redeem is received by the Bank before the cut-off time. The Bank shall remit redemption proceeds to the bank account held in the name of the IAH.
- (e) For both Investment and withdrawals, the Bank shall not be held responsible for any delay or loss incurred in the event of the following circumstances:
 - (i) where Real Time Electronic Transfer of Funds and Securities (RENTAS) is experiencing any technical problems;
 - (ii) any remittance of fund that does not correspond with the request promptly;
 - (iii) inaccurate details (i.e. identity card number, account number etc.) provided by the IAH; or
 - (iv) circumstances beyond the control of the Bank or the Custodian.
- (f) Notwithstanding the above, the Bank may terminate the MAIA early subject to the MAIA meeting the expected return per annum of 4.25% x 3 years, which amounts to a cumulative total of 12.75% (net of fees) at any point of time from the commencement date* to any date before the expiry of the Placement Period. The early termination event may occur at the sole discretion of the Bank and is not automatically triggered when a specific NAV capital is achieved as the Bank will have to take into account the market conditions and related costs before liquidating.

*Note: Commencement date refers to the next business day after Initial Placement Period ends.

(4) INVESTMENT STRATEGY OF MAIA

- (a) To achieve the investment objective of the MAIA, the Bank's appointed investment manager may invest up to fifty percent (50%) of the MAIA's NAV in

Shariah-compliant equities within Malaysia that has the potential to meet MAIA's 3-year targeted returns. Notwithstanding and for the benefit of the IAH, up to hundred percent (100%) of the MAIA's NAV may also be invested in Shariah-compliant financing assets and in liquid assets including Shariah-compliant money market instruments issued by Malaysian issuers and Malaysian financial institutions and placement in Shariah-compliant deposits with Malaysian financial institutions. For the avoidance of doubt, the one hundred percent (100%) of the MAIA's NAV includes the fifty percent (50%) of the MAIA's NAV managed by the Bank's appointed investment manager.

- (b) The Bank's appointed investment manager will adopt a top-down investment approach in constructing the MAIA's equities portfolio. In adopting the top-down investment approach, the Bank's appointed investment manager takes into consideration the equity market outlook over the 3-year investment horizon. Besides that, the Bank's appointed investment manager would also adopt a bottom-up investment process where individual stock analysis would be conducted for stock selection in constructing the MAIA's portfolio. The analysis conducted on a particular stock would be based on fundamental analysis comprising quantitative and qualitative analysis. The qualitative approach takes into consideration of, amongst others, the company's corporate governance, competency of its management, business cycles as well as competitive advantages. The quantitative approach would cover, amongst others, the company's profitability, its market capitalization, valuation, gearing and liquidity.
- (c) The equities portion of the MAIA would be actively managed, however, how active or the frequency of its trading strategy will very much depend on market opportunities.
- (d) Investment in financing assets will be managed by the Bank. Financing assets includes retail financing (e.g. Unit Trust Financing, Home Financing, Personal Financing, Credit Cards) and non-retail financing (e.g. SME Financing, Business Banking Financing and Corporate Financing).

4.1 **Temporary Defensive Positions**

The Bank and the Bank's appointed investment manager may take temporary defensive positions that may be inconsistent with MAIA's investment strategy in attempting to respond to adverse market, political or economic conditions. Under such situations all of the MAIA's NAV may be invested in Shariah-compliant money market instruments and placement in Shariah-compliant deposits. The defensive positions may be adopted for a time period as the Bank considers appropriate in consultation with the Custodian.

4.2 **Investments of MAIA**

The funds in the MAIA shall be invested in any or all of the following assets:

- (a) Shariah-compliant equities listed and/or traded in Malaysia;
- (b) Shariah-compliant financing asset held by Maybank Islamic Bank Berhad;

- (c) Shariah-compliant money market instruments issued by Malaysian issuers and Malaysian financial institutions;
- (d) Shariah-compliant deposits with Malaysian financial institutions;
- (e) Shariah-compliant collective investment schemes; and
- (f) any other Investment permitted by the BNM and Securities Commission which is in line with the objective of MAIA.

4.3 Investment Restrictions and Limits

(a) Exposure Limit

The value of the MAIA's Investment Portfolio in unlisted securities shall not exceed ten percent (10%) of its NAV.

(b) Investment Spread Limits

- (i) The value of the MAIA's Investment Portfolio in ordinary shares issued by any single issuer shall not exceed ten percent (10%) of the MAIA's NAV.
- (ii) The value of the MAIA's Investment Portfolio in transferable securities and money market instruments issued by any single issuer shall not exceed fifteen percent (15%) of the MAIA's NAV.
- (iii) The value of the MAIA's placement in deposits with any single institution shall not exceed twenty percent (20%) of the MAIA's NAV.
- (iv) The aggregate value of the MAIA's Investment Portfolio in transferable securities, money market instruments and deposits issued by or placed with any single issuer/institution (as the case may be) shall not exceed twenty five percent (25%) of the MAIA's NAV.
- (v) The value of the MAIA's Investment Portfolio in units/shares of any collective investment scheme shall not exceed twenty percent (20%) of the MAIA's NAV.
- (vi) The value of the MAIA's Investment Portfolio in transferable securities and money market instruments issued by any group of companies shall not exceed twenty per centum (20%) of the MAIA's NAV.

(c) Investment Concentration Limits

- (i) The MAIA's Investment Portfolio in transferable securities (other than debentures) shall not exceed ten percent (10%) of the securities issued by any single issuer.
- (ii) The MAIA's Investment Portfolio in money market instruments shall not exceed ten percent (10%) of the instruments issued by any single

issuer. This limit does not apply to money market instruments that do not have a pre-determined issue size.

- (iii) The MAIA's Investment Portfolio in collective investment schemes shall not exceed twenty-five percent (25%) of the units/shares in any one collective investment scheme.

The above stated limits and restrictions shall be complied with at all times based on the most up-to-date value of MAIA's Investments and instruments. However, a five percent (5%) allowance in excess of any limits or restrictions may be permitted where the limit or restriction is breached through the appreciation or depreciation in value of the NAV of the MAIA (as a result of an appreciation or depreciation in value of Investment Portfolio or as a result of the redemption of the Investment or payment made from the MAIA). Once the relevant limit is breached, no further acquisitions of the particular securities involved shall be made and the Bank should, within a reasonable period of not more than three (3) months from the date of the breach take all necessary steps and actions to rectify the breach.

4.4 Special Purpose Acquisition Companies (SPACs)

SPAC is a special company formed to acquire businesses through acquisition or merger with other entities. SPAC is a publicly-traded shell company that raises funds through an initial public offering. The proceeds are placed with a custodian pending a qualifying acquisition.

In classifying securities of SPACs, the following criteria should be taken into consideration:

- (i) the proposed business activity shall be Shariah-compliant;
- (ii) the entire proceeds raised from the initial public offering shall be placed in Islamic accounts; and
- (ii) in the event that the proceeds are invested, the entire investments should be Shariah compliant.

(5) RISKS OF INVESTING IN THE MAIA

- (a) All Investment carry some degree of risk. In relation to this, both the initial capital and returns are not guaranteed to the IAH. If an IAH expects a high return on its Investment, usually, the risk that the IAH would have to bear would also be high, and vice versa. The choice of investing in the MAIA is made at the discretion of the IAH. There is a chance whereby the MAIA chosen by the IAH may not suit the IAH's needs and circumstances. The IAH should rely on their own evaluation to assess the merits and risks when investing in MAIA.
- (b) The role of the Bank in the MAIA is to invest in a portfolio of assets which is adequately suited to potentially achieve the objective of the MAIA, while at the same time working towards mitigating the risk of the portfolio of assets as much as possible, through careful asset allocation and security selection, as well as through diversification, i.e. spreading risk across a basket of multiple assets or securities which have low or negative correlations with one another.

Before making an Investment in the MAIA, an IAH should consider the various risks that may affect the MAIA and the IAH.

5.1 General Risks of Investing in MAIA

(a) Market Risk

The value of Investment may increase or decrease due to changes in market factors such as uncertainties in the economy, political and social environment that impact large portions of the market. This is a risk associated with all securities and cannot be eliminated. Hence, the Bank will monitor the financial markets closely and act on any adverse news accordingly.

(b) Inflation Risk

Inflation creates uncertainties over the future value of Investments. There is a risk that the MAIA may generate a return on Investment lower than the inflation rate. This would reduce the IAHs' purchasing power per RM even though the nominal value of the Investment in monetary terms has increased.

(c) Liquidity Risk

Liquidity risk arises from the lack of ease which an investment can be traded at or near its fair value, depending on the volume traded on the market. It may occur when the MAIA holds a security which is thinly traded, or when the MAIA experiences large redemptions which in turn, would require the selling of securities at a point in time when prices are unfavourable due to for example, insufficient buyers in the market at the actual or desired price. This risk is mitigated by diversifying the underlying investment in a wide range of securities and avoiding securities with poor liquidity.

(d) Management Risk

The performance of the MAIA is very much dependent on the experience, expertise and investment techniques of the Bank's appointed investment manager while the quality of management is also dependent on internal circumstances such as operational matters within the Bank. Poor management of the MAIA would adversely affect the MAIA's performance and jeopardise Investment of the IAH. In order to reduce this risk, the implementation of internal controls and a structured investment process and operational procedures has been put in place by the Bank.

(e) Non-Compliance Risk

This risk refers to the possibility that the Bank may not follow the provisions set out in this Terms and Conditions, or the relevant laws, rules, guidelines or internal operating policies which governs MAIA. Non-compliance may occur directly due to factors such as human error or system failure and can also occur indirectly due to amendment on the relevant regulatory frameworks, laws, rules, and other legal practices affecting the MAIA. This risk may result in operational disruptions and potential losses to MAIA. The Bank aims to

reduce this risk by placing stringent internal policies and procedures and compliance monitoring processes to ensure that the MAIA is in compliance with the relevant regulations or guidelines.

(f) Financing Risk

The value of the investment in the MAIA fluctuates according to the value of the underlying Investment Portfolio. The IAHs should assess and understand the inherent risk of investing with borrowed money as returns are not guaranteed, which should include the following:

- (i) the ability to service the financing payments and increase in profit rates on the financing payments; and
- (ii) the ability to provide additional collateral should the value of the underlying Investment Portfolio falls beyond a certain level.

(g) Returns Are Not Guaranteed

The IAH should be aware that there is no guarantee of any returns i.e income distribution or capital appreciation by investing in the MAIA. Unlike fixed deposits placed directly by the IAHs into any financial institutions which carry a specific rate of return, the MAIA does not provide a fixed rate of return.

(h) Risk of capital loss

Any Investment carries the risk of reduction in the value of purchasing power. Hence, the Bank and its appointed investment manager will only invest the funds of the MAIA in diversified assets with low to moderate risk attributes and apply sound Investment management standards.

(i) Credit Risk

This risk may arise when substantial amount of assets for the MAIA goes into default. This shall be managed by the Bank by prudent selection of diversified asset portfolios and close monitoring of the performance of the selected assets.

(j) Investment Decision Risk

This risk applies in the event the allocation of assets to be invested is not aligned with the market movement. Hence, careful selection and strict governance shall be applied by the Bank and its appointed in the decision-making process.

(k) Regulatory Non-Compliance Risk

Such situation occurs when the investments fails to adhere to the investment parameters set forth by the relevant regulators. The risk shall be managed by the Bank and its investment manager in accordance with its overall policies and procedures.

(l) Shariah Non-Compliance Risk

Failure to comply with the Shariah rulings of Shariah Advisory Council of Bank Negara Malaysia may result in a breach. Such occurrence shall be closely supervised by the Shariah Committee of the Bank.

(m) Country Risk

Political and economic stability of the country may influence the growth and performance of the Investment Portfolio.

(n) Industry/Sector Risk

Every industry/sector is exposed to various risk elements. As such, diversification and careful selection of such industry/sector are critical to the Bank in managing such risk.

5.2 Specific Risks of MAIA

(a) Company specific risk

Specific risks to Shariah-compliant securities issued by a company apply as there are adverse conditions or negative sentiments which a company can be uniquely exposed to, be it from the view of management issues, deteriorating business fundamentals or losing competitiveness. As a consequence, the price of Shariah-compliant securities issued by such company might fall and subsequently affect the MAIA's performance. The impact of a specific company may be reduced as the MAIA invests in a wide portfolio of investments consisting of Shariah-compliant securities issued by different companies thereby spreading the element of this risk through diversification.

(b) Profit rate risk

This refers to the risk that the Investment Portfolio value of the MAIA may generally be reduced due to a rise in future profit rates. Profit rate risk is particularly borne by profit-bearing assets, such as a Shariah-compliant money market instrument. In the event that a profit-bearing asset is held till maturity, the profit rate changes will not affect the yields of the profit-bearing asset. However, the IAH should be aware that whether MAIA will hold any profit-bearing asset until maturity will depend on actual and expected changes in profit rates.

The Bank attempts to mitigate the profit rate risk of the MAIA by managing the duration structure of the profit-bearing assets according to the Bank's view of the future profit rate trend. When profit rates are expected to increase, the MAIA will switch to profit-bearing assets with shorter duration and are less sensitive to profit rate changes.

(c) Default Risk

This risk will arise when the issuer of a Shariah-compliant money market instrument fails to make timely payments of the profits and/or principal repayments on the maturity date. Shariah-compliant deposits that the MAIA

has placed with financial institutions are also exposed to default risk. If the issuer or financial institutions become insolvent, IAHS may suffer capital losses with regards to their capital invested and profit foregone, causing the performance of MAIA to be adversely affected.

The IAHS are reminded that the risks listed above may not be exhaustive and if necessary, they should consult their adviser, e.g. their bankers, lawyers, Shariah advisers, stockbrokers or independent professional advisers for a better understanding of the risks.

5.3 **Risk Management Strategies**

- (a) Risk management is an integral part of the Bank's investment management process. The Bank employs measures such as asset allocation strategy in order to manage the portfolio risks. When downturn is expected in equity markets, and liquidity risks are high, the Bank may reduce its proportion of Shariah-compliant equities down to the minimum limit of 0%, and increase its asset allocation to Shariah-compliant liquid assets to safeguard the MAIA. The MAIA's exposure will also be spread across various sectors, counterparties and companies as diversification strategy is also recognized by the Bank as an essential risk management strategy for the MAIA.
- (b) In order to ensure that MAIA is managed within pre-determined guidelines, proper procedures and parameters are in place to manage the risks that are applicable to the MAIA. Regular monitoring, reviews and reporting are also undertaken by the Bank to ensure that the MAIA's investment objective is met.

(6) **BENCHMARK OF THE MAIA**

6.1 **Shariah-compliant securities**

In determining the status of securities to be invested by the MAIA being, whether an asset is a Shariah-compliant asset, the Shariah adviser adopts a two-tier quantitative approach, which applies the business activity benchmarks and the financial ratio benchmarks. Hence, the securities will be classified as Shariah compliant if their business activities and financial ratios are within these following benchmarks:

(a) **Business activity benchmarks**

The contribution of Shariah non-compliant activities to the group revenue and group profit before taxation of the company will be computed and compared against the relevant business activity benchmarks as follows:

(i) **The five-per cent benchmark**

The five-per cent benchmark is applicable to the following businesses/ activities:

- (i) conventional banking;
- (ii) conventional insurance;

- (iii) gambling;
- (iv) liquor and liquor-related activities;
- (v) pork and pork-related activities;
- (vi) non-halal food and beverages;
- (vii) Shariah non-compliant entertainment;
- (viii) tobacco and tobacco-related activities;
- (ix) interest income from conventional accounts and instruments (including interest income awarded arising from a court judgement or arbitrator and dividends from Shariah non-compliant Investments); and
- (x) other activities deemed non-compliant according to Shariah.

For the above-mentioned businesses/activities, the contribution of Shariah non-compliant businesses/activities to the group revenue or group profit before taxation of the company must be less than five per cent.

(ii) The 20-per cent benchmark

The 20-per cent benchmark is applicable to the following businesses/activities:

- (i) hotel and resort operations;
- (ii) share trading;
- (iii) stockbroking business;
- (iv) rental received from Shariah non-compliant activities; and
- (v) other activities deemed non-compliant according to Shariah.

For the above-mentioned businesses/activities, the contribution of Shariah non-compliant businesses/activities to the group revenue or group profit before taxation of the company must be less than 20 per cent.

(b) Financial ratio benchmarks

For the financial ratio benchmarks, the following will be taken into account:

(i) Cash over total assets

Cash only includes cash placed in conventional accounts and instruments, whereas cash placed in Islamic accounts and instruments is excluded from the calculation.

(ii) **Debt over total assets**

Debt only includes interest-bearing debt whereas Islamic financing or sukuk is excluded from the calculation.

Each ratio, which is intended to measure *riba* and *riba*-based elements within a company's statements of financial position, must be less than 33 per cent.

In addition to the above two-tier quantitative criteria, the qualitative aspect will also be taken into account which involves public perception or image of the company's activities from the perspective of Islamic teaching.

(7) **VALUATION OF INVESTMENT PORTFOLIO**

(a) **Listed Shariah-compliant securities**

Valuation of listed Shariah-compliant securities will be based on the last done market price of the Shariah-compliant securities, which is the price at the end of a particular Business Day. For example, investments of the MAIA in listed Shariah-compliant securities which are quoted in the Bursa Malaysia will be valued as at 5.00 p.m. In the case of newly subscribed issues, e.g. Shariah-compliant rights and Shariah-compliant warrants, which have not yet been traded, valuation shall be at cost.

However, if:-

- (i) a valuation based on the market price does not represent the fair value of the securities, for example during abnormal market conditions; or
- (ii) no market price is available, including in the event of a suspension in the quotation of securities for a period exceeding 14 days, or such shorter period as agreed by the Custodian,

then the securities would be valued at fair value, as determined in good faith by the Bank based on the methods or bases approved by the Custodian after appropriate technical consultation.

(b) **Unlisted Shariah-compliant securities**

Unlisted Shariah-compliant securities are valued at fair value determined in good faith by the Bank.

(c) **Placement in Shariah-compliant deposits**

Placement in Shariah-compliant deposits with financial institutions are valued each day by reference to the value of such Investment Portfolio and the profit accrued thereon for the relevant period.

(d) **Shariah-compliant money market instruments**

Shariah-compliant money market instruments are valued each day at cost, adjusted for amortisation of premium or accretion of discount over their par value at the time of acquisition, less provision for any diminution in value.

(e) Unlisted Shariah-compliant Collective Investment Schemes

Unlisted Shariah-compliant collective Investment schemes will be valued based on its last published repurchase price.

(f) Financing Assets

The Bank will perform valuation of the financing assets in the Investment Portfolio in accordance with the Malaysian Financial Reporting Standards (“MFRS”) which will be carried out on a monthly basis. The net returns from the financing assets will be taking into account the gross yield of the financing assets portfolio and the impairment provisions attached to it.

For the purpose of daily NAV computation, the profit from the financing will be accrued on a daily basis.

(8) GENERAL TERMS AND CONDITIONS

8.1 Shariah Investment Guidelines

(a) At all times, the funds of the MAIA shall be invested in securities that are allowed under Shariah principles and shall not be invested in securities that are prohibited under Shariah principles based on Shariah adviser’s established parameters.

(a) The funds of the MAIA will be invested in securities which are listed under the list of Shariah-compliant securities issued by the Shariah Advisory Council of Securities Commission (“SACSC”). Any unlisted securities which are not listed under the list of Shariah-compliant securities issued by the SACSC shall follow guidelines as set out in clause 6 of this Terms and Conditions.

8.2 Cleansing/ Purification Process For MAIA

(1) Cleansing process for MAIA

(a) Shariah non-compliant assets in the Investment Portfolio

Shariah non-compliant assets invested under the Investment Portfolio made by the Bank will be disposed of within a month of becoming aware of its status. In the event of the said Investment Portfolio assets resulted in gain (through capital gain and/or dividend), the gain is to be channelled to *Baitulmal* or any other charitable bodies as advised by the Shariah advisers. If the disposal of the said Investment Portfolio assets resulted in losses to MAIA, the losses are to be borne by the Bank.

(b) Reclassification of Shariah Status of securities asset in the MAIAs’ Investment Portfolio

If a security is reclassified as Shariah non-compliant by the SACSC, the said security shall be disposed of soonest practical, once the total amount of dividends received and the market value held equal the original investment costs.

Any capital gains arising from the disposal of the Shariah non-compliant security made at the time of the announcement can be kept by MAIA. However, any excess capital gains derived from the disposal after the announcement day at a market price that is higher than the closing price on the announcement day is to be channelled to *Baitumal* or any charitable bodies as advised by the Shariah advisers.

(2) Zakat for MAIA

The MAIA does not pay zakat on behalf of Muslim individuals and Islamic legal entities who are IAHs of MAIA. Thus, IAH are advised to pay zakat on their own.

8.3 **Freezing of the MAIA**

- (1) the IAH hereby agrees that the Bank shall at any time be entitled to, at its discretion which will be exercised reasonably, and with or without any prior notice to the IAH and without providing any reasons or details thereof, carry out the Freezing of the MAIA upon but not limited to the occurrence of any one of the following events:
- (a) upon the Bank being notified or becoming aware the IAH have committed an insolvency matter and/or upon the Bank being notified or becoming aware of any notice under Section 466(1) of the Companies Act, presented against the IAH, and/or being aware that an act of bankruptcy under the Insolvency Act 1967 has been committed by the IAH, until such time the Bank receives further direction on the operations of the IAH's MAIA from the Official Assignee;
 - (b) upon the Bank being notified and/or requested by the relevant and competent authorities;
 - (c) upon the Bank being suspicious of any fraudulent activities concerning the IAH and the Bank in its sole and reasonable opinion is of the view that the information/documents provided to the Bank for opening the MAIA had been found to be false and/or incorrect and/or tampered and/or a misrepresentation of identity;
 - (d) in the event the Bank, the police and/or the relevant and competent authorities conduct(s) any investigation on any illegal transaction(s) or suspected illegal transaction(s) carried out through the MAIA, misuse or suspicion of any misuse of the MAIA or any fraudulent transaction(s) in respect of the MAIA including but not limited to the depositing of cheques which the IAH is not beneficially entitled to;
 - (e) pursuant to any police report lodged against the IAH and/or in respect of the MAIA, by the Bank or any other person; and in the event any facilities granted to IAH which are being utilised through the IAH's MAIA are suspended or terminated for any reason whatsoever;

- (f) in the event of death of the IAH and/or an authorised signatory to operate accounts for a partnership and/or company or any such legal entity, the Bank will continue to freeze the IAH's MAIA until a new mandate or a fresh authorised signatory is given to the Bank;
 - (g) upon the Bank being made aware of any cheques and/or monetary instruments and/or sums that has been credited into the MAIA are as a result of any forged and/or tampered instruments and/or instructions and/or fraudulent transactions, with or without the involvement of the IAH;
 - (h) upon the Bank being made aware of complaints had been made by third parties with the relevant and competent authorities that the MAIA has been used for conducting any fraudulent transactions and/or placements and/or scams and/or soliciting illegal deposits, provided further the Bank's discretion on freezing the MAIA shall be in its sole opinion and discretion based on its own internal investigation or information made available to it by the relevant and competent authorities;
 - (i) pursuant to an indebtedness owed by the IAH to the Bank, to enable the Bank to exercise its right to set-off the debt owing to the Bank;
 - (j) upon the Bank being made aware that the IAH's mental capacity to manage the MAIA are in doubt;
 - (k) upon enforcement of any specific condition or regulatory directives applicable to the MAIA including but not limited to any lock-in period, shortage of liquidity, act of god, any financial/economic crisis such as stock-market crash or property market crash, any operational failure such as wide-scale blackout or system failure;
 - (l) where the IAH's interests as the account holders would be materially affected if dealings were not suspended or when redemptions in the MAIA exceed the liquidity levels of the MAIA and when the Bank is unable to meet the MAIA's redemption requirements or under any situation where the returns on the portfolio of the underlying assets of the MAIA turns negative and/or when the Bank is required to provide liquidity to the MAIA due to illiquidity of the MAIA's assets and the market rate for funding is disproportionately high which may result into a significant loss to IAH or upon occurrence of such events as determined by the Bank in any manner whatsoever from time to time;
or
 - (m) the occurrence or existence of an Internal Matter.
- (2) The IAH further agree that the aforesaid Freezing of the MAIA shall cease or be lifted upon the occurrence of any but not limited to of the following events:
- (a) in respect of the insolvency matters, it shall be shown to the satisfaction of the Bank by the IAH with appropriate evidence that the petition for winding-up or for bankruptcy has been validly withdrawn or dismissed or application dismissed or struck out by the Court or

- where anyone or more of our directors are adjudicated bankrupt, the Bank is served with a fresh mandate as to the change of signatories of the MAIA and is satisfied that such fresh mandate is duly authorised by the board of directors, or upon the Bank being served with the appropriate court order sanctioning the lifting of the Freezing of the MAIA;
- (b) in respect of the directives issued by the relevant and competent authorities, the Bank has been informed in writing by the authorities to reflect the lifting of the Freezing of the MAIA or in the alternative an appropriate court order has been served on the Bank sanctioning the lifting of the Freezing of the MAIA;
 - (c) in respect of the investigation by the Bank, the police or the relevant authorities, the Bank being satisfied that no further investigation is required or the Bank being served with a notification by the police or the relevant authorities that the investigation has been discontinued and that the MAIA no longer has any bearing on any ongoing investigation;
 - (d) in respect of the death of the IAH, upon presentation to the Bank of a grant of probate or letters of administration by the deceased's successor(s) or any other related forms from the land office and/or any other approved bodies under the relevant legislation prevailing at such time, or a fresh mandate with a new authorised signatory to operate the partnership and/or the company's or such entity's accounts is furnished to the Bank; and
 - (e) in respect of outstanding sum payable to the Bank, upon the Bank exercising its legal right to set-off the sum against the balance of the MAIA.
- (3) In Freezing of the MAIA pursuant to the terms and conditions herein, including any action which may be taken by the Bank such as returning any cheques or other instruments whether deposited for collection or payment as provided herein, the IAH agree that the Bank shall not be responsible for and/or be held liable for any losses damages expenses costs or charges which may be incurred by the IAH and/or claimed against the Bank or which may be incurred by the Bank (including legal costs on a solicitor and client basis) and in connection therewith, and save to the extent as otherwise expressly agreed herein, the IAH further agree to keep the Bank fully indemnified against any claims for damages losses expenses costs or charges (including legal fees on a solicitor and client basis) which may be made against the Bank or any other party.
- (4) The IAH further agree that should the Bank be sued or be made a party in any suit arising out of the Bank's action in Freezing of the MAIA herein or should the Bank before or after the Freezing of the MAIA commence any suit against any party including the IAH for any appropriate relief or declaration to be made by any court, all penalties, losses, damages, claims expenses, charges and costs (legal or otherwise including costs on a solicitors and client basis) which may be awarded against the Bank or which the Bank may incur, shall be indemnified by the IAH.

- (5) The IAH further agree that all cheques or other instruments returned or rejected by the Bank whether for payment or collection as a consequence of Freezing of the MAIA shall bear or be accompanied by the appropriate remarks deemed fit by the Bank and the IAH also further agree that the Bank in acting pursuant to any of the terms set out in this clause shall not be held liable or responsible for any losses, damages, expenses and/or costs whatsoever which may be claimed against the Bank howsoever arising, including but not limited to by reason of the written remarks accompanying the return of cheques or other instruments or on the grounds that the Bank has not been notified of the relevant events aforementioned in this clause by reason that the notification is irregular, invalid, erroneous, mistaken, void, not effective or by reason or any other grounds.

8.4 Notices & Disclosure

- (a) Any change of the IAH's e-mail address and/or mailing address and/or telephone number or other particulars with the Bank shall be sufficiently made known to the Bank.
- (b) All communication sent by the Bank via e-mail, short messaging service (SMS), website shall be deemed as delivered to and received by the IAH.
- (c) All information which is required to be disclosed by the Bank will be disclosed in a fair, accurate, clear and timely information to the IAH.
- (d) The Bank shall inform the IAH promptly on any material changes in the investment environment and the appropriate measures to be implemented following this development.
- (e) The Bank shall provide true and fair financial information to the IAH and the performance report on the performance of the MAIA shall be published by the Bank on its website at www.maybank2u.com.my either quarterly or such other intervals as may be determined by the Bank.

8.5 Costs, Fees & Charges

- (a) The IAH agrees that the Bank shall be entitled to impose fees and charges made available on the Bank's website, for any of its services provided to the IAH, and any other fees including but not limited to the arranger's fees of 1.50% of any amount placed in the MAIA to be paid upfront in accordance with the practice of the Bank. Such fees and charges (including but not limited to service tax, if any) shall be borne by the IAH.
- (b) The Bank reserve the right to vary such service fees, commissions and other charges at any time and from time to time with twenty-one (21) days prior notice.
- (c) In the event that the Bank is required by law to withhold any amount, the Bank shall be entitled to deduct from any amounts due to the IAH any withholding or other taxes or charges payable in respect of any income or profit on the amount outstanding in the Investment account.

8.6 Force Majeure

The Bank shall not be liable to the IAH for any inconvenience, injury expense, liability, damages, loss of profits, earnings or goodwill if:

- (a) the Bank is unable to perform any of its obligations hereunder or to provide any of its services as contemplated herein due to Force Majeure; or
- (b) if funds credited or debited from the MAIA becomes inaccessible or diminish in value due to Force Majeure.

8.7 **Cheques Transactions and Conversion System (CTCS)**

Pursuant to the Bank Negara Malaysia's guidelines on Cheque Transaction and Conversion System (CTCS), the IAH agrees and acknowledges to the following that:-

- (a) usage of rubber stamp/ personal seal on cheques are not allowed.
- (b) the debiting of the funds of the MAIA will be based on the cheque images presented since the original cheque would be with the collecting banks.
- (c) any request for original cheques to be returned to the IAH after payment being made will not be considered by the Bank. The Bank if at all would only be able to provide the images of the cheque instead of the physical cheques.
- (d) for inward returned cheques, the Bank will no longer be able to return to the IAH the original cheques and may only be forwarded to the IAH either an inward return document (with a copy of the image of the original cheque) or notice of the dishonoured cheque at the IAH's own risk and expense.

8.8 **Disclosure of Customer Information and Personal Data under the Islamic Financial Services Act 2013 ("IFSA") and the Personal Data Protection Act 2010 ("PDPA")**

The IAH consent and authorize the Bank to collect, process, disclose, transfer, maintain, store and retain the IAH's personal data to other entities within the Maybank Group including its branches in Malaysia and in other countries as well as local and overseas subsidiaries and other external parties. The Bank however agrees not to disclose to third parties such personal data unless it is:

- (a) to comply with an order or request made by an enforcement agency in Malaysia under any written law for the purposes of investigation or prosecution of an offence under any written law;
- (b) required by the Inland Revenue Board of Malaysia under section 81 of the Income Tax Act 1967 purposes of facilitating exchange of information pursuant to taxation arrangements or agreements having effect under section 132 or 132A of the Income Tax Act 1967;
- (c) in relation to the performance of any supervisory duties by a relevant authority outside Malaysia which exercises functions corresponding to those of Bank Negara Malaysia under the Financial Service Act 2013;
- (d) in relation to the conduct of centralised functions, which include audit, risk management finance or information technology or any other centralised function within the Bank's group of companies (where applicable);

- (e) in relation to a due diligence exercise approved by the board of directors of the Bank in connection with merger and acquisition, capital raising exercise or sale of assets or whole or part of business;
- (f) for the performance of functions of the Bank which are outsourced; and/or
- (g) necessary to carry out and complete a transaction or any other instruction or mandate given by the IAH.

8.8.1 The IAH also consent and agree to the Bank conducting credit checks and verification of information given by the IAH in the IAH's application for the MAIA or services with any credit bureaus or corporation set up for the purpose of collecting and providing credit or other information.

8.8.2 Further and without prejudice to 8.8.1 above, the IAH also hereby expressly consent to the Bank's disclosure of the IAH financial condition, details of accounts, account relationship with the Bank including credit balances to:

- (a) government or regulatory authorities in Malaysia and elsewhere, including Bank Negara Malaysia, Credit Bureau, Central Credit Reference Information System (CCRIS), Cagamas Berhad, Credit Guarantee Corporation Malaysia Berhad;
- (b) entities under the Maybank Group;
- (c) party(ies) providing services (including outsourcing vendors, lawyers, nominees, custodians, centralised securities depository or registrar, debt collection agents) to the Bank;
- (d) the Bank's agents, consultants and professional advisers;
- (e) the Bank's or any of the Maybank Group's assignees;
- (f) any other person or entity to whom disclosure is permitted or required by any law, regulation, governmental directive or request including but not limited to any request by the Police or any other investigating officer conducting any investigation and, unless and to the extent as may be determined otherwise by relevant Authorities, the IAH acknowledge that the said disclosure is necessary to facilitate the performance and functions of the Bank as contemplated herein.

8.8.3 The Bank may, subject to compliance with the applicable regulatory rules or guidelines, use or apply any information relating to the IAH collected, compiled, or obtained by the Bank through or by whatever means and methods for such purposes as determined by the Bank. The Bank however shall not share the information relating to the IAH to any other entities within the Maybank Group for the purpose of cross-selling products and services, where the IAH have opted out of the same in writing whether at the point of opening of the relevant MAIA or thereafter. Further, the Bank shall only disclose the IAH's information to other third parties (outside the Maybank Group) for marketing and promotional purposes where the IAH have opted in to the same, in writing, at the point of opening of the relevant MAIA with the Bank or at any time thereafter.

8.8.4 Subject to the IAH's express consent, the IAH hereby agree that the Bank's employees, independent contractor, representatives and/or agents to contact the IAH from time to time through personal visits or oral communication effected via any means of communication including but not limited to telephone calls regarding any products or services promotion unless objected to in writing by the IAH.

8.8.5 The IAH also declare that all personal information and data provided to the Bank is/are all true, up to date and accurate and should there be any charges to any personal information or data provided, the IAH shall notify the Bank immediately via a written notice. The IAH acknowledge that the Bank shall not be liable for and that the IAH shall indemnify the Bank for any loss or damage that may arise due to the IAH's failure or delay to keep the Bank updated as to any changes to the IAH's information and details pertaining to the IAH and/or the IAH's MAIA.

8.9 **Severability and Waiver**

- (a) If any Terms and Condition 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 affected.
- (b) Any waiver or indulgence granted shall not prevent the Bank from enforcing the other parts of the Terms and Conditions which are unaffected by such waiver or indulgence, or other rights or require the Bank to grant further indulgence. The rights and remedies provided by law are not excluded by these Terms and Conditions.

8.10 **Governing Law**

These Terms and Conditions shall be governed by the laws of Malaysia. The Bank may commence proceedings against the IAH in Malaysia or elsewhere, irrespective of the IAH's place of residence or business or the place where the MAIA is maintained.

8.11 **Successors Bound**

These Terms and Conditions shall be binding upon the IAH's heirs, personal representatives and successors-in-title and the successors-in-title and assigns of the Bank. The IAH shall not assign any of the IAH's rights and interest in the MAIA or the services rendered by the Bank as contemplated herein. The IAH's obligations and liabilities shall continue notwithstanding any change by amalgamation, reconstruction or otherwise in the constitution of the Bank.

8.12 **Security Procedure**

- (a) The IAH hereby agree to keep the IAH's Security Details in relation to the IAH's MAIA, confidential and personal to the IAH and shall take all reasonable precautions at all times to prevent unauthorized or fraudulent use of them.
- (b) The IAH hereby acknowledge that the IAH must not disclose, compromise, share or otherwise provide access to the IAH's Security Details any other confidential information in relation to the IAH's MAIA to any other person or record the IAH's Security Details including but not limited to passbook/ATM Card/electronic banking password and PIN number and any other confidential

information in relation to the IAH's MAIA, in any way that may result in them becoming known to another person.

- (c) In the event that:
- (i) the IAH's Security Details (or any part thereof), are breached, compromised or otherwise accessed by a third party, for any reason; or
 - (ii) the IAH have lost or misplaced any such Security Details (or any part thereof); or
 - (iii) an unauthorised transaction has been carried out in relation to the IAH's MAIA;

The IAH hereby undertake that the IAH shall forthwith and without delay notify the Bank and provide all relevant information as may be required by the Bank.

8.13 Taxes

- (a) Any tax or levies now or hereafter imposed by law or required to be paid in respect of any monies payable to or to be received by the Bank on any expenses incurred or to be incurred by the Bank (except where prohibited by law) shall be borne by the IAH.
- (b) The IAH agree that the Bank reserves the right to debit the IAH's MAIA for such taxes or levies payable by the IAH. In the event such debiting causes the IAH's MAIA to be overdrawn, charges at the Bank's prevailing rate(s) shall be imposed accordingly to the IAH.

8.14 Compliance with Regulatory Requirements

- (a) The IAH hereby confirm that all the transactions undertaken under the IAH's account are strictly lawful in nature and the IAH agree to abide by any regulatory requirement and will disclose all required information to the Bank. The information disclosed by the IAH shall be deemed to be accurate and final for the Bank to process the transaction.
- (b) The IAH hereby agree that the Bank has the right to hold any funds residing in the IAH's account to ensure compliance with relevant regulatory requirement and the Bank reserves the right to debit the IAH's account in the event of non-compliance to the relevant regulatory requirement.
- (c) The IAH hereby agree that the Bank may at its discretion reject any transaction including but not limited to outward application and/or transaction made by the IAH at any time in the event the Bank is not satisfied with the supporting documents provided.

8.15 Change of Terms and Conditions

- (a) The Bank reserves the right to add, modify or delete any of these Terms and Conditions, as the Bank may deem fit and does not contravene the Shariah Principles at any time by giving twenty-one (21) calendar days prior written notice before implementing the changes. The changes will take effect on the date state in the notice. In situations where changes are made pursuant to

laws or regulations, administrative in nature or for clarification purposes, notice of a shorter period or immediate notice will be given to the IAH.

- (b) A notice will be given to you in accordance with clause 8.4. If the IAH does not accept the changes, the IAH should immediately terminate the IAH's MAIA.

8.16 Power of Attorney

In the case where the IAH provides another person with authority to act on the IAH's behalf in respect of the MAIA through a Power of Attorney ("PA"), the Bank may but is under no obligation to allow the appointed attorney to act on the IAH's behalf in respect of the MAIA. The IAH must provide the Bank with PA documentation that meets the Bank's requirements. An attorney is not allowed to open the MAIA on behalf of the IAH. The Bank shall be entitled to rely on the PA until the Bank is informed that the PA has been revoked. The Bank has no duty to ensure that the attorney complies with the PA or does not exceed the attorney's powers under the PA. The Bank will not be liable for any losses, damages, expenses and/or costs suffered or incurred by the IAH as a result of the attorney acting on the PA.

8.17 Rights of Bank to Set-Off

The Bank shall be entitled at any time upon giving the IAH at least seven (7) calendar days prior written notice, to:-

- (a) set-off or transfer from the IAH's MAIA, any outstanding sum payable to the Bank in relation to any costs, fees, monetary obligations or liabilities arising from the operations of the IAH's MAIA by the Bank;
- (b) if any liability that is owed by the IAH to the Bank is contingent or in the future, the Bank's liability to make payment of any sum outstanding in respect of the IAH's MAIA, shall to the extent necessary to cover the liability, be suspended until the happening of the contingency of future event,

Notwithstanding the above, the Bank shall exercise its rights to set-off any outstanding sums in respect of the operations of the MAI at the Bank's reasonable discretion.

8.18 Rights of Bank to Debit the MAIA

The Bank is entitled at any time upon giving the IAH at least seven (7) calendar days prior written notice, or if a situation necessitates immediately upon giving notice to the IAH, debit such amount in the MAIA for any sum that was credited into the IAH's MAIA:-

- (a) if there is suspicion that the instrument used, the instruction given or the transaction itself has been tampered with or is fraudulent in nature, whether or not the IAH is involved; or
- (b) if required by any laws, rules, regulations or directives of authorities; or
- (c) if the Bank receives a court order to that effect.

Notwithstanding the above, the Bank shall exercise its rights to debit the such amount in the MAIA at the Bank's reasonable discretion.

8.19 Limitation of Liability

- (a) To the extent permitted by law, the Bank will not be liable to the IAH or any other person for any direct, indirect, incidental, special, consequential, punitive or economic loss, loss of profits, loss of business, loss of use, loss of goodwill, loss of savings or other consequential, expenses, cost or damages in relation to the MAIA, these Terms and Conditions or the Product Disclosure Sheet regardless of the cost of action (including tort) even if the Bank are advised, or may have anticipated, the possibilities of such loss, damages or expenses unless it is due to the Bank's negligence, fraud or wilful default.
- (b) Regardless of anything contrary to these Terms and Conditions and Product Disclosure Sheet and to the extent permitted by law, the Bank's total liability to the IAH for any claims (however arising) shall only be limited to actual direct loss suffered by the IAH and the claims must be supported by documentary evidence satisfactory to the Bank.

8.20 IAH's Obligations

The IAH must:

- (a) monitor the balances of the IAH's MAIA;
- (b) keep the IAH's details secure and confidential and not to disclose or provide access to any third party;
- (c) take reasonable precautions against unauthorised or fraudulent use of the IAH's security details such as not recording in an easily accessed medium;
- (d) examine all statements of the IAH's MAIA in a timely manner and immediately notify the Bank if there are any errors, irregularities, discrepancies or unauthorised transactions;
- (e) ensure any placements relating to the IAH's MAIA is transacted through the proper Bank's channel including the Bank's counter in the Bank's premises. If any placement is conducted by the IAH through any other means, the Bank shall not be liable for any claims, losses, damages, penalties, charges, costs and expenses suffered or incurred by the IAH due to the IAH's actions;
- (f) not misuse, conduct illegal or fraudulent activities through IAH's MAIA or allow any third party to do so;
- (g) immediately notify the Bank if:
 - (i) there is any change in the IAH's personal particulars such as the IAH's residential address, mailing address and contact number;
 - (ii) there is any change in the IAH's status or constitution (eg. from private company or a partnership to a limited liability partnership or from a sole-proprietorship to a partnership) and such notification will be supported by any documentation as the Bank may require;
 - (iii) the IAH loses or misplaces the IAH's security details or if they are breached, compromised or accessed by any third parties;

- (iv) the IAH discovers any unauthorised or suspicious transactions on the IAH's MAIA.

8.21 IAH's Mandate

- (a) If the IAH provides Mandate to an Authorised Signatory and unless the IAH instructs otherwise, the Authorised Signatory is considered to have the authority to perform acts including:
 - (i) withdrawing or debiting any Investments in the MAIA;
 - (ii) maintaining and terminating the MAIA;
 - (iii) using Electronic Banking Services and other services related to the MAIA;
 - (iv) giving any confirmations and instructions including standing instructions;
 - (v) signing and drawing any instruments and documents including indemnities required by the Bank; and
 - (vi) applying, cancelling, modifying and do all things related to the above.
- (b) The IAH authorises the Bank to comply with the Authorised Signatory's instructions or request when it is made in the manner prescribed or acceptable to the Bank accompanied by any security details and whether or and in accordance with these Terms and Conditions and Product Disclosure Sheet, as if they are made by the IAH.
- (c) If the Bank receives contradictory, unclear or what the Bank reasonably considers as suspicious instructions from the Authorised Signatory, the Bank may require a written confirmation to be given by the IAH before acting on the instructions without any liability on the part of the Bank.
- (d) In exercising the Mandate, the Authorised Signatory must comply with these Terms and Conditions.
- (e) If the Authorised Signatory suffers an insolvency matter, is mentally incapacitate or dies, the IAH must immediately provide the Bank with a fresh Mandate. If the IAH fails to do so, the Bank may freeze the MAIA in accordance with clause 8.3.

8.22 Declaration

The IAH hereby declare and represent to the Bank that:

- (a) the IAH am/are not an undischarged bankrupt and that no insolvency matter have been instituted against the IAH under the laws of Malaysia or any other jurisdiction;
- (b) the information given by the IAH to the Bank is/are true and correct and the IAH hereby authorise the Bank to verify the same from any source, as the Bank may in its sole discretion deem appropriate. The IAH agree that the Bank may close and terminate the MAIA immediately in the event that

any declaration made by the Investor herein is found to be false or inaccurate;

- (c) the IAH consent to the disclosure by the Bank of any information herein to any regulatory or enforcement authorities for the purpose of complying with the legal, regulatory, compliance and risk management's requirements including but not limited to the purposes of compliance with the Foreign Account Tax Compliance Act ("FATCA") and the Common Reporting Standards required by the Organisation For Economic Co-operation and Development ("CRS");
- (d) the IAH consent to the withholding from the MAIA that the IAH have with the Bank, such amounts and/or the classification of the IAH as a reportable account(s) in accordance with the requirements of FATCA and or CRS, applicable laws, regulations, agreement, or regulatory guidelines or directives and/or for the Bank to close the MAIA, in the event the IAH fail to provide accurate and/or complete information and/or documentation as the Bank may require; and
- (e) In addition to the above, the IAH also undertake to provide the Bank with written notice within thirty (30) days, should there be any change in information or declaration provided to the Bank including the information provided and the declarations made in compliance with the FATCA and or CRS requirements.

8.23 Anti-Corruption, Anti-Money Laundering and Sanctions Law

8.23.1 Anti-Corruption Laws

- a) The IAH hereby represent and warrant to the Bank that the IAH will at all times operate the accounts in compliance with all applicable Anti-Corruption Laws, policies and regulations.

8.23.2 Anti-Money Laundering

- a) The IAH hereby warrant that none of the funds moving to and from the accounts represent proceeds of, or will be used for an unlawful activity as defined in the Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities 2001 (the "Anti-Money Laundering Act").
- b) The IAH agrees that during the tenure of these Terms and Conditions, the IAH will not operating the accounts :-
 - (i) engage, directly or indirectly, in a transaction involving an unlawful activity;
 - (ii) conceal or disguise the true nature of any unlawful activity; or
 - (iii) utilise any monies from your accounts for any money laundering or other unlawful purpose

8.23.3 Sanctions

- a) The IAH are not and none of the IAH relatives, is an individual that is (i) currently subject to any sanctions administered or enforced by Malaysia, the United States of America, OFAC, the United Nations Security Council, the European Union, the UK Government or other relevant sanctions

authority (collectively, “Sanctions”), or (ii) located or resident in a country or territory that is the subject of Sanctions (including, without limitation, Burma/Myanmar, Cuba, Iran, Libya, North Korea, Sudan or Syria).

- b) The IAH will not directly or indirectly, make available in any way any proceeds or any cash withdrawal to any individual or entity which is a subject of the Sanctions.
 - c) The IAH hereby acknowledge that the Bank may be unable to process affected transaction that involve or are suspected to involve a breach of Sanctions or any requirements imposed by any authority having jurisdiction over the Bank or the affected transactions. The Bank shall not be responsible in any way for any failure or delay in processing any such transaction.
-