

**Terms & Conditions (“Terms”)
HSBC Amanah Personal Financing-i (Education) (“Facility”)**

As the Applicant applying for the Facility with HSBC Amanah Malaysia Berhad (“the Bank”), you agree to be bound by, and accept the Terms below.

1. APPLICATIONS.

You agree that the Bank may decline this application and need not provide any reason or justification for its decision. If you withdraw the application at any time after submission (but before it has been approved or rejected), you shall be liable for all legal expenses, charges and disbursements incurred by the Bank.

2. APPLICANT’S DECLARATIONS.

You declare the following:

- You are not an undischarged bankrupt
- You are not insolvent
- You have no bankruptcy proceedings pending against you
- You have no legal suits or other actions pending against you which may affect your ability to meet your 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. You agree that if any of the above is untrue: (a) the Bank may demand immediate payment of the Bank’s Selling Price or the unpaid balance thereof, and (b) you must compensate the Bank for any loss.

3. USAGE OF MONIES.

The Facility shall be utilised for payment of the annual school fee due (“Fee”) for the Child/Student whose name appears in this application and shall be paid direct to the educational institution (“Institution”) at which the Child/Student is enrolled at. The Facility shall not be used for payment of any other fee charged by the Institution such as registration fee, deposit, library fee, etc.

If the approved Facility Amount is less than the Fee due, you are liable and must pay the difference between the Facility Amount and the Fee to the Institution.

Institutions may have a refund policy for students who formally withdraw and/or do not complete their school year at the Institution. In such cases, the Institution may give a partial refund of the Fee which shall be paid to the Bank to reduce the outstanding balance of the Bank’s Selling Price.

4. FACILITY CREATED THROUGH MURABAHAH TRANSACTIONS.

Upon approval of the Facility, the Bank will act as your sole and exclusive agent in buying and selling Shariah compliant commodities to provide you with this financing through the following Commodity Murabahah transactions:

Step 1: You buy Shariah compliant commodities from the Bank at the Bank’s Selling Price (Cost Price plus profit at the Profit Rate p.a.).

Step 2: You sell your Shariah compliant commodities through Bursa Suq Al Sila’ at the Cost Price (Facility Amount).

Step 3: The Cost Price (Facility Amount) shall be paid to the Institution by a credit into the Institution’s bank account.

5. WHAT YOU HAVE TO PAY.

You shall pay the Bank’s Selling Price to the Bank. The Bank’s Selling Price consists of the Facility Amount (Cost Price) plus the Bank’s profit, with the profit calculated at the approved profit rate from the day the Facility Amount (Cost Price) is disbursed.

6. HOW AND WHEN SELLING PRICE TO BE PAID.

Subject to Clause 10 below, you shall pay the Bank’s Selling Price by the number of, and in the amount of monthly payments (“Payments”) as stated in the Approval Advice. The first Payment shall be paid on a date as advised in the same Approval Advice by way of debiting your account on

the said date or on such other date fixed by the Bank if not practicable. The Approval Advice shall be read as part of this Form, but the former shall prevail in the event of inconsistency. Subsequent monthly payments shall be debited on or before the corresponding day of each subsequent month. You hereby effect a standing instruction in accordance with Clause 19 below. In spite of this, you agree the Bank shall have the right by notice to require payment to be made by any other method the Bank may prescribe.

7. PAYMENT REMINDER VIA SMS.

You agree that the Bank may send payment reminders via Short Message Service (SMS) to your Mobile Number as indicated in this Form or to the latest Mobile Number as provided by you to the Bank. The recipient viewing the same (if not you) shall be treated by the Bank as having been expressly authorised to view the SMS.

8. LATE PAYMENT CHARGES.

If you fail to make any Payment or pay any other amount payable when due, or the outstanding Bank's Selling Price in full when demanded (where these Terms allow for such demand), you shall pay late payment charges to the Bank calculated on a daily basis in the manner prescribed by Bank Negara Malaysia. As of now, late payment charges are:

- One per cent per annum (1% p.a.) on the outstanding payments calculated from overdue date until date of full payment during the Facility tenure or until judgment date (whichever is earlier); or
- such rate per annum as determined by the Bank from time to time provided that such rate shall not at any time exceed the prevailing IIMM-rate (IIMM-rate is the daily weighted average overnight rate for Mudharabah interbank investment quoted in Malaysia's Islamic interbank money market) on the outstanding balance of the Bank's Selling Price after expiry of the Facility tenure or after judgment date (whichever is earlier); and

such late payment charges will not be compounded. The right to late payment charges shall not prejudice any of the Bank's other rights.

9. BANK'S RIGHT TO SET-OFF.

The Bank may set-off or apply any credit balance in your accounts maintained with us against any outstanding balance of the Facility. If you have any account(s) with HSBC Bank Malaysia Berhad ("HSBC Bank"), you hereby give your authorisation to HSBC Bank to debit your account(s) to pay or settle any outstanding amount due under this Facility to the Bank.

10. FACILITY SUBJECT TO THERE BEING NO EVENTS OF DEFAULT.

The arrangement for the Payments shall be cancelled and the unpaid balance of Bank's Selling Price and any other amount owing, whether or not due shall be payable on demand if:

- (a) you do not pay any sum owing to the Bank when it is due under the Facility; or
- (b) you have, in the opinion of the Bank given incomplete, misleading or incorrect information to the Bank in this Form or in relation to your application for the Facility, or you conduct your account in an unsatisfactory manner; or
- (c) you fail to observe or perform any of the covenants or obligations on your part under the Facility; or
- (d) you pass away or become of unsound mind; or
- (e) you are unable to pay your debts (which for the purposes of this clause, 'debts' include, but are not restricted to any amounts owed under any financing facility compliant with Shariah principles, including lease rentals, hire payments, etc), or you suspend payment of your debts, or enter into any arrangement or composition with your creditors; or
- (f) you commit an act of bankruptcy or have a petition presented against you for bankruptcy; or
- (g) you have a distress or execution levied or enforced upon any of your properties, or a trustee, or similar official, is appointed over all or a substantial part of your assets; or
- (h) you do not pay any debt owed to any party (including any other money owed to the Bank) when due (the definition of 'debt' as above), or you have debt being declared due prematurely or in advance of its stated maturity, or any security given for any of your debts have become enforceable for any reason; or
- (i) you have a guarantee or security given to the Bank to secure 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, or they die or become of unsound mind or commit any act of bankruptcy or are wound-up; or
- (j) you cease or threaten to cease carrying on your business or transfer or dispose or intend to transfer or dispose of a substantial part of your assets; or
- (k) you allege that all or a material part of these Terms have ceased to be of full force or effect; or

(l) you undergo any change or threatened change in circumstances or financial condition which in the Bank's opinion, would materially and adversely affect your ability to perform your obligations under the Facility, or any other agreement with Bank; or

(m) you have any of your current accounts closed by any bank following the applicable regulations governing dishonoured cheques and the policies of the bank of account, notwithstanding that your current account(s) with the Bank, whether held solely or jointly with others, has been conducted satisfactorily; or

(n) any applicable law or regulations or the interpretation or application of such law or regulation changes, making it unlawful for the Bank to comply with its obligations or to allow the Facility to continue.

11. STAMP DUTY, SOLICITORS' FEES AND OTHER COSTS.

All stamp duty and solicitors' fees that are 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 you where such amounts may be debited with prior written notice to your stated account or other account(s) with the Bank.

12. INDEPENDENT ADVICE AND VERBAL REPRESENTATIONS.

When applying for this Facility, you are responsible for assessing these Terms. You are to seek your own independent legal and Shariah advice on them. You confirm that you are not relying on anything the Bank's staff or representatives have purported to advise, represent or promise that is not expressly stated in these Terms. Even if there was any advice, representation or promise, you agree that they shall not be legally binding upon the Bank, or form a defence or support any claim by you in any legal proceedings.

13. APPLICATION OF MONIES RECEIVED.

The Bank will apply any monies received firstly for Payments, then for other outstanding monies. The Bank has 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.

14. EARLY SETTLEMENT.

You may make early settlement of the unpaid balance of the Bank's Selling Price in whole and not in part by giving the Bank at least one (1) month's prior written notice of early settlement. Notice of early settlement, once given, is irrevocable. You may be treated as if you had defaulted on a payment that is due if you fail to make payment, and the Bank may exercise any of its rights in these Terms accordingly. You understand that early settlement of the Bank's 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, where applicable) will not reduce the amount that you are obligated to pay, but the Bank will grant you a rebate (Ibra') on the Bank's Selling Price for any early settlement made based on the Bank's calculation as disclosed to you in the relevant product document. The Bank will also grant you a rebate (Ibra') if the amount due is recovered by legal process and received before the end of the Facility tenure.

15. CONSENT TO BANK TO COLLECT, PROCESS, DISCLOSE INFORMATION AND CARRY OUT CREDIT CHECKS.

You give your irrevocable consent to the Bank to collect, process and disclose information relating to the Facility, your accounts and other facilities presently held, or which may subsequently be opened or obtained ("Information") in the manner described in the Bank's Generic Terms and Conditions, Clause 9 "*Collection, Processing and Sharing of Customer Information*" (available at the Bank's website www.hsbcamanah.com.my or upon request).

You also give your irrevocable consent (1) to the Bank to carry out credit checks and obtain credit reports and information on you from time to time, from Credit Bureau Malaysia and any other credit reporting agencies registered under the Credit Reporting Agencies Act 2010 (as listed on the Bank's website at www.hsbcamanah.com.my), and (2) to Credit Bureau Malaysia to source and retain information on you from any available data source, and to disclose to the Bank any such information as may be requested by the Bank.

16. EXERCISE BY THE BANK OF ITS AVAILABLE REMEDIES.

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 you; or
- (b) has given up its right; or
- (c) is prevented from acting later.

Where the Bank has expressly waived a default by you, this shall not impair the Bank's right, power or remedy in respect of any other default by you, whether occurring prior or subsequent to the waiver. You agree that if you hold any credit cards/-i issued by the Bank or HSBC Bank and you do not pay the Payments on a timely basis and/or the Facility is not conducted in a manner satisfactory to the Bank, both the Bank and HSBC Bank are at liberty to exercise their rights under the respective Cardholder Agreements to reduce the credit limit on the credit cards/-i and/or to restrict or terminate usage of any credit cards/-i.

17. TAKAFUL COVERAGE.

If you elect for the Bank to arrange Takaful Coverage, you declare that the salient terms of the coverage have been made known to you. 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 your obligations under the Facility.

18. HOW TO DEAL WITH INVALIDITY OF TERMS.

If any of these Terms are prohibited or unenforceable by law or 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.

19. STANDING INSTRUCTIONS FOR PAYMENT.

If you do not have an existing account with the Bank or HSBC Bank, you hereby authorise the Bank to open an HSBC Amanah Advance Account-i to facilitate the Payments and put in place a Standing Instruction Payment Order with the Bank for the amount of, and number of Payments on the due dates as payable by you from time to time. This Order shall be subject to the Bank's applicable terms for acceptance of Standing Instruction Orders which include:

- You must ensure there are sufficient funds at all times in your account to meet the payments due and you agree that the Bank has a right to levy a charge for any failed payments under the Order if there are insufficient funds.
- You acknowledge that while the Bank will endeavour to effect payments under the Order, you agree 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 subsequently subsist between you and the Bank affecting your account, or any banking accommodation afforded to you.
- The Bank conclusively determines the priority of payment of any monies 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.
- You agree the Order will remain effective notwithstanding your death or bankruptcy until notice thereof in writing is received by the Bank.

If your account is with HSBC Bank, and you intend the Standing Instruction Payment Order to be against such account instead, you hereby irrevocably authorise HSBC Bank to effect such Standing Instruction Payment Order for the amount of, and number of Payments to be paid to the Bank under the Facility on the due dates as payable by you from time to time.

20. NOTICES BY THE BANK TO YOU.

The Bank may give you a notice or demand or other correspondence in writing by:

- delivering it personally;
- sending it by ordinary post to any of the addresses given in this Form or such other addresses you subsequently notify the Bank of in writing.

You shall be deemed to have received any notice or other correspondence from the Bank, if:

- delivered personally, when so delivered;
- sent by post (which in this Clause 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 you by registered post and if sent by registered post to any of your addresses given 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. You agree you must notify the Bank in writing of any change of address.

21. EVIDENCE OF AMOUNTS OWING.

You agree that:

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

22. GOVERNING LAW, JURISDICTION AND TIME.

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

23. ASSIGNMENT OR TRANSFER.

You cannot assign or transfer any of your rights and obligations without the consent of the Bank. The Bank may assign or transfer any rights it has to any party and need only give you a notice in writing, or enter into more formal agreements (which you hereby agree to execute if so requested by the Bank). If so, the Terms of the Facility will apply in the favour of that party as if that party was the Bank from the effective date specified in the notice or agreement and the Bank shall thereafter be released from such rights, benefits and/or obligations under the Facility.

24. GENERIC TERMS & CONDITIONS ("GTC") SHALL APPLY.

The Facility is also subject to the Bank's Generic Terms and Conditions, Clause 8 "*Financial Crime Risk Management Activity*", Clause 10 "*Collection, Processing and Sharing of Customer Information*", Clause 14 "*Tax Compliance*", Clause 33 "*Conflict & Order of Priority*" and Clause 42 "*Definitions*", which may be amended from time to time in accordance with Clause 7 "*Amendment of Terms & Conditions*" (available at the Bank's website www.hsbcamanah.com.my or upon request).