

Hassad Retail Account Opening Application

Customer's Name:..... Customer File No:.....
 Account No:..... Date: / /
 Branch's Name:..... Branch's No:.....
 Account Currency:..... Purpose of Account Opening:.....

We kindly ask you to open our Hassad Retail Account with you according to followed procedures and systems, and as per above-mentioned data.

Hassad Retail Account Opening Agreement

1. Definitions:

- 1.1 **Hassad Retail Account:** An investment account aims to make a profit and incur losses, if any through Shariah Mudaraba, in which the customer (owner of money) deposits the Mudaraba capital, and ARB (Mudarib) mixes the Mudaraba capital with its money and invests it according to the terms and conditions of this Agreement. In addition, ARB grants the customer the right to withdraw and deposit from this account, and perform other banking services according to the terms and conditions contained in this Agreement.
- 1.2 **Expected Profit Rate:** means the expected profit rate of ARB on its monthly investment, announced periodically to customers.
- 1.3 **Actual Return:** The return due to the investor after the deduction of: A- ARB share as a Mudarib from the investment profit; B- The costs mentioned in (6/A) and (6/b) (**Distributable Profit**).
- 1.4 **Reserve Account:** An internal account with ARB in which amounts in excess of the expected profits from actual returns are deposited, for the purpose of covering any subsequent decrease in actual returns over the expected profits.
- 1.5 **Documented Communication:** instructions directed to beneficiary and received through recorded means of communication, that can be proved and retrieved, whether in paper or electronic form, or recorded call.
- 1.6 **Investment Period:** the investment period agreed upon for investing customer's money, such that customer's profit is calculated based on the least available balance throughout this period.
- 1.7 **Hassad Account Opening Agreement, Mudaraba Agreement, the Agreement, the Contract:** means this Agreement.
2. The customer wants to open a Hassad Retail Account with ARB, to invest the amounts deposited in the account through Mudaraba in Treasury business according to Sharia provisions (Hassad Retail Account); where the customer declares that he/she is acquainted with the ensuing risks from the account opening and dealing, including loss contingency; where it is agreed and understood to the customer that the customer's signature on this Agreement is considered an offer, and ARB opening of the account is an acceptance. The terms and conditions contained in this Agreement shall be applicable immediately, and shall be binding on the parties, in addition to any additional terms or provisions approved by the parties in writing, after ARB considers and approves the mentioned application.
3. Customer access to this account shall be deemed as purchase of share in an existing investment, and exit therefrom shall be deemed as sale of customer's share therein, coupled with all respective duties and obligations pursuant to Sharia dependency rules.

Now, Therefore, it is agreed between the parties, in their full capacity pursuant to sharia and law, upon the terms and conditions of this Agreement and providing banking services set out below.

4. Conditions of Hassad Retail Account Opening:

- a) The customer shall have a current account with ARB, subject to all terms and conditions applicable to the current account, without prejudice to the terms and conditions of this Agreement.
- b) The minimum limit of opening Hassad Retail Account is SAR 5,000

5. Eligible Capital and Entitlement to Profits:

- a) The Hassad Account's profits are calculated based on the lowest credit balance in the customer's account within the Georgian month, and (11.59 p.m.) o'clock of the end of last day of the Georgian month shall be approved as the monthly closure time, so that the customer (owner of money) may withdraw money whenever he/she wants, and this shall be considered a waiver by him/her of the Mudaraba Contract regarding the withdrawn money and the Mudaraba Contract shall apply to the lowest available balance within the Georgian month at the closure time. The legal reserves determined by the Saudi Central Bank (SAMA) for this type of accounts shall be set aside from the original Mudaraba amount.
- b) If the actual return is more than the expected profit rate, then ARB shall set aside the excess amount in a reserve account, so these amounts shall be used to cover any decrease of actual profits than the expected profits. In case of liquidating this account, the same shall be presented to ARB's Sharia Board on the due course.
- c) If the amount available in account balance drops below SAR 5,000 during any time of the investment period, Mudaraba shall be terminated with respect to remaining amount and the customer may not be entitled to receive any profit as from date when there is shortage of amount, however, the customer remains entitled to receive investment profits for the last period.
- d) Profits shall be credited to the account following end of investment period (every Georgian month, every three months, every six months or every year) as agreed between the customer and ARB and pursuant to agreed upon ratios.
- e) The customer may not be entitled to receive any profits, if the amount available in the account balance drops below SAR 5,000 at any time during the month, until replenishing account balance up to the minimum limit for subscription to Mudaraba contracts prior to beginning of the month subsequent to the month when the balance drops below the minimum limit.
- f) The customer may not be entitled to receive any profits for the Georgian month during which the account is opened, unless the account is opened two or more working days prior to beginning of the Georgian month.
- g) The customer shall deposit the amount in the account prior to beginning of the month, in order to be entitled to receive profits.
- h) The Gregorian calendar months shall prevail in calculating profits and their maturity dates for the whole month, on the understanding that no profits will be calculated for parts of the month.

6. Distributable Profit:

- a. Distributable Profit is the profit resulting from financing and investments for the treasury, companies or any other business sectors in which the "Hassad Account" funds participated, less the expenditure, costs and expenses, whereas the share of the owners of Hassad accounts is determined according to the percentage of the participation of the account funds in the total financing and investment portfolio and varies according to its nature, size and duration.

7. Contribution Rate in Distributable Profit:

- a) The customer (owner of money), in case the Treasury Group achieves profits from the money deposited in the customer's Hassad Account, shall receive the ratio agreed upon between ARB and the customer in this Agreement, and the customer (owner of money) shall share with ARB (Mudarib) all risks related to investing the money deposited in the account. In case of loss in the capital, ARB, as a mudarib, shall not be responsible for such loss, unless in case of omission or negligence by ARB. ARB may change this rate as per its absolute discretion, provided that it shall notify the customer of the same during such month preceding the month when amendment will apply. If ARB did not receive request for account cancellation from the customer within 30 days from the notification date, the said amendment will be binding on the customer.
- b) Profit-sharing Percentage between (ARB) and the Customer: the percentage agreed upon between (ARB) and the Customer when opening the account based on what is announced or shall be announced by (ARB) periodically to customers on (ARB) e-channels, provided that change to ARB's percentage applies to all existing contracts unless customer objects thereto with 30 days from the notification.
- c) Profit Sharing Ratio:

- Profit share due to the customer: 60%
 - Profit share due to ARB: 40%
8. ARB shall be responsible for opening a Hassad Account for the customer, wherein it shall record all its credit or debit amounts, either in cash or transfer of any kind.
 9. Dealing in the mentioned account shall be made only by the customer or his/her representative, and ARB shall be notified in writing under a Sharia POA, internal authorization or partners or managers declaration authorizing dealing in the account.
 10. The customer authorizes ARB without referring to the customer to credit in his/her account the cheques or money deposited by him/her or others in his/her account.
 11. The customer agrees to provide ARB with specimens of his/her signature, a signature of his/her representative; such specimens shall be considered legal and approved for all operations on the account.
 12. ARB may, without referring to the customer, merge or consolidate balances of customer's opened accounts in any currency in any branch or center of ARB to setoff any obligations of the customer towards ARB - provided to effectuate merger or consolidation of investment accounts after the nearest liquidity period - and set-off or transfer any amounts the customer is entitled to from ARB to pay such obligations arising from any account. In addition, ARB may debit from the customer's account all dues from the customer against guarantees, bills, checks, payment orders or any other negotiable instruments or those sent by the customer for collection either in SAR, other currencies or in precious metals of the same due kind or other kinds; in addition to making any necessary exchange at the prevailing price at the time of exchange. ARB may stop withdrawals from any account opened in the customer's name at any time and demand the customer to repay any payable debit balance immediately irrespective of any security or guarantees of the customer against its obligations towards ARB.
 13. ARB records, documentation and accounts regarding the customer relationship with ARB are considered valid and binding on the customer, and the customer may oppose them in writing within 30 days from the date of being notified by ARB, and the customer may oppose for any restrictions or transactions proven to be done in such account illegally and neither the customer nor his/her authorized representative was involved therein directly or indirectly, and the customer hereby undertakes to inform (in writing) ARB immediately after proving anything in this regard.
 14. ARB may at any time change or modify the terms of the account - after approval of the Sharia Board on the required amendment - provided the customer is notified of the amendment 30 days before effective date of the amendment, and such change or amendment shall be effective, unless otherwise opposed by the customer within (30) days from the date of being notified of the same by ARB. In case the customer opposes to the amendment, this shall be deemed a request for termination of this Agreement.
 15. Notifications between the parties shall be exchanged by registered mail or secured means of communication, and their delivery to the customer and non-response thereto shall be considered an approval of the same if it relates to:
 - Amending contribution rate in distributable profit.
 - Amending the minimum qualified capital - if any.
 - Amending any of the account provisions.
 16. Any claim or dispute arising out from the application or interpretation of these terms and conditions shall be governed by the Sharia provisions and the competent judicial authority in Saudi Arabia shall determine it.
 17. The customer acknowledges that if he/she desires to use any of the electronic services provided by ARB to its customers, he/she shall request such service according to the applicable work procedures at ARB and agree on its terms and commitment to its conditions. ARB reserves the right to reject or accept the request at its absolute discretion.
 18. ARB may also stop the debit movement if the account completed six months and there is no movement during such period.
 19. If the account completed five years and there is no any withdrawal, transfer or a deposit movement by

the customer or his/her authorized representative, then the account shall be dormant and unclaimed, and shall be governed by unclaimed accounts procedures.

20. The customer may not issue checkbook for this account.
21. The customer shall update the account data every five years maximum or at ARB request, otherwise, ARB will freeze the account. In addition, the customer shall inform ARB in writing of any change to the address, otherwise the last address shall be certified for correspondence. Moreover, the customer shall also renew the representatives or authorized persons' identities and the commercial register and submit them to ARB before the expiry of any of them; the customer knew that ARB will freeze his/her accounts in case of failure to meet this condition.
22. The customer undertakes and represents that he/she is not legally banned from dealing in Hassad Account and that all of his/her statements are correct and documented and he/she understood the provisions of opening Hassad Account currently applicable and its terms and conditions.
23. Above-mentioned customer is the only real beneficiary from the account and is responsible for all transactions associated with the account.
24. The customer acknowledges that ARB shall have the right to reverse any wrong entry or credit to the customer's saving account due to the execution of any profit credit.
25. ARB may terminate the Mudaraba Contract and convert the Hassad Retail Account into a current account after informing the customer 30 days in advance by any documented means of communication; then the terms and conditions of current account shall apply to the customer account subject to paragraph (26) hereof.
26. Upon expiry of the Agreement term or termination thereof for any reason related to ARB or third party, the customer shall discharge ARB and the remaining investors (owners of saving accounts "Hassad") from any undistributed or unrealized profit and the remaining profit rate reserve, and the investors (owners of saving accounts) shall exonerate the customer from any loss that is not incurred. Accordingly, the customer shall only be entitled to a profit or bear loss to the extent of the period in which the amount remains in the saving pool before being refunded, and the customer shall not be entitled to profit nor bear loss for the remaining period after refund. In case of expiry or closing the account upon the customer's request prior to the plan completion for any reason whatsoever and after ARB's consent, this shall be according to the following procedures:

First: If the Agreement expires or is terminated after liquidity (investment value estimation) for any month in which the customers engages, the customer shall be entitled to profit/loss calculated based on such liquidity.

Second: If the Agreement expires or is terminated prior to liquidity and ARB consents to withdrawal, this shall be according to agreement between ARB and the customer, provided it does not exceed entitlements of the customer based on liquidity subsequent to expiry or termination of the Agreement.

Third: ARB may delay (distribution of profit/ deduction of loss) until expiry of agreed upon investment period or elapse of the first quarter subsequent to the investment period. Moreover, ARB may delay approval of settlement of rights and obligations arising from the account after expiry or termination until elapse of the next quarter.

27. Immediately after signing this Agreement by the customer, a contractual relationship shall be established, thereby resulting in opening a Hassad Account with ARB for investment of the amounts deposited in the account by way of Mudaraba according to the Sharia provisions, and all customer's debit or credit amounts shall be recorded in such account. Banking regulations and procedures applicable in Kingdom of Saudi Arabia shall apply to this Agreement in accordance with the Sharia provisions. In addition, the customer acknowledges that all data he/she provided to ARB are authentic and this Agreement has been made and concluded therupon.

Customer's signature on the terms and conditions of Hassad Retail Account Opening Application and authenticity of all data provided herein:

Customer's Name:.....

Signature:.....