

FNB ISLAMIC TERM DEPOSIT ACCOUNT GENERAL TERMS & CONDITIONS

- For purposes of these rules the words, “FNB” or “the bank” only refers to FNB Islamic Banking and “you” or “your” refers to the account holder.
- “Mudarabah funds” refer to the capital amount in your account.
- “Profit share” means the percentage of the profits you earn when FNB invests the Mudarabah funds in Shari’ah assets on the basis of these terms and conditions.
- “Shari’ah Law” means the set of rules derived from the Holy Qur’an and authentic Traditions (Sunnah) of the Prophet Muhammad (PBUH) and the scholarly opinions based on the Qur’an and Sunnah.
- How to use your account within the Mudarabah structure:
 1. Your account will operate according to the Unrestricted Mudarabah structure which means you will participate in profit share on these conditions:
 - 1.1 You must provide the capital “Mudarabah funds”.
 - 1.2 FNB, as the Mudarib manager, will provide the management and expertise and will trade the Mudarabah funds by investing in Shari’ah compliant assets at its discretion. FNB will act with the approval of the FNB Islamic Banking Shari’ah Advisory Committee.
 - 1.3 You and FNB will share in that profit according to the profit share percentages explained in these terms and conditions if FNB makes a profit from our trading activities.
- FNB can change the required balances, minimum deposits, fees, and/or penalty fees that apply to savings and investment accounts from time to time. FNB will notify you if it does this.
- You must get independent tax advice from a suitably qualified tax expert so you can understand and plan for the taxes you will pay on the income you earn from your investment. You can request income tax certificates showing the profit you have earned on the account. FNB may at its discretion post a certificate to you. FNB will send the same information to the South African Revenue Service.
- You alone need to be satisfied that the product you have chosen meets your savings and investment needs and objectives.
- Unless the account rules say otherwise, FNB will determine the profit share percentage that will be used to calculate profit on your investment. You will only earn profit if the funds in your account are more than the minimum balance you must deposit and/or keep in your account. The profit share percentage quoted is an indication of what profit you may earn for the term of your investment.
- Any receipt issued on the opening of the account is not transferable or negotiable. You may not pledge or cede (transfer) your rights arising from your savings or investment as security for loans without our consent. FNB will only consider cessions or pledges to registered South African Banks.
- If any negotiable instrument (e.g. a cheque) is deposited in your account, the proceeds will be credited to your account immediately, but will only be available when the negotiable instrument has been honoured. If the negotiable instrument is dishonoured, your account will be debited accordingly and FNB will return the negotiable instrument to you at your risk. You agree that FNB can clear cheques by making use of any clearing system. While acting in good faith and exercising reasonable care, FNB will not accept responsibility for ensuring that you have lawful title to negotiable instruments collected.
- FNB is entitled to close your account if the balance falls below the required minimum balance and/or if the account remains inactive or dormant for a period of more than two years. The credit balance on your account will be transferred to a suspense account held with FNB for safekeeping of the funds. You retain the right to these unclaimed funds from the day the account became dormant for a period of 60 years, provided that you complete the necessary forms provided to you by FNB, and you can prove your claim.
- Profit share
 1. The profit share percentages shown in the table below explain how FNB will calculate the profit share for the duration of the term deposit period on the Mudarabah funds.
 2. The period of your investment determines your profit share. Your profit share is only paid out on the end date of your investment (termed the “maturity date”).
 3. If FNB makes a profit through our trading activities with the Mudarabah funds, FNB will share this profit with you according to the profit share split, 60 (sixty) percent to FNB Islamic Bank and 40 (forty) percent to the depositor. Profit is allocated to individual depositors on the basis of a weighting system, taking into account the value of the deposit and its duration. Profit weightings have been defined as follows:

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|-----------|------------|------------|-------------|-------------|-------------|--------------|--------------|--------------|--------------|
| Term | 30 days | 90 days | 180 days | 270 days | 365 days | 24 months | 36 months | 48 months | 60 months |
| Weighting | 44 | 48 | 55 | 56 | 58 | 59 | 63 | 69 | 73 |

4. If FNB have received any income on your account in conflict with Shari’ah Law, as confirmed by our Shari’ah Advisory Committee you authorise FNB to dispose of any involuntary non-permissible income credited to your account. You agree that FNB can donate that income to any charitable organisation(s) of its choice without getting your permission.
- **Sharing in Losses:**
 1. If no Shari’ah compliant assets are available for trade your term deposit account will be closed and your funds will be returned to you.
 2. When no Shari’ah compliant assets are available no profit share will be generated for that period.
 3. You cannot earn any profit share on your account if there was no profit made on the Mudarabah funds during the investment term.
 4. You may carry any losses if the Mudarabah fund suffers a loss. Losses will however, always be limited to the amount of the Mudarabah funds you deposited with FNB.
 5. FNB does not guarantee that you will receive any profit share. FNB does not guarantee that you will recover the capital you invested “Mudarabah funds” when our relationship with you ends.

- Reinvestment after the maturity date
 1. FNB will give you prior written notice of at least 6 (six) weeks, before your investment matures. However this will not apply if your investment term is for 3 months or less.
 2. On maturity, your capital and any profit or your capital less any loss will then become available for withdrawal.
 3. FNB will reinvest your Mudarabah funds and profit share automatically in the same product and for the same term, but at the new indicative profit share percentage, if FNB does not receive your instructions at the maturity of your investment. If this happens these terms and conditions and the product rules will continue to apply to the reinvestment with the necessary changes required by the context.
 4. Within 14 (fourteen) days after the reinvestment, you may:
 - 4.1. Close your account and cancel the reinvestment without any penalty. If you do this you will not earn any profit share from the maturity date until your account is closed; or
 - 4.2. You will earn profit share at the percentage that you and FNB have agreed upon for the new product from the maturity date if you request that the reinvestment be changed to another FNB Islamic Banking product of your choice.
 5. If you ask FNB, more than 14 (fourteen) days after the reinvestment, either to withdraw some or all of the funds from your account or to change your investment to another investment:
 - 5.1 FNB will only allow you to do an early withdrawal if the reasons for this are acceptable to FNB. FNB may therefore refuse an early withdrawal on some or all your funds; and
 - 5.2 Any withdrawal that is allowed by FNB, or a change to another FNB Islamic Banking product, will be subject to these terms & conditions.
- Dormant Accounts and unclaimed funds
 1. FNB can treat your account as a dormant account if you do not use your account or product, for any reason, for the period of time FNB considers to indicate dormancy from time to time.
 2. You will remain entitled to claim any Mudarabah funds and profit share in the closed account for a period of 60 years, provided that you are able to give FNB proof of identity and entitlement to the funds.
 3. Any person claiming funds in the account will remain liable for and must pay all costs, which will include but not limited to tracing fees and administration fees, which FNB may incur in attempting to validate the claim.
 4. When the dormant account is closed, the account will not earn any profit.
- Other conditions in which you may close your account
 1. You will not be charged any penalty if you close your account and cancel these terms and conditions at the end of its fixed term ("maturity date").
 2. When you notify FNB that you wish to withdraw the Mudarabah funds before the maturity date this is termed an early withdrawal. Early withdrawal means that you withdraw the Mudarabah funds before the maturity date or close your account before the maturity date. Early withdrawal may require:
 - 2.1 FNB to charge you an administrative fee, and/ or
 - 2.2 You to willingly waive a portion of your investment with FNB Islamic Banking based on the Islamic principle of Takharuj (mutual termination).
 3. The administrative fee and/or the waived portion of your investment will be deducted prior to the Mudarabah funds and any profit share (if applicable) being transferred to your nominated account.
 4. You remain liable to FNB for any amounts you owed FNB at the time you closed your account up to the date your account was closed.
 5. If your account has been used to commit any fraud or FNB is compelled to do so by law FNB may close your account or refuse you access to your account without prior notification to you.
- Visit www.fnb.co.za to review our complaints procedure.
- The FNB General Terms & Conditions will also apply to you. A copy of these terms & conditions are available on www.fnb.co.za or from our call centre