

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 request that you open a Hassad Retail Account in accordance with the applicable procedures and laws, based on the aforementioned data.

Hassad Retail Account Opening Agreement

1. **Definitions:**
 - 1.1 **Hassad Retail Account:** An investment account designed to generate profits and incur losses, if any, through Shariah Mudaraba. Customer (capital owner) deposits Mudaraba capital, and ARB (Mudarib) mixes the Mudaraba capital with its money and invests it according to the terms and conditions hereof. In addition, ARB grants Customer the right to withdraw and deposit from this account, and perform other banking services according to the terms and conditions contained herein.
 - 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 money, such that Customer profit is calculated based on the least available balance throughout this period.
 - 1.7 Hassad Account Opening Agreement, Mudaraba Agreement, Agreement, the Contract: means this Agreement.
2. Whereas Customer wishes to open a Hassad Retail Account with ARB to invest deposited amounts through Mudaraba in Treasury business according to Sharia provisions (Hassad Retail Account); whereas Customer acknowledges the risks associated with this account, including potential loss; whereas it is agreed and understood to Customer that his signature on this Agreement constitutes an offer, and ARB opening of the account serves as acceptance, terms and conditions contained herein 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 a purchase of a share in an existing investment, while exiting the account is deemed a sale of Customer share therein, subject to all respective duties and obligations under Sharia law. Therefore, the parties, acting with full capacity under Sharia and the law, agree to the terms and conditions of this Agreement and the provision of banking services as outlined below.
4. **Conditions of Hassad Retail Account Opening:**
 - a) 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 hereof.
 - b) The minimum amount required to open a Hassad Retail Account is SAR 0
5. **Eligible Capital and Entitlement to Profits:**
 - a) Profits from Hassad Account are calculated based on the lowest credit balance in Customer account (the daily closing of Customer account balance) during the Georgian month. The closure time for calculations is set at 11:59 PM on the last day of the month. Customer (capital owner) may withdraw funds at any time, which will be considered a waiver of the Mudaraba Contract regarding the withdrawn amount. The Mudaraba Contract shall apply to the lowest available balance at the closure time. Legal reserves mandated by 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, ARB shall allocate the excess amount to a reserve account. These funds will be utilized to cover any future decreases in actual profits compared to expected profits. In the event of account liquidation, the matter shall be presented to ARB 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 Customer may not be entitled to receive any profit as from date when there is shortage of amount, however, 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 Customer and ARB and pursuant to agree upon ratios.
 - e) Customer may not be entitled to receive any profits, if the amount available in the account balance drops below SAR 1,000 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) 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) Customer shall deposit the amount in the account prior to beginning of the month, in order to be entitled to receive profits.
 - h) Gregorian calendar months shall be used to calculate profits and their maturity dates for the whole month, with no profits calculated for partial months.
- 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) In case the Treasury Group achieves profits from the money deposited in Customer Hassad Account, Customer (capital owner) shall receive the ratio of profits agreed upon between ARB and Customer herein. Customer (capital owner) shall share all investment-related risks with ARB (Mudarib). 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 Customer of the same during such month preceding the month when amendment will apply. If ARB did not receive request for account cancellation from Customer within 30 days from the notification date, the said amendment will be binding on Customer.
 - b) Profit-sharing Percentage between (ARB) and Customer shall be based on Agreement made at the account opening, according to what is periodically announced by ARB through its electronic channels. Changes to ARB percentage shall apply to all existing contracts unless Customer objects within 30 days of notification.
 - c) Profit Sharing Ratio:
 - Profit share due to Customer: 60%
 - Profit share due to ARB: 40%
- 8.** ARB shall be responsible for opening a Hassad Account for Customer, wherein it shall record all its credit or debit amounts, either in cash or transfer of any kind.
- 9.** Transactions in the account shall be conducted solely by the Customer or their representative. ARB shall be notified in writing under a Sharia Power of Attorney (POA), internal authorization, or a declaration from partners or managers who are authorized to act on behalf of the account.
- 10.** Customer authorizes ARB to credit their account with any cheques or funds deposited by themselves or others, without requiring prior approval.
- 11.** Customer agrees to provide ARB with specimens of their signature, that of their representative. These specimens shall be considered legal and approved for all operations on the account.
- 12.** ARB may, without referring to Customer, merge or consolidate balances of Customer opened accounts in any currency across any ARB branch or center to set off any obligations of Customer towards ARB - provided to effectuate merger or consolidation of investment accounts after the nearest liquidity period - and set-off or transfer any amounts Customer is entitled to from ARB to pay such obligations arising from any account. In addition, ARB may debit from Customer account all dues from Customer against guarantees, bills, checks, payment orders or any other negotiable instruments or those sent by 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 Customer name at any time and demand Customer to repay any payable debit balance immediately irrespective of any security or guarantees of Customer against its obligations towards ARB.
- 13.** ARB records, documentation and accounts regarding Customer relationship with ARB are considered valid and binding. Customer may contest these in writing within 30 days of notification. Customer may oppose any restrictions or transactions proven to be illegal and neither Customer nor his/her authorized representative was involved therein directly or indirectly. 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 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 Customer within

(30) days from the date of being notified of the same by ARB. In case 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 Customer and non-response thereto shall be considered an approval of the same if it relates to:
 - Amendment of contribution rate in distributable profit.
 - Amendment of minimum qualified capital, if applicable.
 - Amendment of any account provisions.
16. Any claim or dispute arising from the application or interpretation of these terms and conditions shall be governed by the Sharia provisions, with the competent judicial authority in Saudi Arabia having jurisdiction.
17. Customer acknowledges that if he/she desires to use any of the electronic services provided by ARB, 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 two years and there is no movement during such period.
19. If the account has been inactive for five years, with no withdrawals, transfers or deposits by Customer or an authorized representative, the account shall be deemed dormant and unclaimed, subject to unclaimed accounts procedures.
20. Customer may not issue checkbook for this account.
21. Customer shall update the account data every five years maximum or at ARB request, otherwise, ARB will freeze the account. In addition, Customer shall inform ARB in writing of any change to the address, otherwise the last address shall be certified for correspondence. Moreover, 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; Customer knew that ARB will freeze his/her accounts in case of failure to meet this condition.
22. Customer undertakes and represents that he/she is not legally banned from dealing in Hassad Account and that all statements are correct and documented. Customer acknowledges understanding the current provisions and terms for opening Hassad Account.
23. Above-mentioned Customer is the only real beneficiary from the account and is responsible for all transactions associated with the account.
24. Customer acknowledges that ARB shall have the right to reverse any wrong entry or credit to Customer 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 Customer 30 days in advance by any documented means of communication; then the terms and conditions of current account shall apply to Customer account subject to paragraph (26) hereof.
26. Upon expiry of Agreement term or termination thereof for any reason related to ARB or third party, Customer shall discharge ARB and the remaining investors (owners of saving accounts "Hassad") from any undistributed or unrealized profit and any remaining profit rate reserve. Investors (owners of saving accounts) shall absolve Customer from any loss that is not incurred. Accordingly, Customer shall only be entitled to a profit or bear losses only for the period the amount remains in the savings pool before refund, and not for any period after the refund. If the account is expired or closed upon Customer request prior to the plan completion for any reason whatsoever and after ARB consent, this shall be according to the following procedures:

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

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

Third: ARB may delay distribution of profit or 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 upon signing this Agreement, a contractual relationship shall be established, 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. All Customer debit or credit amounts shall be recorded in such account. Banking regulations and procedures applicable in Kingdom of Saudi Arabia shall govern this Agreement in accordance with the Sharia provisions. Additionally, Customer acknowledges that all information provided to ARB is authentic and this Agreement has been made and concluded therupon.

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

Customer Name.....

Signature.....