

FNBB ISLAMIC TERM DEPOSIT ACCOUNT TERMS & CONDITIONS

- For purposes of these rules the words, “FNBB” or “the bank” refers to FNBB Islamic Banking, a business division of First National Bank Botswana Limited 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 FNBB invests the Mudarabah funds in Shari’ah compliant assets on the basis of these terms and conditions.
- “Shari’ah” means the set of rules derived from the Qur’an and authentic Traditions (Sunnah) of the Prophet Muhammad (PBUH) and the scholarly opinions based on the Qur’an and Sunnah.
- Your account will operate according to the “Unrestricted Mudarabah” structure and you will participate on these conditions:
 - You must provide the Mudarabah funds.
 - FNBB, as the Mudarib (manager), will provide the management and expertise and will invest the Mudarabah funds in Shari’ah compliant assets at its discretion.
 - FNBB will act in accordance with the approval of the FirstRand Islamic Financial Services (“FRIFS”) Shari’ah Advisory Committee.
 - If FNBB makes a profit from its trading activities, You and FNBB will share in that profit according to the profit sharing methodology explained in these terms and conditions.
- FNBB can change the required balances, minimum deposits, fees, and/or fees that apply to savings and investment accounts from time to time. FNBB will notify you if it does this by publication of the changes online or in the media.
- You must get independent tax advice from a suitably qualified tax expert so that you can understand and plan for the taxes you will pay on the income you earn from your investment. Where required by law, FNBB may withhold any taxes accrued by you pursuant to the any profit share earned. You can request income tax certificates showing the profit that you have earned on the account. FNBB may at its discretion post a certificate to you. FNBB will send the same information to the Botswana Unified Revenue Service.
- You alone need to be satisfied that the product you have chosen meets your savings and investment needs and objectives. By selecting the product, you confirm that such product meets your investment needs.
- You will only earn profit if the funds in your account are more than the minimum balance that you must deposit and/or keep in your account. The profit share rate quoted initially 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 prior written consent. FNBB will only consider cessions or pledges to registered banks in Botswana.
- 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 FNBB will return the negotiable instrument to you at your risk. You agree that FNBB can clear cheques by making use of any clearing system. While acting in good faith and exercising reasonable care, FNBB will not accept responsibility for ensuring that you have lawful title to negotiable instruments collected.
- FNBB 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 FNBB 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 FNBB, and you can prove your claim.
- Profit share:**
 - If FNBB makes a profit through its investment of the Mudarabah funds, FNBB will share this profit with you according to the profit share split, 90 (Ninety) percent to FNBB and 10 (Ten) percent to you.
 - Your profit share is only paid out on the end date of your investment (termed the “maturity date”).
 - 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:

Account type	Savings/Call Account/up to 6 Days	48 Hour Notice/ Maximiser	Fixed term 7-31 days	Fixed term 32-92 days	Fixed term 93-184 days	Fixed term 185-270 day	Fixed term 271-366 days	Fixed term 367-715 days	Fixed term 716-1080 days	Fixed term 1081-1440 days	Fixed term 1441-1825 days	Fixed term 1850+ days
Weighting	3	4	5	48	55	56	58	63	66	69	72	75

- If FNBB has involuntarily received any income on your account in conflict with Shari’ah, as confirmed by the FRIFS Shari’ah Advisory Committee, you authorise FNBB to dispose of any non-permissible income accrued to your account. You agree that FNBB can donate that income to any charitable organisation(s) of its choice without getting your permission.
 - FNBB can at its discretion re-structure the profit-sharing methodology. FNBB will give You prior notice of this. FNBB will use a fair method of sharing the profits and will apply this method consistently amongst all customers who hold active Shari’ah compliant accounts with FNBB.
- Sharing in Losses:**
 - You will not earn any profit share on your account if there was no profit made on the Mudarabah funds during the investment term.
 - If no Shari’ah compliant assets are available to invest in, no profit share will be generated for that period. Your investment account will be closed, and your funds will be returned to you.
 - FNBB does not guarantee that you will receive any profit share.

4. You shall carry any losses if the Mudarabah fund suffers a loss. Losses will however, always be limited to the amount of the Mudarabah funds that you deposited with FNBB.
5. FNBB does not guarantee that you will recover the capital that you invested in the Mudarabah fund.
6. FNBB is entitled to retain any losses and deduct these losses from future profit distributions to You.

- **Reinvestment after the maturity date**

1. FNBB will give you prior written notice of at least 4 (four) weeks, before your investment matures. However, this will not apply if your investment term is for 3 months or less.
2. Upon receipt of such notice you must give instruction to FNBB to transfer the investment to a specified account nominated by you or if you so wish, to reinvest the funds
3. On maturity, your capital and any profit, or your capital less any loss will then become available for withdrawal.
4. FNBB will reinvest your Mudarabah funds and profit share automatically in the same product and for the same term, but at the new indicative profit rate, if FNBB 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.
5. Within 14 (fourteen) days after the reinvestment, you may:
 - 5.1. Close your account and cancel the reinvestment without any administrative fee. If you do this, you will not earn any profit share from the maturity date until your account is closed; or
 - 5.2. Request that the reinvestment be changed to another FNBB Islamic Banking product of your choice. You will then earn profit share according to the profit sharing methodology that you and FNBB have agreed upon for the new product from the maturity date.
6. If you ask FNBB, 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:
 - 6.1 FNBB will only allow you to do an early withdrawal if the reasons for this are acceptable to FNBB. FNBB may therefore refuse an early withdrawal on some or all your funds; and
 - 6.2 Any withdrawal that is allowed by FNBB, or a change to another FNBB Islamic Banking product, will be subject to these terms & conditions.

- **Dormant Accounts and unclaimed funds**

1. FNBB 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 that FNBB 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 FNBB 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 FNBB 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 administrative fee if you close your account and cancel these terms and conditions at the end of its fixed term ("maturity date").
2. When you notify FNBB that you wish to withdraw the Mudarabah funds before the maturity date, this is termed an early withdrawal. An early withdrawal means that you withdraw the Mudarabah funds before the maturity date or close your account before the maturity date. An early withdrawal may require:
 - 2.1 FNBB to charge you an administrative fee, and/or
 - 2.2 You to willingly waive a portion of your investment with FNBB 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 FNBB for any amounts that you owed FNBB at the time you closed your account up to the date your account was closed.

- **Conditions upon which FNB may close/freeze your account**

1. If your account has been used to commit any fraud or any illegal activity, such as funding any terrorist or sanctioned activities, FNBB may close your account or refuse you access to your account without prior notification to you.
2. If FNBB receives a court order from any competent court or is compelled to do so by law, FNBB may close your account or refuse you access to your account without prior notification to you.
3. If your account is not KYC "Know Your Customer" compliant, FNBB may freeze your account and discontinue any investment of your Mudarabah funds until such time that the KYC is compliant.

- **Governing law and jurisdiction**

1. The law of the Republic of Botswana governs this agreement and all disputes, actions and other matters about this agreement will be determined according to this law, provided that the provisions will also be governed by Islamic Law on the Mudharabah principle. If there is a conflict, if it is a banking issue then the Botswana Governing Law will prevail. If it relates to any other issue concerning Islamic Law, then Islamic Law will prevail.
2. All agreements for Islamic Banking products have been approved by the FirstRand Shari'ah Advisory Committee. FNBB relies on the interpretation as made by aforesaid committee. While FNBB will at all times take all reasonable steps to ensure that FNBB Islamic Banking products comply with the requirements as determined by the FirstRand Shari'ah Advisory Committee, You alone are responsible for taking the necessary steps to satisfy Yourself that FNBB Islamic Banking products are Shari'ah compliant.

- Visit www.fnbbotswana.co.bw to review our complaints procedure.
- The FNBB General Terms & Conditions will also apply to you, except the clauses that make any reference to 'interest'. A copy of these terms & conditions are available on www.fnbbotswana.co.bw or from our call centre.