

**Changes/ Amendments in Terms & Conditions  
of Account Opening Form and Riba Free Certificates (RFCs) with respect to Deposit Acceptance**

- The term "Musharakah" has been replaced with "Mudarabah" thorough out the Terms & Conditions.

**Other changes made in the Terms & Conditions are as follows:**

Existing Clauses	Revised Clauses
<p><b>6. PROFIT DISTRIBUTION MECHANISM FOR PROFIT &amp; LOSS SAVING ACCOUNT &amp; CERTIFICATES</b></p> <p>6.1. Funds deposited by the Accountholder with the Bank under Current Account of the Bank are to be on the basis of Qard and therefore shall be payable by the Bank upon demand. The Bank at its discretion may utilize such funds as it deems fit. No profit shall be paid in Current Account.</p> <p>6.2. In Savings Account, (Profit and Loss sharing Accounts (PLS) and Riba Free Certificates (RFCs) jointly called Saving Accounts) the relationship between the Bank and the Accountholder shall be based on Musharakah which is an agreement between the Accountholders and Bank to invest a sum of money in a business and share its profits according to agreement. The investment of this partnership consists of capital contributed by the partners. The Bank as active partner may invest or disinvest, at its sole discretion, the capital of Musharakah in any of the businesses of the Bank as it deems fit with the approval of the Shariah Board (SB) of the Bank.</p> <p>6.3. The capital of Musharakah shall be managed through different Pools. The Accountholder shall have the choice to opt for investment in any particular Pool. Each Pool shall have its own rules of investments, participation, categories of deposits, weightages and procedure of termination.</p> <p>6.4. Income of all pools will be distributed between the Accountholders and the Bank on the basis of a predetermined percentage of the distributable profit of the Business, defined as net income of the Pool minus all administrative expenses incurred in deriving that income. The percentages of profit distribution may vary from time to time subject to conditions /limitations prescribed in approved profit and loss distribution policy approved by the SB of the Bank, which can be obtained from the Bank upon request as well as available on the Bank's website at <a href="http://www.bok.com.pk">www.bok.com.pk</a></p> <p>6.5. The Accountholders portion of income will be further distributed among the accountholders as per announced weightages. For this purpose, all the categories of Accountholders shall be assigned weightages (profit distribution ratio for weighted average investment) based on the features of the Account held by them, such as tenure, profit payment options and other applicable features for the purposes of calculation of profit.</p> <p>6.6. The weightages applicable to the Account shall be announced three days before the beginning of every month and shall not be changed during the month. However, the Bank may change the weightages applicable to the calculation of profit from time to time in a manner approved by the SB with prospective effects.</p> <p>6.7. The prevailing profit distribution percentages and weightages shall be displayed on the Notice Board of the Branches and shall also be available at the website of the Bank <a href="http://www.bok.com.pk">www.bok.com.pk</a> or may be obtained from the Bank upon request. All accounts are finalized at the end of the month by the Bank for calculation of profit or loss. Profit calculation shall be based on daily product basis (day end balance calculated with respective weightages applicable).</p> <p>6.8. In the event of loss on either the capital or profit in respect of the business, all investor of the investment pool shall share in such loss on a pro rata basis. However, if loss has been incurred by the Business owing to gross negligence or willful default of the Bank, the Accountholder will not be liable to share in such loss.</p> <p>6.9. In calculating the profit applicable to saving deposits, the Bank may deduct a declared amount as a ratio of Income Net of Administrative Expense, as a voluntary contribution to a Profit Equalization Reserve (PER) which can be used to cover unexpected losses / or reduction in profit for any month in a manner prescribed in the profit and loss distribution policy of the bank approved by the SB. Similarly, Bank may deduct an</p>	<p><b>6. PROFIT DISTRIBUTION MECHANISM FOR MUDARABAH DEPOSITS (UNRESTRICTED) &amp; CERTIFICATES (RESTRICTED)</b></p> <p>6.1. Funds deposited by the Accountholder with the Bank under Current Account of the Bank are to be on the basis of Qard and therefore shall be payable by the Bank upon demand. The Bank at its discretion may utilize such funds as it deems fit with the approval of the RSBM/Shariah Board of the Bank. No profit shall be paid in Current Account(Pak Rupees/Foreign Currency) as these are based on Qard.</p> <p>6.2. In Savings Account, (Profit and Loss sharing Accounts (PLS) and Riba Free Certificates (RFCs) jointly called (Mudarabah Deposits ) of local or foreign currency, the relationship between BOK and the Accountholder shall be based on the Islamic principles of Mudarabah, where the Customer is the Rab ul Maal and the Bank is the Mudarib. The Bank as the Mudarib may invest or disinvest, at its sole discretion, money/funds received by it from the Customers in any of the Businesses (the "Business") which the Bank deems fit with the approval of Bank's Resident Shariah Board Member (the "RSBM")/Shariah Board of the Bank. These Mudarabah deposits shall be managed through different Pools of Assets and Investments. There could be several saving schemes/products and additional features in respect of such schemes and RFCs as may be applicable from time to time which shall be stipulated in product brochures and at the website of the Bank at <a href="http://www.bok.com.pk">www.bok.com.pk</a> (the "Bank's website").</p> <p>6.3. In participating mode of financing the income from Mudarabah funds invested shall be distributed among the parties as per pre-agreed sharing ratios (PSRs). To arrive at distributable income, primarily Direct expenses (incurred from fund based activities) are deducted then PER (if any) {a voluntary contribution by bank and Mudarabah account holders which can be used to cover unexpected losses / or reduction in profit for any month in a manner prescribed in the profit and loss distribution policy of the bank approved by the Shariah Board} is deducted from the rest of the income. The rest of the income is distributed as per equity (Bank's own investment) and pool funds (Mudarabah Deposit) as per pro-rata basis as share of equity funds participation. From remaining income Mudarib's share of profit is deducted as per pre - determined ratio available on Notice Board of the Branch and webpage of the bank. Further, the IRR {a voluntary contribution from Saving Depositors' share to an Investment Risk Reserve (IRR) which can be used to cover losses in investment/ financing and to improve the returns to the depositors during periods when the pool's profits are below market expectations} is deducted. Lastly, the remaining income is distributed among saving depositors as per pre-determined weightages.</p> <p>6.4. The Bank may change ratio of these Reserves applicable to the calculation of profit from time to time in a manner approved by the Resident Shariah Board Member / Shariah Board with prospective effects. The ratio of these Reserves shall be displayed on the Notice Board of the Branches and shall also be available at the website of the Bank <a href="http://www.bok.com.pk">www.bok.com.pk</a> or may be obtained from the Bank upon request.) The Mudarib Share applicable to the calculation of profit may be varied from time to time in line with the guidelines of Resident Shariah Board Member /Shariah Board and in accordance with Clause 9 below. The Bank may at its option also participate in the Business as an investor. The Bank's share in profit as an investor will be in proportion to the Bank's equity invested in any pool before distribution of profit between Rab-ul- Maal and Mudarib.</p> <p>6.5. All the Accountholder /RFCs Holders shall be assigned weightages (profit distribution ratio for weighted average investment) based on the features of the saving scheme/product and/or RFC(s) held by the Account Holder, such</p>

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amount as a voluntary contribution from Saving Depositors' share to an Investment Risk Reserve (IRR) which can be used to cover losses in investment.

6.10. The Bank may change ratio of these Reserves applicable to the calculation of profit from time to time in a manner approved by the SB with prospective effects. The ratios of these Reserves shall be displayed on the Notice Board of the Branches and shall also be available at the website of the Bank [www.bok.com.pk](http://www.bok.com.pk) or may be obtained from the Bank upon request.

6.11. In case of Profit and Loss sharing Accounts, unless otherwise agreed by the parties, profit shall be payable on monthly basis.

6.12. Redemption of any amount in the Savings Account by the customer shall mean the transfer of its respective share in the Business along with all related risks and rewards. Upon receipt of the duly filled Account Opening Form and the requisite documentation and information required thereunder or otherwise by the Bank, the Bank may, at its sole discretion, open an account and/or agree to provide the Services to the Accountholder.

6.13. The method of calculating any return under the profit and loss sharing scheme is governed by the approved profit and loss policy of the bank and the prevailing regulations/directives of the SBP issued from time to time.

6.14. In the event of loss in, all investors of that particular Pool shall share in such loss on a pro rata basis.

6.15. RFCs issued by the Bank shall be governed by these Terms and Conditions. To the extent that these terms are not inconsistent with the RFC Terms, they shall apply to the same extent and effect as if the RFC holder is an Accountholder of the Bank and the funds invested in the RFCs are considered as amounts available in the Accounts of the RFC Holders.

6.16. Any unutilized funds applicable to any particular Pool shall be considered to be invested in Non Earning Assets.

6.17. Subject to Sub-Clause 6.13, any amount allocated as profit/loss by the Bank shall be final and binding on all Accountholders. It may be noted that signing of these Terms and Conditions is tantamount to accepting the same.

6.18. In the event that the Bank determines that no profit is payable to a Accountholder in respect of his deposit it shall intimate the same to such Accountholder. In the event that the Business suffers a loss, the Bank shall recover the loss from the accounts of the customer and shall make public the information of such loss as per profit and loss distribution policy of the Bank. The Bank may provide an explanation of the loss, within eight weeks to the Accountholder having notice of such loss, ("Aggrieved Accountholder"). If the Aggrieved Accountholder is not satisfied with the explanation, he / she / it shall be entitled to refer the matter for arbitration within seven days of receipt of the explanation from the Bank. Such arbitration shall be carried out by three Arbitrators, one each nominated by the Bank and the Aggrieved Accountholder and the third by the mutual consent of the two nominees. Any award given by the majority of Arbitrators, in respect of the referred matter, shall be final and shall not be challenged in any manner whatsoever. If, after due consideration of the matter, the Arbitrators determine that the loss incurred by the Business was caused by the gross negligence or willful default of the Bank, the Aggrieved Accountholder will not be liable to share in such loss as contemplated under this clause.

as tenure, profit payment options and other applicable features for the purposes of calculation of profit. The weightages applicable to all saving schemes/products/RFC(s) shall be announced at the end of every month and shall be available at the account holder's request and/or at Bank's website. The weightages shall be announced at least 3 working days before the beginning of the period concerned and shall not be changed during the period.

6.6. In case of Savings Accounts, unless otherwise indicated by the Bank, profit would be applied on monthly basis. All accounts are finalized at the end of the month by the Bank for calculation of profit or loss.

6.7. Profit calculation method used as per the deposit product specification are on a daily product basis (i.e. daily day end balance maintained in such accounts calculated with the respective weightages applicable). Such method associated with the respective deposit products is mentioned in the product brochure as well as available on Bank's website.

6.8. In the event of loss on either the capital or revenue account in respect of the Business, all investors of the investment pool shall share in such loss on a pro rata basis proportionately as per their investments. However, if after due consideration of the matter, the RSBM/Shariah Board determines that the loss incurred by the Business was caused by the gross negligence or willful default of the Bank, the Customers will not be liable to share in such loss.

6.9. Redemption of any amount subject to RFCs/Savings Accounts by the account holder shall mean the transfer of its respective share in the Business along with all related risks and rewards as such redemption shall be based on the principal value of the investment, subject to the provisions in respect of Profit in Clause 6.6 and Loss in Clause 6.7 hereof. Upon receipt of the duly filled Account Opening Form and the requisite documentation and information required thereunder or otherwise by the Bank, the Bank may, at its sole discretion, open an account and/or agree to provide the Services to the Accountholder.

6.10. The RFCs issued by the Bank shall be governed by these terms as well as the Terms and Conditions for Riba Free Certificates (the "RFC Terms"). To the extent that these terms are not inconsistent with the RFCs Terms, they shall apply to the same extent and effect as if the RFCs Holder is a Saving Account Holder of the Bank and the funds invested in the RFCs are considered as amounts available in the Saving Accounts of the RFCs Holders.

6.11. In case of Mudarabah Deposit Accounts, unless otherwise agreed by the parties, profit shall be payable on monthly basis.

6.12. The method of calculating any return under the profit and loss sharing scheme is governed by the approved profit and loss policy of the bank and the prevailing regulations/directives of the SBP issued from time to time, provided that such laws do not contradict the Islamic Shariah. Any unutilized funds applicable to any particular Pool shall be considered to be invested in Non-Earning Assets.

6.13. Subject to Sub-Clause 6.12, any amount allocated as profit/loss by the Bank shall be final and binding on all Accountholders. It may be noted that signing of these Terms and Conditions is tantamount to accepting the same.

6.14. In the event that the Bank determines that no profit is payable to a Accountholder in respect of his deposit it shall intimate the same to such Accountholder. In the event that the Business suffers a loss, the Bank shall recover the loss from the accounts of the customer and shall make public the information of such loss as per profit and loss distribution policy of the Bank. The Bank may provide an explanation of the loss, within eight weeks to the Accountholder having notice of such loss, ("Aggrieved Accountholder"). If the Aggrieved Accountholder is not satisfied with the explanation, he / she / it shall be entitled to refer the matter for arbitration within seven days of receipt of the explanation from the Bank. Such arbitration shall be carried out by three Arbitrators, one each nominated by the Bank and the Aggrieved Accountholder and the third by the mutual consent of the two nominees. Any award given by the majority of Arbitrators, in respect of the referred matter, shall

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	be final and shall not be challenged in any manner whatsoever. If, after due consideration of the matter, the Arbitrators determine that the loss incurred by the Business was caused by the gross negligence or willful default of the Bank, the Aggrieved Accountholder will not be liable to share in such loss as contemplated under this clause.
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