

## **TERMS AND CONDITIONS FOR COMMODITY MURABAHAH VIA TAWARRUQ CORPORATE DEPOSITS**

1. The product is based on the Shariah principle of Commodity Murabahah. The Customer appoints the Bank to act as the Customer's restricted agent with the limited authority to purchase and, only if the Customer so desires, to sell the commodity in accordance with these Terms and Conditions. The Bank acts as such agent and does not assume any additional obligations to the Customer other than those for which specific provision is made in these Terms and Conditions.
2. As such agent of the Customer, the Bank shall, during the tenure of the deposit or any renewal thereof, have the following powers and authority:
  - (a) to do and execute all acts with respect to the purchase of the commodity on an as is where is and cash basis ("Purchase Transactions") through purchase agreements, certificates and other instruments as fully as the Customer could do itself and to negotiate with commodity traders or suppliers ("the Suppliers") on behalf of the Customer in relation thereto but without any representation or warranty from the Bank as to the quality, condition, quantity and description of the commodity and without liability on the part of the Bank for any loss, damage, or deterioration and thereafter to take delivery of the commodity on behalf of the Customer; and
  - (b) to sell the commodity to the Bank on a deferred payment basis at a price equivalent to the amount of the deposit ("Deposit Amount") plus return thereon (together "Murabahah Sale Price") on behalf of the Customer and to do and execute all acts in relation thereto ("Sale Transaction") unless the Customer has notified the Bank otherwise.

Customer further hereby agree that Customer shall not revoke the Bank's agency as long as the Deposit Amount is placed with the Bank. All the actions of the Bank as Customer's agent shall remain binding on the Customer and not be affected by any event taking place which may have the effect of revoking the agency appointment unless the Bank has actual knowledge of such event and the revocation is acceptable to the Bank in accordance with its product's terms and conditions. In consideration of the Bank acting the Customer's agent, the Customer agrees to indemnify the Bank against all actions, claims, demands, liabilities, losses, damages, costs and expenses of whatever nature which the Bank may sustain or incur as result of acting as Customer's agent.

Note: Murabahah Sale Price is the aggregate of the Deposit Amount and the return thereon whereby the return is computed in accordance with the following formula:-

$$\text{Deposit Amount} \times \text{Rate} \times \frac{\text{No. of Days}}{\text{No. of Days in Particular Year}}$$

3. The Customer and the Bank acknowledge that the commodity shall be capable of physical delivery. The Customer may request physical delivery of the commodity provided that the Bank has received such request at the time it receives the Customer's instruction for the purchase of the commodity and the Bank has received the Deposit Amount. All costs and expenses related to the delivery of the commodity shall be borne and paid by the Customer. In the event the Bank does not receive such request or the Deposit Amount, the Bank is expressly authorised by the Customer to dispose of the commodity at such time and in such manner as the Bank may decide and the Customer shall reimburse and pay the Bank all losses, damages, costs and expenses incurred or sustained by the Bank on account thereof in full.
4. The Bank shall purchase the commodity on behalf of the Customer and thereafter Customer may sell the commodity to the Bank at the Murabahah Sale Price on a deferred payment basis. The Murabahah Sale Price shall comprise:
  - (i) the Deposit Amount; and
  - (ii) the return thereon.
5. In the event the Customer makes an early demand for the payment of the Murabahah Sale Price before the maturity date of the deposit, the Customer hereby acknowledges and agrees that the Customer will relinquish all or part of the return comprised in the Murabahah Sale Price as determined by the Bank. Such determination by the Bank, shall, save for manifest error, be final, conclusive and binding on the Customer.
6. The Customer and the Bank agree that no proceeds from the sale of the commodity or any transactions contemplated herein shall be invested in any non-Shariah compliant securities, financial instruments or activities.
7. No transaction can be entered into in respect of gold, silver or any product that is not Shariah-compliant.
8. The Customer and the Bank agree that their respective rights and obligations herein are intended to be and in conformity with the Shariah as determined from time to time by the rulings of the Shariah Committee and/or the Shariah Supervisory Council of the Bank.

9. The Bank and the Customer hereby grant their respective consent to the other party to use personal information relating to them to the extent necessitated by these Terms and Conditions or as notified by each other from time to time.
10. The Customer confirms and undertakes that it:
- (a) has received, read and understood and hereby agrees to be bound by the Bank's rules, terms and conditions governing the operations of the deposit and agrees to be bound by them including the following:-
    - i. the Customer and the Bank undertakes to the other that, in connection with the provisions of this Terms and Conditions, it will at all times comply with the applicable legislation, regulations and other rules having equivalent force including the Personal Data Protection Act 2010 (**Relevant Legislation**).
    - ii. For the purpose of this Terms and Conditions, the term "Data Subject", "Processing" and "Personal Data" shall have the same meaning as ascribed in the Personal Data Protection Act 2010.
    - iii. In relation to the data protection, both The Customer and the Bank shall in addition to the general obligations under this Terms and Conditions, and without prejudice to any other provisions of the Terms and Conditions:
      - (a) process such Personal Data in accordance with the terms of the Relevant Legislation;
      - (b) comply with the rights of the individuals to whom the provisions of this Agreement relate as required under the Relevant Legislation;
      - (c) transfer such personal data in accordance with the provisions of the Relevant Legislation;
      - (d) not do anything in relation to the Personal Data which could cause the other Party to be in breach of any of its requirements under any Relevant Legislation in force at any point in time.
    - iv. By way of execution of this Terms and Conditions, the Customer hereby acknowledges and consents to the Processing of any relevant personal data in connection with this Terms and Conditions by the Bank and all its subsidiaries and/or associate companies (if required).
    - v. Both the Customer and the Bank warrant that it has in place and undertake to maintain throughout the terms of this Terms and Conditions, appropriate technical and organisational measures against the accidental unauthorised access or unlawful processing, destruction, loss, damage or disclosure of Personal Data and adequate security programs and procedures to ensure that unauthorised persons do not have access to any equipment used to the Processing of the Personal Data.
    - vi. Both the Customer and the Bank are not allowed to use any Personal Data it receives in connection with this Terms and Conditions other than for the performance of

obligations under this Terms and Conditions and in compliance with the Relevant Legislation.

vii. In the event of termination of this Terms and Conditions for any reasons whatsoever, the Parties shall, in accordance with the terms and conditions of Terms and Conditions, immediately cease to have any right of access to any Personal Data they received in connection with this Terms and Conditions and permanently destroy and/or delete the Personal Data. The Parties shall not use, utilise, or recreate such Personal Data, save with prior written consent of the Data Subject.

(b) is not subject to any proceedings or petition for insolvency, composition, winding-up, liquidation or other similar relief under any insolvency or similar law in any jurisdiction to which the Customer is subject.

### **Customer's Declaration**

We hereby appoint the Bank as our agent for the restricted purposes set out above and, pursuant thereto, the Bank shall during the tenure of the deposit or any renewal thereof, has the following powers and authority:

(a) to do and execute all acts with respect to the Purchase Transaction through purchase agreements, certificates and other instruments and to negotiate with the Suppliers on our behalf in relation thereto and thereafter to accept delivery of the commodity so purchased; and/or

(b) to sell the commodity on a deferred payment basis to the Bank at the Murabahah Sale Price on our behalf and to do and execute all acts in relation to the Sale Transaction unless we have notified the Bank otherwise.

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SIGNING PAGE APPEARS IMMEDIATELY AFTER THIS PAGE]***

The Bank and the Customer's authorised officers hereby duly accept these Terms and Conditions by signing/placing their signatures below.

**The Bank**

For and on behalf of  
(the Bank)

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Name:

Designation:

**The Customer**

For and on behalf of  
(the Customer)

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Name:

Designation:

DATE: