

## Important:

Before you apply for Murabaha Deposits, please carefully read these terms (“Terms”) which, together with the Terms and Conditions you agreed when you became a customer (“General Terms”), any Additional Terms we issue from time to time and the schedules for the Transactions, will constitute your agreement (“Agreement”) with us.

IN THE NAME OF ALLAH, THE MOST GRACIOUS, THE MOST MERCIFUL,

All praise is due to Allah, the cherisher of the world, and peace and blessing be upon the Prophet of Allah, on his family and all his companions.

## Definitions and Interpretation

Words defined in the General Terms shall have the same meaning when used in these Terms, unless we specify otherwise. The following definitions are used in these Terms:

“Bank”, “us”, “our” or “we” mean Gulf International Bank Saudi Arabia , its successors and assigns.

“Bank’s Offer to Purchase” means our offer to purchase the Commodities from you in the form set out in Schedule 3 (Form of Bank’s Offer to Purchase).

“Confirmation of Purchase by the Bank” means our confirmation of the purchase of Commodities from you under a Sale Transaction in the form set out in Schedule 4 (Form of Confirmation of Purchase by the Bank).

“Commodities” means Shari'a compliant commodities (excluding gold and silver) acceptable to us.

“Customer”, “you”, “your” mean you as the seller of the Commodities to the Bank.

“Customer’s Acceptance of Bank’s Offer” means your acceptance of our offer to purchase the Commodities as set out in Schedule 3 (Form of Customer’s Acceptance of Bank’s Offer).

“Deferred Payment Date” means, with respect to any Sale Transaction, the date on which we are required to pay the Deferred Sale Price to you.

### Gulf International Bank - Saudi Arabia

A Saudi Closed Joint Stock company with a capital of SAR (7,500,000,000)  
Unified Number (7001399042); Commercial Registration No. (2052001920)  
P.O. Box 93 AlKhobar 31952 Kingdom of Saudi Arabia,  
Telephone: 8001166336, Website: meem.com  
National Address: 5515 Cooperative Council Rd - AlKhuzama Area,  
Unit No. 54, AlKhobar 34721-8208  
Licensed with number: 2007  
and operating under the Saudi Central Bank’s control and supervision

### بنك الخليج الدولي - السعودية

شركة مساهمة سعودية مقفلة برأس مال (7,500,000,000) ريال سعودي،  
الرقم الموحد (7001399042)؛ سجل تجاري رقم (2052001920)  
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# Terms & Conditions of Murabaha Deposits



**"Deferred Sale Price"** means, for the relevant Murabaha Deposit, the amount payable by us to you on the Deferred Payment Date and shall be the product of the Purchase Price + (Purchase Price X Murabaha Profit Rate per annum X duration of the relevant Murabaha Deposit).

**"Murabaha Deposit"** means the amount payable by us to you on the Deferred Payment Date pursuant to a Sale Transaction;

**"Murabaha Profit Rate"** means the percentage rate of profit set out in the Bank's Offer to Purchase for the relevant Murabaha Transaction.

**"Promise to Purchase"** means our promise to purchase Commodities from you in the form set out in Schedule 1 (Form of Promise to Purchase).

**"Notice of Transaction"** means your instructions to us in the form set out in Schedule 2 (Form of Notice of Instruction).

**"Purchase Price"** means the price at which the Commodities are purchased by us (as your agent) from the Supplier.

**"Purchase Transaction"** means the transaction pursuant to which we purchase the commodities from the Supplier on your behalf.

**"Sale Transaction"** means the transaction pursuant to which we purchased the Commodity from you;

**"Settlement Date"** means the date on which we (acting on your behalf) purchase the Commodity from the Supplier and/or you sell the Commodity to us.

**"Supplier"** means the vendor who sells the Commodities to us (acting on your behalf).

**"Transaction"** means a Purchase Transaction and/or a Sale Transaction.

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## 1. Purchase and Sale Transactions

- 1.1 The Murabaha Deposits shall operate in accordance with the Shariah concept of Murabaha pursuant to which we shall, from time to time purchase Commodities from you on a deferred payment basis.
- 1.2 You may request us, from time to time, to enter into Transactions by issuing a Notice of Transaction in the form set out in Schedule 2 (Form of Notice of Transaction) pursuant to which you shall authorize us to purchase Commodities on your behalf and sell the Commodities to ourselves by completing Purchase Transactions and Sale Transactions on your behalf.
- 1.3 Upon receipt of the Notice of Instruction in the form set out in Schedule 2 (Form of Notice of Transaction), we shall, subject to your payment of the Purchase Price, purchase Commodities on your behalf
- 1.4 Your sale to us: Following your ownership of the Commodities, we shall issue a 'Bank's Offer to Purchase' the Commodities from you on deferred payment terms at the Deferred Sale Price. Upon our issuance of the 'Customer's Acceptance of Bank's Offer' on your behalf, a Sale Transaction shall occur and we will issue a 'Bank's Confirmation of Purchase'.
- 1.5 We will maintain an account in your name in respect of the Murabaha Deposit into which the Deferred Sale Price will be paid.

## 2. Agency

- 2.1 On your execution of the Notice of Transaction in the form set out in Schedule 2 (Form of Notice of Transaction), we shall complete the Purchase Transaction (acting as your agent to purchase the Commodities from the Supplier) and complete the Sale Transaction (acting as your agent in selling the Commodities to ourselves).
- 2.2 You shall ensure that your account with us has the required balance for us to complete the agreed Purchase Transaction on your behalf and to effect payment of the Purchase Price due to the Supplier on the payment date (as communicated by the Supplier) provided that we shall not be required to pay any amounts to the Supplier or conclude any purchase of Commodities as your agent unless we are satisfied that we have received funds from you.
- 2.3 We hereby acknowledge receipt of a fee of SAR1.00 as consideration for acting as agent pursuant to these Terms.

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- 2.4 In performing our obligations under these Terms and the transactions hereunder, we shall not be liable for any loss, damage, costs or expenses, suffered or incurred by you as a result of anything done or omitted to be done (as the case may be) by us in the course of performing our obligations under these Terms and the transactions hereunder, unless such loss, damage, costs or expense arose directly as a result of our wilful default or gross negligence.
- 2.5 You shall indemnify us on first demand against all losses, claims, actions, proceedings, damage, costs and expenses whatsoever brought or claimed by any party and/or incurred or sustained by us as a result of our acting as your agent. Your indemnity to us shall survive termination of these Terms and any sums payable under it shall not be subject to any deduction whether by way of set off counter claim or otherwise.

## 3. Renewal of Murabaha Deposit

- 3.1 In relation to each Deferred Sale Price, on your execution of the Notice of Transaction in the form set out in Schedule 2 (Form of Notice of Transaction), we shall (as your agent) and based on your instructions in the Notice of Transaction re-invest the entire Deferred Sale Price or only the Purchase Price (as the case may be) for the same period as the existing Sale Transaction at the then prevailing rates offered by us for Murabaha Deposits in a new Sale Transaction in accordance with the murabaha process approved by our Shariah Supervisory Board.
- 3.2 The terms of Clauses 2.4 and 2.5 shall also apply to our role as agent in respect of renewal of the Murabaha Deposit.

## 4. Request for Early Payment

- 4.1 You may, at any time, but only once during the term of a Murabaha Deposit, request the payment of the applicable Deferred Sale Price (whether fully or partially) before the Deferred Payment Date. However, in accordance with the principles of Shariah, we shall not be under any obligation to prepay.
- 4.2 Upon receiving such a request, we may elect, to prepay the Deferred Sale Price or part thereof, or decline to do so. In any event, we shall notify you of our decision within ten (10) Business Days of receiving your request.
- 4.3 In the event we elect to make a prepayment, we shall either:
- (a) Pay you up to 20% of the Purchase Price and the balance on the Deferred Payment Date. You will not receive any profit on this prepaid amount but you will continue to earn the profit on the remaining amount and you will receive such remaining amount and the profit thereon on the Deferred Payment Date; or
- (b) Pay you only 100% of the Purchase Price but you will not receive any profit and you hereby irrevocably agree to waive any profit that you would otherwise have been entitled to receive on the Deferred Payment Date.

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## 5. General

- 5.1 We are authorized, but not obliged to act on your instructions transmitted through a facsimile or electronic means such as e-mail. You shall indemnify and hold us harmless from and against all actions, costs, claims, demands, charges, expenses, losses and liabilities arising in consequences of, or in any way related to:
- (a) Our having acted in good faith in accordance with your written facsimiles or electronic instruction(s), notwithstanding that such instruction(s), as above may have been initiated or transmitted in error or fraudulently altered, misunderstood or distorted in the lines of communication or transmission; and
  - (b) Our having refrained from acting in accordance with your written, facsimile or electronic instruction(s), by reason of failure of actual transmission thereof to us or our receipt for whatever reason, whether due to technical failure or un-readiness of the sending or receiving machine or system; or
  - (c) Your failure to forward all original copies of facsimile instructions to us within such period as we may specify.
- 5.2 You hereby irrevocably and unconditionally authorise us to apply any balance in any of your accounts with us to debit any of your accounts and apply all or part of such funds towards any amounts due under transactions contemplated hereby.
- 5.3 We shall not be obliged to enter into any transaction, or follow any instruction of you, if in our opinion by entering into such transaction or following such instruction, we or any of our affiliates would be in contravention or violation of any law, policy, rule or regulation.
- 5.4 These Terms shall be governed in accordance with laws and regulations of the Kingdom of Saudi Arabia. The parties irrevocably submit to the exclusive jurisdiction of the Committee for Settlement of Banking Disputes in case of any dispute arising in connection with any Transaction and the Agreement.
- 5.5 You are encouraged to articulate complaints you might encounter with our product and services at any time. Consistent with our commitment to excellent customer experience, our objective is to ensure that complaints are handled and resolved in a timely and professional manner. You can submit your complaints or suggestions to our customer complaints unit.
- 5.6 By signing below, you confirm you agree that you have read, understood and unconditionally agree to the terms of this agreement which will irrevocably bind you.

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