

TERM INVESTMENT ACCOUNT MUDARABA AGREEMENT

This Mudaraba Investment Agreement is made and entered into on this day of 20..... at by and between of hereinafter referred to as the 'Investor/s' (which expression where the context shall so admit, mean and include the said his/her/their heirs executors administrators successors in interest and assigns) of the ONE PART.

AND

Amāna Bank PLC (hereinafter sometimes referred to as the 'Mudarib' or the 'Bank') a company duly incorporated under the Companies Act No. 7 of 2007 and a Licensed Commercial Bank having its registered office at No.480, Galle Road, Colombo 03. (which expression where the context shall so admit mean and include Amāna Bank PLC its successors in interest and assigns) of the OTHER PART.

AND WHEREAS the Investor/s is/are desirous of opening a term investment account with the Bank for the purpose of investing from time to time in the Mudaraba Fund of the Bank to invest in the Bank's business activities that are expected to generate profits.

AND WHEREAS the Bank is willing to accept such funds for investment in the Bank's business activities that are expected to generate profits and share such profits on the following Terms and Conditions.

NOW, THEREFORE THIS AGREEMENT WITNESSETH AND IT IS HEREBY AGREED BY AND BETWEEN THE PARTIES HERETO AS FOLLOWS:

1. In this Agreement unless the context otherwise requires,

"Investment" - means the sum or sums of money that the Investor will entrust to the Bank on an agreed Profit sharing basis between the Investor and the Bank
 "Mudaraba Fund" - means the pool of funds managed by the Bank entrusted by customers of the Bank for investments in Sharia Compliant business ventures
 "Profit" - means the surplus that accrues on investments made by the Mudaraba Fund, which at the end of a specified period (monthly/quarterly/biannually) is available for distribution among Investors of the fund and the Bank
 "Loss" means the deficit resulting from investments made by the Mudaraba Fund at the end of a specified period (monthly/quarterly/biannually) to be borne by the Investors of the fund.

2. Profit and Loss:

Any Profit made by the Fund will be shared in accordance with the agreed Profit Sharing Ratio. (PSR)
 In case of Losses the Investor will bear the loss up to the maximum value not exceeding the Investor's capital in the fund.
 The Bank will not be entitled to any return as the Fund Manager in case of activities that makes Losses.

3. Issuing of the Term Investment Certificate:

Every Investor shall be issued with a Term Investment Certificate which shall be the prima facie evidence of his investment with the Bank. Such Certificate shall specify:-
 a. Name of Investor
 b. The Capital Amount of Investment
 c. The PSR
 d. The Period of Validity

4. Determination of Profit:

It is clearly understood and agreed between the Investor/s and the Bank that the Bank cannot and does not guarantee a specific rate of return on investment but only agree to share the actual profits made by the Mudaraba Fund based on the PSR pre agreed and applicable to such investments at the time of distribution of profits. The PSR ratios offered from time to time will be published by the Bank.

Once the investment is made on an agreed PSR for a specified period the Bank shall not be entitled to change the PSR during such period. Any re-investment however will be made on the prevailing PSR at the time of Maturity of the Term Investment Account.

If specific instructions are not received by the Bank regarding the re-investment or the return of funds prior to the date of maturity, the Mudarib is hereby authorised to reinvest the same on the Terms and Conditions prevailing at the time of maturity of the Term Investment Account.

The profit on the investment will be calculated daily and distributed monthly/quarterly/biannually or as determined by the Bank from time to time.

5. Premature Withdrawals:

Premature withdrawal of funds invested in the Term Investment Account will be at the sole discretion of the Bank. In case of premature withdrawals the Bank will be entitled to either forfeit the Profit or change the PSR to the PSR applicable for normal savings accounts at its discretion.

6. Expenses:

The Bank is empowered to charge expenses directly connected with the administration of the Mudaraba Fund, to the fund.

7. Suspensions:

Upon receipt of valid notice of insanity, insolvency, bankruptcy or death of the Investor, all transactions will be suspended and the monies lying to the credit of the Investor/s in the Mudaraba Fund as at the date of receipt of such notice, will be held by the Bank without any further right of withdrawal until a court order is issued to the Bank specifying disposal arrangements of the proceeds of investments in the account.

8. Joint Account Holder

In the case of death of any joint holders where two or more persons are jointly holding the account the Bank will have the right to hold investments amount to the order of the survivor/s without any prejudice to the Bank's right of lien and set-off of whatsoever nature and the right to take any steps to comply with the provisions of the Bank's rules governing Mudaraba investments or other connected laws and regulations applicable from time to time. In the case of death of one of the account holders, the survivor/s do hereby undertake to advise the Bank in writing forthwith.

9. Provision:

The Bank as the Manager of the Mudaraba Fund is authorised, using its experience, knowledge and expertise to charge amounts from the profit of the Mudaraba Fund, before any other charge to the profits, to set aside estimated losses that would be necessary to meet possible losses arising from non performing Murabahas, Musharakas or similar facilities at the time of profit distribution. At the time of winding up the Mudaraba Fund, any excess or shortfall in the provisions created, are to be enjoyed or absorbed by the participants of the Mudaraba Fund at that time.

Profit Sharing Ratio

Amāna Bank : %
 Customer : %

Signature of Investor/s	Signed for and on behalf of Amāna Bank PLC
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Witnesses :

	Signature	Name	Date
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