



Dated: 23rd March 2009

As approved by AIBIM Shariah Advisory Committee
on 27th February 2009

DATED THIS DAY OF 20

MASTER AGENCY AGREEMENT

BETWEEN

[Insert Name of Deposit Placing Entity]
(Company No. •)
("Principal")

AND

[Insert Name of Deposit Taking Entity]
(Company No. •)
("Bank")

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THIS AGREEMENT is made

BETWEEN

[Insert Name of Deposit Placing Entity] (Company No. •), a company incorporated in Malaysia under the Companies Act, 1965 and having its registered office at *[Insert Registered Office of Deposit Placing Entity]* and business address at *[Insert Business Address of Deposit Placing Entity]* and includes its successors in title and permitted assigns (“the **Principal**”) of the one part;

AND

[Insert Name of Deposit Taking Entity] (Company No. •), a company incorporated in Malaysia under the Companies Act, 1965 and having its registered office at *[Insert Registered Office of Deposit Taking Entity]* and business address at *[Insert Business Address of Deposit Taking Entity]* and includes its successors in title and permitted assigns (the “**Bank**”) of the other part.

WHEREAS:-

- (A) By the Interbank Murabahah Master Agreement dated *[Insert date of Interbank Murabahah Master Agreement]* (“**Master Agreement**”) made between the Principal and the Bank, at the request of the Principal, the parties agree, from time to time, to enter into a Murabahah arrangement whereby the Bank will, upon the Principal’s request, purchase the Merchandise on terms and conditions set out in the Master Agreement.
- (B) The Principal wishes to appoint the Bank as its agent to do all acts as the Principal could do itself with respect to the purchase of the Merchandise on a cash basis (“**Purchase Transactions**”) and the Bank is willing to accept such appointment on the terms and conditions set out in this Agreement.

NOW IT IS HEREBY AGREED as follows:-

1. DEFINITIONS AND INTERPRETATION

1.1 Incorporated Definitions and Interpretations

All terms, expressions and interpretations defined in the Master Agreement shall unless otherwise defined herein or repugnant to the context hereto have the meanings when used or referred to herein.

1.2 Further Definitions

In this Agreement the following expression shall, unless the context otherwise requires, have the following meanings:

Master Agreement	means the Interbank Murabahah Master Agreement dated [<i>Insert date of Master Agency Agreement</i>] made between the Principal and the Bank upon the terms and conditions therein contained and includes any variation, modification and supplement thereof; and
Parties or Party	means the parties or party to this Agreement.

2. AGENCY

- 2.1 The Principal hereby appoints the Bank to be its agent and the Bank hereby accepts the appointment as the Principal's agent to do and execute all acts with respect to the Purchase Transactions through purchase agreements, certificates and other instruments as the Principal could do and execute itself and to negotiate with the Supplier and their clients on behalf of the Principal in relation thereto.
- 2.2 Each Purchase Transaction will be governed by the terms and conditions of the Master Agreement in accordance with the guidelines detailed in **Appendix 1** hereto.
- 2.3 In consideration of the Bank undertaking the Purchase Transactions as the Principal's agent, the Principal shall pay to the Bank such fees as agreed between the Principal and the Bank.
- 2.4 The Bank hereby agrees with the Principal that it will in performing its activities under the Master Agreement protect the interests of the Principal and to act in good faith. The Bank shall not in any circumstances whatsoever be liable to the Principal for any consequential losses, even if informed in advance of the likelihood of them being incurred (including, without limitation, economic loss, loss of goodwill, loss of business opportunity or loss of profits). The Bank's actions on behalf of the Principal hereunder and in connection with any Purchase Transaction are for the Principal's account and risk (save for any gross negligence or wilful misconduct on the part of the Bank).
- 2.5 Subject to the Bank not being in breach of its obligations or negligent, the Principal hereby undertakes to indemnify and keep the Bank indemnified on its 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 the Bank as a result of the purchase of Merchandise under any Purchase Transaction as agent of the Principal or any breach by the Principal of its obligations herein. The indemnity given herein shall survive termination of this Agreement and any sums payable under it shall not be subject to any deduction whether by way of set off, counter claim or otherwise.
- 2.6 The Bank shall not be obliged to enter into any Purchase Transaction, nor follow any instruction of the Principal, if in the opinion of the Bank by entering into such Purchase Transaction or following such instruction, the Bank and/or any of its affiliates would be in contravention of any law, policy, rule or regulation.

- 2.7 On execution of this Agreement, the Principal shall deliver to the Bank the following documents in form and substance satisfactory to the Bank:
- (a) a list of signatories, with specimen signatures, of those persons authorised by the Principal to give instructions to the Bank; and
 - (b) any other relevant documents as requested by the Bank.

3. TERMINATION

- 3.1 This Agreement shall terminate upon termination of the Master Agreement, and without prejudice to the foregoing, either Party may terminate this Agreement by giving at least Fourteen (14) days notice of termination in writing to the other Party.
- 3.2 No termination shall affect any rights and obligations of the Parties subsisting at the date of termination.

4. MISCELLANEOUS

- 4.1 This Agreement is intended to be Shariah-compliant. Both the Bank and the Principal hereby agree and acknowledge that their respective rights and obligations under this Agreement are intended to be subject to and in conformity with Shariah principles (such Shariah principles as are determined by the Shariah Committee/ Shariah Supervisory Board of the Bank) ("Shariah Principles").
- 4.2 The illegality, invalidity, or unenforceability of any provision of this Agreement under the laws of any jurisdiction or under any Shariah principles shall not affect the validity or enforceability of any other provision of this Agreement or other agreements and/or documents to be entered into pursuant hereto.
- 4.3 Subject to Clause 4.1 above, this Agreement shall be governed by and construed in accordance with the laws of Malaysia in so far as it complies with the Shariah principles and each of the Parties hereto irrevocably agrees that the Courts of Malaysia shall have exclusive jurisdiction for the purpose of any proceedings arising out of or in connection with this Agreement in so far as it complies with the Shariah principles and, for such purposes, irrevocably submits to the jurisdiction of such courts.
- 4.4 Notwithstanding the provisions of this Agreement, the Parties hereto recognise and agree that the principle of the payment of interest is repugnant to Shariah Principles and accordingly, to the extent that laws of Malaysia would but for the provisions of Clause 4.3 above impose whether by contract or by statute any obligation to pay interest, the Parties hereto hereby irrevocably, unconditionally and expressly waive and reject any entitlement to recover interest from each other.
- 4.5 This Agreement may be executed in counterparts, each of which when executed and delivered shall constitute an original, but all the counterparts together shall be deemed to constitute one and the same instrument.
- 4.6 Time wherever mentioned shall be of the essence.

[The rest of this page has been intentionally left blank]

AS WITNESS the hands of the duly authorised representatives of the parties hereto the day and year first before written.

Principal

Signed by)
for and on behalf of)
[Insert Name of Deposit Placing Entity])
(Company No. ●))
as its authorised signatory)
in the presence of:-)

Bank

Signed by)
for and on behalf of)
[Insert Name of Deposit Taking Entity])
(Company No. ●))
as its authorised signatory)
in the presence of:-)

APPENDIX 1

(which shall be read, taken and construed as an integral part of this Agreement)

GUIDELINES

No Purchase Transaction may be entered into by the Bank or its agents, on behalf of the Principal without the Principal's express confirmation in accordance with the provisions of the Master Agreement. The Purchase Transaction shall adhere to the following guidelines:-

Eligible Instruments

- A. The Bank may purchase for the Principal's account non-precious commodities evidenced by London Metal Exchange (LME) Metal Warrants or any other recognized exchanges on which such non-precious commodities are traded ("the **Merchandise**"). Ownership of the Merchandise shall be evidenced to the Principal by indicia documents of title made out in the name of the Principal or the Bank (as its agent) or by crediting and debiting a commodity account.
- B. The Merchandise purchased should be items that are acceptable to the Principal and the Bank and valued according to Shariah. No Trade Transaction can be made in any Merchandise that consists of pork, alcoholic drinks, tobacco, narcotics, gold, silver or any other items which are not acceptable to the Principal and the Bank.

Currency

The proceeds of the Purchase Transactions will be in Ringgit Malaysia or such other currencies as the Parties hereto may agree from time to time.