

MURABAHA CONTRACT

BY AND BETWEEN

MEETHAQ ISLAMIC BANKING

AND

Mr. / Ms.



This Murabaha Contract (**Contract**) has been entered into on this day corresponding to by and between:

1. **Meethaq Islamic Banking, an Islamic window of Bank Muscat S.A.O.G.,** a public joint stock company incorporated in the Sultanate of Oman, under commercial registration number 1145738, being a financial institution licensed and regulated by the Central Bank of Oman and Capital Market Authority, whose Head Office is at Building Number 120/4, Block Number 311, Street Number 62, Airport Heights, Muscat, Sultanate of Oman (the **"Bank"**), and

2. [Mr./Ms.] holder of passport/ ID no. P.O. box P.C.
Sultanate of Oman, represented by [Mr./ Mrs./ Ms./ M/s] in its/his/her capacity as
(**"Client"** or **"Customer"**).
(together the **"Parties,"** and each a **"Party"**).

The Parties declare that they are competent and have the capacity under the law and Shariah to enter into this Contract and agree as follows:

Preamble

Whereas,

- A. The Client has requested from the Bank to purchase certain asset(s) (**Murabaha Asset**) described in:
 - i. The price quotation dated given by the original supplier (**Original Supplier**) of the Murabaha Asset (**Quotation**);
 - ii. The application dated given by the Client to the Bank for purchase of the Murabaha Asset from the Original Supplier and selling the Murabaha Asset to the Client (**Application**); and
 - iii. The promise to purchase the Murabaha Asset dated executed by the Client in favour and for the benefit of the Bank ; (**Promise to Purchase**).
- B. The Bank has lawfully acquired and then took possession of the Murabaha Asset from the Original Supplier, and wishes to sell the Murabaha Asset to the Client.
- C. The obligations specified herein shall be binding on the Customer and the Bank.
- D. For the avoidance of doubt, if the payment date is not a business day, the payment will be made on the first business day which immediately follows the original payment date. Business day refers to a day, other than a Friday, Saturday, a public holiday, on which banks are open for business in Oman.

Therefore, the Parties have agreed to enter into this Contract for the sale and purchase of the Murabaha Asset on the following terms and conditions:

1 Sale and Purchase of the Murabaha Asset

- 1.1 The Bank agrees to sell the Murabaha Asset and the Client agrees to purchase the Murabaha Asset from the Bank at a total sale price of OMR (Omani Rials), (**Murabaha Sale Price**), the breakdown of which is as follows:
 - a. purchase price paid by the Bank to the Original Supplier for the purchase of the Murabaha Asset (**Cost Price**): (Only):
 - b. amount of actual and direct expenses incurred by the Bank in relation to the acquisition and possession of the Murabaha Asset such as delivery charges and warehousing charges etc., if applicable, (**Actual Expenses**): (Only):
 - c. amount of profit mutually agreed upon between the Parties in writing: (Only) (**Profit**).
- 1.2 The Client hereby irrevocably approves and agrees to the Murabaha Sale Price and each of its components as listed under Clause 1.1 above and acknowledges that all such information is true and accurate. The Client further confirms that the Client fully comprehends and accepts the Murabaha Sale Price and the apportioned costs of each of the components as stipulated under Clause 1.1.
- 1.3 All of the Bank's standard fees, charges and applicable government taxes if any, will be applied as per the Bank's Tariff Book, which shall be available on the Bank's website <https://www.meethaq.om>. The Client hereby acknowledges and accepts that the Bank's standard Tariff Book shall be subject to change as per the Bank's commercial and / or regulatory requirements.

1.4 Amendments

- 1.4.1 The Bank shall use its best endeavors to pre-notify the Customer of any amendments to this Agreement by way of SMS to the Customer's registered mobile number, e-mail to the Customer's registered e-mail address, or letter to the Customer's postal address in a Shariah-compliant Manner.
- 1.4.2 General updates that affect all of the Bank's customers, including the Client will also be posted by the Bank on its website <https://www.meethaq.om> and displayed at branches.
- 1.4.3 Such changes will become effective sixty (60) days from the date of notice (unless a different effective date is provided in the notice).

2 Payment of Murabaha Sale Price and Committed Donation

- 2.1 For the avoidance of doubt, if the date allocated for payment of a Murabaha Sale Price Instalment or any other amount owed under this Contract is not a business day, the payment will be made on the first business day which immediately follows the original payment date.

3 Deduction of Murabaha Sale Price Instalments

The Bank shall be entitled to deduct the Murabaha Sale Price Instalments as and when they fall due from any accounts held by the Customer in the Bank, as well as those payment amounts that may be awarded by any competent court. The Bank is authorized by the Client to effect on the day of deduction any necessary conversions of foreign currencies in any account held by the customer in the Bank at Bank's prevalent exchange rate.

4 Inspection and Receipt of Murabaha Asset and Post-Sale Warranties

- 4.1 The Client hereby acknowledges that he/she has carefully and diligently inspected the Murabaha Asset in a manner which eliminates gross uncertainty and/or misrepresentation. The Client further acknowledges that the Murabaha Asset is in conformity with the description, specifications, standards, quality, and quantity set out in the Quotation, the Application and the Promise to Purchase, and declares that the Client accepts the Murabaha Asset, the delivery and receipt of which is acknowledged by the Client pursuant to Murabaha Asset Declaration in the form attached hereto as Schedule (1).
- 4.2 The Bank shall, following delivery of the Murabaha Asset to the Client, be discharged and released by the Client from any liability whatsoever for any defects (including latent defects) in the Murabaha Asset, and the Client shall solely assume any risk of loss of or damage to the Murabaha Asset or any part thereof.
- 4.3 Upon delivery of the Murabaha Asset to the Client, all the warranties offered by the Original Supplier shall be automatically assigned to the Client, and the Client shall be entitled to enforce such warranties, whether wholly or partly, during the relevant warranty period solely against the Original Supplier. For the avoidance of doubt, if the Murabaha Asset was sold to the Bank by the Original Supplier without warranties, the Client shall not hold the Bank liable, whether by virtue of Contract or at law, for the lack of such warranties or any consequence thereof.

5 Security Rights

The Client undertakes to provide the Bank with the security documents and rights set out in the Application **(Security)**, without prejudice to the right of the Bank to request from the Client additional security at the time of application to preserve the Bank's interests under this Contract.

6 Client Representations and Warranties

- 6.1 The Client hereby warrants and represents to the Bank that the Client has:
- a. understood the provisions and conditions of this Contract and has not discovered any kind of fraud or error or any other fault affecting his or her will;
 - b. the full authority and power to enter into this Contract and fulfill the obligations set out therein, and such fulfillment shall not conflict with any law or any contractual obligation, undertaking or promise of the Client;
 - c. the information given to the Bank by the Client under this Contract is true and accurate;
 - d. has carefully inspected this Contract and is satisfied with its compliance with the principles of Shariah; and
 - e. understood that the obligations under this Contract shall be binding and enforceable against the Client and his/her legal successors including his/her heirs and permitted assigns;
- 6.2 The Client shall promptly inform the Bank in writing of any breach of any of the Client's obligations, undertakings, warranties or representations under this Contract including but not limited to the following events **(Events of Default)** or any event, which with the giving of notice or lapse of time or both would constitute an Event of Default forthwith upon becoming aware thereof.

7 Events of Default

- 7.1 The Client hereby confirms, acknowledges and agrees that the following events constitute a material breach and shall be deemed an Event of Default, which may result in immediate termination of this Contract:
- 7.1.1 Falsifying documents / submitting false or fraudulent documents; Customer fails to pay any sum payable by it under this contract when due;
 - 7.1.2 Insolvency or bankruptcy of the Client; and/or
 - 7.1.3 Any breach in the Client's representations and warranties specified in Clause 6 above.
 - 7.1.4 Failure to provide any necessary documentation or information as and when requested by the Bank;
 - 7.1.5 Failure to procure the necessary permits / licenses (depending on the Murabaha Asset);
 - 7.1.6 Misuse of any Murabaha Asset, or failure to use a Murabaha Asset for the intended purpose mentioned in the Application;
 - 7.1.7 Default in respect of any financial commitment or obligation; and/or
 - 7.1.8 Subject to any grace period granted by the Bank to the Client, the Client's failure to pay any Murabaha Sale Price Instalment or any other outstanding amount under this Contract on the scheduled payment date without a reasonable justification acceptable to the Bank.
- 7.2 Pursuant to Clause 7.1 above, the Bank shall notify the Client of such breach and the notice of breach **(Notice)** shall include the following information:
- 7.2.1 **Nature of the Breach:** The Bank shall include details of the nature of the breach;
 - 7.2.2 **Action required from the Client:** The Bank shall provide thirty (30) days for the Client to implement the steps and measures that need to be taken by the Client to rectify the breach, including settlement of any outstanding amount(s), if applicable.
- 7.3 In the event of occurrence of an Event of Default in the form of failure by Customer to pay any amounts due to the Bank under this Contract, the Customer hereby undertakes to pay an amount on such outstanding amounts at the rate of 1% per annum of the total outstanding amount for each day on which such Event of Default continues, without prejudice to the Bank's other rights and remedies under this Contract. Such amount will be donated by the Bank for charitable purposes only. The Bank shall have the full right to select the eligible charity organization(s) which shall receive such donation after obtaining the approval of Sharia Supervisory Board of the Bank.
- 7.4 Without prejudice to the committed undertaking to pay charitable donation under Clause 7.3 above, the Client shall fully repay the Bank the outstanding balance of the Murabaha Sale Price and any other amounts owed under this Contract.
- 7.5 The Parties shall, in good faith, attempt to resolve the matter amicably but no later than the timeframe specified in the Notice issued by the Bank.
- 7.6 The Client shall address and direct any and all correspondences including complaints or follow ups on the status of the Notice to the Customer Service Manager (details provided in Clause 9.1(a) below).

7.7 Notwithstanding the provisions of Clause 7.2 above, in the event that the Client fails to remedy the breach to the Bank's satisfaction, the Bank shall be entitled to take any legal action and initiate all judicial proceedings against the Client as necessary to safeguard the Bank's interests and enforce its rights under this Contract, including:

- a. filing an application before the competent court for the imposition of an attachment on the Murabaha Asset and the sale thereof in order to settle the amount(s) owed to the Bank. The Client agrees that the Client shall solely bear and reimburse the Bank for any expenses associated with any such action, proceedings, or application, including but not limited to court fees and attorney fees. In all cases, the Bank shall endeavor to notify the Client, within seven (7) days prior to commencing with any enforcement formalities.
- b. claim payment of the entirety of the outstanding Murabaha Sale Price from the Client and make any necessary deductions from the Client's accounts with the Bank in this respect;
- c. enforce any rights it enjoys under this Contract, including with respect to any security and indemnity; or
- d. take any other legal measures or initiate judicial proceedings as may be necessary to protect and preserve the Bank's interests under this Contract, including the filing of a claim against the Client for recovery of any actual loss and costs suffered by the Bank (excluding any cost of funding or loss of opportunity) as a result of the Event of Default.

8 Indemnity

The Client shall defend, indemnify and hold the Bank harmless against all claims, proceedings, lawsuits, judgments, liabilities, losses, damages, actual costs (including legal costs and attorneys' fees), fines, penalties, assessments and expenses arising from any loss or damage suffered by the Bank as a result of the Client's breach of his/her obligations, undertakings, representations and warranties under this Contract.

9 Notices

9.1 All notices and correspondence relating to this Contract shall be exchanged between the Parties in writing at the addresses set out herein and shall be deemed to be received within three (3) working days. Each Party shall give notice to the other Party of any change of its address and the other Party shall act accordingly immediately after being notified thereof. Furthermore, any notices and other communication may be given by way of text message through the Client's registered mobile number and email.

- a. If the notice is addressed to the Bank, the mailing address shall be as follows:

Customer Service Manager, Meethaq Islamic Banking

[P.O Box 134, Ruwi 112, Sultanate of Oman)

Tel. No. +968 24656666

Email Meethaq_Contact_Center_wecare@bankmuscat.com

- b. If the notice is addressed to the Client, the address shall be:

Address

Tel. No.

Email

10 Miscellaneous

10.1 The above Preamble shall form an integral part of this Contract. References to Clauses and Schedules are references to clauses of and schedules to this Contract and the Schedules form an integral and inseparable part thereof.

10.2 In the event that any amendments to this Contract are mandated pursuant to a new law or regulation, then the Bank shall have the exclusive discretion to amend this Contract without the need to obtain the Client's consent. Any amendments to this Contract shall be notified to the Client in accordance with Clause 1.5 above.

- 10.3 No failure or delay on the part of the Bank to exercise any power, right or remedy under this Contract shall operate as a waiver thereof or a partial exercise by the Bank of any power, right or remedy shall preclude any other or further exercise thereof or the exercise of any other power right or remedy. For the avoidance of doubt, no waiver of any provision of this Contract, or consent to any departure from it, by either Party, will be effective unless such written waiver or consent will be effective only in the specific instance for which it was given.
- 10.4 The remedies provided in this Contract are cumulative and are not exclusive of any remedies provided by law.
- 10.5 This Contract is made in Arabic and English. However, if there is discrepancy between Arabic and English texts, the Arabic text shall prevail. All the said appendices referred to herein shall form an integral part thereof and be read and construed in accordance with the provisions and conditions thereof.

11 Tax

To the extent permitted by applicable law, the Client shall be solely responsible for all and any Taxes payable under this Contract and shall reimburse to the Bank upon demand all and any Taxes paid by the Bank arising under this Contract. For the purposes of this Clause 11, the term **"Taxes"** shall include all present and future taxes payable under this Contract, including but not limited to income tax, withholding tax and value-added tax, levies, imposts, duties, fees and charges related thereto of whatever nature. If at any time during the term of this Contract, any governmental or regulatory authority imposes Taxes, duties, or charges which were not in effect as of the commencement date of the Contract, then the Client shall be obligated and shall remain liable to pay such Taxes whenever they become due.

12 Waiver of Interest

The Parties recognize and agree that the principle of the payment of interest is contrary to Shariah and, accordingly, to the extent that the applicable law would (but for the provisions of this Article) impose (whether by contract or by statute) any obligation to pay interest, the Parties hereby irrevocably and unconditionally waive and reject any entitlement to recover interest from each other.

13 Takaful Coverage

- 13.1 The Bank shall arrange for takaful coverage, based on the Client's request, to insure the Client's life against death and or permanent/ partial disability through an arrangement between the Bank and a reputed insurance / takaful company in the Sultanate of Oman.
- 13.2 The Client may also opt to independently procure insurance/ takaful coverage that sufficiently covers the full Murabaha finance value to the Bank's satisfaction. In such a case, the Client will be responsible for paying the insurance/ takaful premium directly to the insurance company and assigning the policy to the Bank.
- 13.3 In all cases, the Client hereby undertakes and warrants to pay the monthly takaful/insurance premium (plus any government tax / levy if applicable) along with the installment every month or directly pay the takaful/insurance premium to the insurance/ takaful company without any delay.

14 Governing Law and Settlement of Disputes

- 14.1 This Contract shall be governed by and construed in accordance with the laws of the Sultanate of Oman, to the extent that they do not contravene the rules and principles of Islamic Shariah.
- 14.2 In the event of any dispute arising out of or in relation to the interpretation or performance of this Contract, the Parties shall resolve the dispute amicably within two (2) weeks of notice served by a Party to this Contract to the other. In case of failure to reach an amicable resolution of dispute within two (2) weeks, either Party shall be entitled to refer the dispute to the courts of the Sultanate of Oman, which shall have exclusive jurisdiction to settle the dispute.

15 Collection of Debt

- 15.1 The Client agrees and consents that should the finance amounts become overdue in case of non-payment by the Client, then the Bank may assign the collection of such overdues to an external agency partner(s) working with the Bank.
- 15.2 The agency so partnered would be in the Bank's panel based on appropriate due-diligence done by the Bank. The agency, upon allocation on the overdues, would approach the Client to collect the overdue in a transparent and ethical manner. This may be through a combination of written notice, telephone call, collection letter or a personal visit to the Client.

16 Data Privacy Waiver

- 16.1 The Bank may require the Client's information such as, but not limited to, the Client's mailing address and mobile number. The Bank may also transfer the Client's information and data to third parties for the purposes of marketing, and research purposes as may be required. The Client hereby agrees and consents that the Bank may, at its discretion, collect, store, hold, process and transfer the Client's information and data, and the Bank may use such information during the course of its business.
- 16.2 The Bank hereby warrants to the Client that the Bank has in place, complies with, and shall take all appropriate steps reasonably designed to ensure compliance in all material respects with applicable regulations relating to data privacy and security and the collection, storage, use, disclosure, handling, analysis, and destruction of the Client's personal information.

☐ By checking the box, the Client hereby irrevocably and unconditionally accepts the terms of Clause 16 'Data Privacy Waiver'. The Client acknowledges and understands that accepting Clause 16 is discretionary and in case of non-acceptance of Clause 16, none of the Client's rights in this Contract shall be affected.

- By signing this Contract, the Client hereby irrevocably confirms and agrees that the Client has fully read and understood the terms and conditions set forth in this Contract and the Client undoubtedly accepts this Contract at the Client's own free will. Furthermore, the Client acknowledges and understands that this Contract shall become effective at the date and time of the Bank's receipt of the original signed Contract.
- In witness whereof and with the intention of the Parties to be bound legally by this Contract, the representatives of the Parties have signed this Contract on the date mentioned below and a copy is made available to the Client.

17 Customer Grievances

- 17.1 Recognizing the value and importance of full discussion in preserving harmonious relations, every possible effort shall be made by both the Bank and the Client to address and resolve any grievance or complaint as expediently as possible.
- 17.2 Shall a Client have any query or complaint regarding this Contract, the Client may contact the Bank by visiting the nearest branch, calling the Call Centre at 24656666 or through email to the following email address Wecarehelpdesk@bankmuscat.com
- 17.3 Shall the Client have a grievance or a complaint, they shall use best endeavors to refer the matter to the Bank within thirty (30) working days of its arising.

For and on behalf of the Bank:

Meethaq Islamic Banking, an Islamic window of Bank Muscat SAOG

Represented by Mr.

Designation:

Signature:

Seal:

Date:

Client

Mr./Ms.

Represented by Mr./Ms.

Signature:

Address:

Date:

Schedule (1)

Receipt of Murabaha Asset Declaration

On this day corresponding to

I, the undersigned, Mr./Ms.: WALEED HASHIL bearing Passport / identity card number: 11090952
in my capacity as purchaser, hereby acknowledge that I have received and taken full possession from **Meethaq Islamic Banking** (an Islamic window of Bank Muscat SAOG) (the "**Bank**") of the assets purchased under the Murabaha Contract ("**Murabaha Asset**"), which I purchased pursuant to the Murabaha Contract I entered into with the Bank on/...../....., and which description is provided in:

1. the Murabaha Asset quotation given by, being the Original Supplier of the Murabaha Asset, on/...../.....;
2. the Application for Murabaha financing submitted by myself to the Bank and dated/...../.....; and
3. promise to Purchase granted in favor of the Bank on/...../.....

I further acknowledge and accept that I have carefully and diligently inspected the Murabaha Asset subject of this Declaration in a manner that eliminates any uncertainty, and confirm that I am satisfied that the Murabaha Asset is in conformity with the agreed specifications and free of any apparent defects. I hereby confirm that I shall have no right to recourse or to file claims against the Bank in relation to the Murabaha Asset.

Acknowledge by:

Mr./Ms. : WALEED HASHIL

Signature: