

Dated [11-APR-2023]

Between

DEMO BANK BERHAD

and

[SAKINAH 20240904 KIN]

MURABAHAH FACILITY AGREEMENT

This Murabahah Facility Agreement consists of:

Part A	General Terms
Part B	Tawarruq Arrangement

PART A GENERAL TERMS

ARTICLE I

SECTION 1.01 THE FACILITY

At the Customer's request, the Bank has agreed to provide to the Customer the facility (or by any other name as described in the Letter of Offer) ("**Facility**") for the purpose as stated in the Letter of Offer and in this Agreement. It is a key term of this Agreement that the Customer will offer the Property (or by any other name as described in the Letter of Offer) as security to secure the payment of the Facility and payment by the Customer of all amounts from time to time outstanding under the Letter of Offer and this Agreement.

SECTION 1.02 PURPOSE(S) OF THE FACILITY

- (a) The Facility must only be used for the Shariah compliant purposes set out in the Letter of Offer.
- (b) The Bank is not bound to monitor or verify the application of any amounts utilised under the Facility.
- (c) If the purpose of the Facility is to refinance and convert the Customer's existing conventional facility to a Shariah compliant facility, the details of (i) the bank providing the existing conventional facility and (ii) the balance of the principal amount of the existing facility, are as provided in Schedule 6 to this Agreement.

SECTION 1.03 AGREEMENT

Subject to the terms and conditions of the Letter of Offer and this Agreement, the Bank has agreed to make available the Facility to the Customer on the basis of and in full reliance upon the warranties, representations and undertakings contained in the Security Documents.

ARTICLE II

SECTION 4.01 LATE PAYMENT CHARGES

- (a) In the event of delay or failure to pay any of the monthly payment(s) or any other payment(s) on the due date from the date of the first disbursement of the Facility until the final payment date of the Bank's Sale Price, the Customer shall pay to the Bank the late payment charges at the prevailing rate as prescribed in the Letter of Offer. The late payment charges shall be computed on a monthly basis and comprise of *Ta'widh* (compensation).
- (b) For the purpose of Section 4.01(a), a certificate which is duly certified by an authorized officer or agent of the Bank or computer-generated notices issued by the Bank which do not require signatures as to the amount of such late payment charges due to the Bank. The said certificate shall be binding and conclusive evidence against the Customer for whatever purpose including as being conclusive evidence of any secured amount in a court of law.
- (c) The maximum late payment charges chargeable to the Customer on the overdue monthly payment(s) in arrears shall not exceed one hundred per centum (100%) of the outstanding principal of the Facility.

- (d) The certificate of the Bank pursuant to Section 4.01 (b) shall not, in the absence of manifest error, be disputed on any account whatsoever.
- (e) The payment of the compensation amount for late payment charges by the Customer under this Section shall be in addition and without prejudice to other powers, rights and remedies of the Bank under this Agreement upon default.

SECTION 4.02 EARLY SETTLEMENT OR REDEMPTION OF THE FACILITY

In the event that the Customer chooses to make early settlement or early redemption of the Facility, the Customer shall be bound by the terms and conditions in the Letter of Offer on the same.

PART B TAWARRUQ ARRANGEMENT SECTION 1

METHOD OF FINANCING

Under the arrangement of *Tawarruq* and the Bank's financing procedure, the arrangement is concluded in the following manner:-

(a) Purchase of the Commodity by the Bank.

- (1) The Customer(s) will issue a Purchase Request to the Bank containing the following:
 - (i) a request that the Bank purchase the Commodity from the commodity supplier at an amount equivalent to the Facility amount; and
 - (ii) the Customer(s)' appointment of the Bank (or any third party acceptable to the Bank) to act as the Customer(s)' agent (aa) to conclude the purchase of the Commodity on the Customer(s)'s behalf from the Bank; and (ab) upon conclusion of the Customer's purchase of the Commodity from the Bank, to sell the Commodity to any commodity supplier at the Customer(s)' Sale Price ("**Customer(s)' Sale Price**").

The Customer(s)' request will be irrevocable upon issuance and will be binding on the Customer(s).

- (2) Pursuant to the Purchase Request, the Bank will then purchase the Commodity from a commodity supplier at the Bank's Purchase Price ("**Purchase Transaction**").

(b) Purchase of the Commodity by the Customer from the Bank

Bank will thereafter sell the Commodity to the Customer(s) and the Customer(s) will purchase the Commodity from the Bank at the Bank's Sale Price and upon the terms and conditions contained in this Letter of Offer and this Agreement ("**Sale Transaction**"). The Customer(s)' purchase of the Commodity will be concluded by the Bank or any third party acceptable to the Bank, as the Customer(s)' agent pursuant to the agency referred to in the Purchase Request.

(c) Execution of Sale Transaction

- (1) For the purpose of Section 1 (b) above, the purchase of the Commodity by the Customer(s) will be concluded by the Bank or any third party acceptable to the Bank as the Customer(s)' agent pursuant to the agency in the request.
- (2) Upon conclusion of the sale of the Commodity by the Bank to the Customer(s), the legal and beneficial ownership of, and rights, risk and interests in the Commodity will immediately be transferred to the Customer(s) and the Bank will immediately enable the Customer(s) to take possession of the Commodity. The Customer(s) agree that the Commodity is sold on an "as is, where is" basis free from all encumbrances, charges, liens and/or restraints, and without any representation or warranty in respect of the same. The Customer(s) also agrees to waive his/her/their right to terminate the sale of the Commodity by the Bank to the Customer(s) in the event the Commodity is found to be defective, or does not comply with its description.

(d) Sale of the Commodity by the Customer

Upon completion of the Sale Transaction, the Bank as the Customer(s)' agent pursuant to the agency provisions in the Purchase Request, will sell the Commodity on the Customer(s)'s behalf to any commodity supplier (who will not be the commodity supplier referred to in Section 1(a)(1)(i) above) at the Customer(s)' Sale Price.

Upon completion of the Trade Transactions, the Bank will send a Murabahah Sale Confirmation in the form set out in Schedule 2 to this Agreement to the Customer.

(e) Nature and Scope of agency

- (1) By delivering the Purchase Request to the Bank, the Customer irrevocably appoints the Bank or any third party acceptable to the Bank to act as the Customer's agent to conclude the purchase of the Commodity by the Customer from the Bank and to sell the Commodity to any third party at the Customer's Sale Price.
- (2) In performing its duty as agent to sell the Commodity to any third party, the Bank will (I) at all times act as the Customer's undisclosed agent; (II) not disclose that it is acting as the Customer's agent; and (III) (amongst other things):
 - (i) be authorised to sign and execute all documents, do all acts, and observe and perform all obligations required to be done in connection with this Agreement, or imposed under any agreement of sale of the Commodity to a third party;
 - (ii) be authorised to perform all administrative duties relating to the holding and selling of the Commodity and the insurance of the Commodity;
 - (iii) not be under any duty to disclose and/or provide any documents to the Customer in relation to the performance of the Bank's duties under this Agreement; and
 - (iv) be at liberty to sell the Commodity to any third party.
- (3) The appointment of the Bank as the Customer's agent will not create or be deemed to create a partnership or a joint venture between the parties, nor will it establish a relationship of principal or agent in any other relationship between the parties.
- (4) The appointment of the Bank as the Customer's agent for the purpose of this Agreement will end:-
 - (i) upon the Customer's demise, dissolution or loss of legal capacity;
 - (ii) upon dissolution or loss of legal capacity of the Bank (if the agency task is to be personally performed by the Bank);
 - (iii) upon the Customer losing the Customer's right to the Commodity;
 - (iv) if the Customer and the Bank agree to terminate the agency;
 - (v) if the Facility granted to the Customer is terminated prior to the Bank carrying out any of the acts contemplated in Section 1(a)(1)(i) and (ii) above, by reason of the Customer's

breach of the terms and conditions in the Transaction Documents;

- (vi) if the Customer exercises his/her/its option to terminate the agency due to misconduct, negligence or breach of specified terms of the agency by the Bank; or
- (5) In the event of dissolution of agency pursuant to Section 1(e)(4) above, the parties' liability to the other party for the dissolution of the agency will be limited to RM1.00.
- (6) The agency created by virtue of this Agreement will complete upon completion of the sale of the Commodity by the Bank to any third party referred to in Section 1(d) above. Upon completion, the Customer and the Bank will be free from all contractual obligations created pursuant to the agency created by virtue of this clause.
- (7) The Customer must at all times fully indemnify the Bank against any liability, damage, losses or expenses (including legal expenses on a solicitor and client basis) which the Bank may sustain or incur as a consequence of any of the Bank's actions in acting as the Customer's agent in respect of any of the matters specified in Section 1(a)(1)(ii) above, except to the extent directly caused by the Bank's wilful default and/or gross negligence.

(f) Delivery of the Commodity

Upon the completion of the Sale Transaction as stated in (c) above, the Bank shall immediately enable the Customer(s) to take possession of the Commodity. The Trade Transactions will be governed by the terms and conditions of this Agreement and the applicable provisions of the Letter of Offer and the Purchase Request.

(g) Proceeds from the Sale of the Commodity

- (1) The Bank will disburse the Customer's Sale Price in the manner specified in Appendix 2 of the Letter of Offer, subject to the fulfilment of all Conditions Precedent.
- (2) In addition, the Customer authorises the Bank to pay any amount in such manner and on such terms and conditions as the Bank reasonably deems fit, to any financial institution, firm of solicitors, developer, vendor, court, builder, contractor, architect or other person responsible for or concerned with the sale or construction of the Property. An acknowledgement of receipt of such payment given by the recipient will be deemed to have been given by the Customer personally.
- (3) The Customer acknowledges and agrees that the Bank is unable to defer or stop disbursement of any amounts under the Facility if the Bank has already given an undertaking to a third party to disburse the Facility and has received the relevant invoice(s) or redemption statement(s) in accordance with the Sale and Purchase Agreement or construction or development contract or proclamation of sale (as applicable).
- (4) The Customer authorises the Bank to withhold the disbursement of the Facility if the relevant developer or vendor, builder or contractor fails to honour its obligations under any relevant contract and/or undertaking or if in the Bank's opinion the developer, or vendor, or builder or contractor or the Security Party is in breach of the relevant contract relating to the Property.

- (5) If an Event of Default or potential Event of Default has occurred or is about to occur and has not been remedied after written notice of seven (7) days has been given, the Bank is not obliged either in law or in equity to make or continue to make any disbursement of the Facility.
- (6) In consideration of the Bank agreeing to provide customary undertaking(s) to third parties in such form as the Bank may decide (including but not limited to any financial institution, developer or vendor or their respective solicitors), the Customer undertakes to indemnify the Bank against all costs, expenses, claims and demands suffered by or made on the Bank in connection with or arising from the issuance or performance of such undertakings.
- (7) The Customer undertakes that the Customer will not, and the Customer will ensure that the Security Party will not, permit any other person to directly or indirectly utilise any part of the Facility to fund any trade, business or activities which: (a) involve or is or are for the benefit of any Restricted Party, or (b) would reasonably be expected to result in the Customer or the Security Party being in breach of any Sanctions (if to the extent applicable to either of them) or becoming a Restricted Party.
- (8) The disbursement of the Customer's Sale Price or any part of it by the Bank as set out in Appendix 2 of the Letter of Offer will be deemed to be effective payment to the Customer or for the benefit of the Customer PROVIDED that the Bank will not be bound to make payment unless and until:
- (i) the Differential Sum has been duly paid by the Customer to the respective solicitors or firm of solicitors, Developer/Vendor, Proprietor, the Existing Chargee/Assignee or courts (as applicable) (and in such regard, the Customer must immediately provide the Bank with documentary evidence satisfactory to the Bank confirming that the Differential Sum has been so paid); and
 - (ii) the conditions precedent set out in Schedule 1 to this Agreement have been fulfilled.
- (9) Excess in the Customer's Sale Price
- If there is excess after payment of the Differential Sum in Section 1(g)(8) above, such excess amount will be disbursed by the Bank directly to the Customer.

SECTION 2 THE BANK'S OBLIGATION

The Bank's obligation to make available the Facility and to accept any Purchase Request is subject to the Bank being satisfied that the Conditions Precedent as set out in Schedule 1 to this Agreement have been complied with and fulfilled by the Customer.

SECTION 3 PAYMENT BY THE CUSTOMER

The Customer undertakes to pay the Bank's Sale Price through Monthly Instalments in the manner, at the times as notified by the Bank, in accordance with the terms of this Agreement. The Customer further undertakes to pay the Indebtedness to the Bank under any of the Security Documents as and when it falls due.

- (a) The Customer is allowed to prepay any amount (“Prepayment Amount”) in the manner set out in Appendix 1 of the Letter of Offer.

- (b) The Customer must make full settlement of the Settlement Amounts (“Early Settlement”) before expiry of the Tenure upon the occurrence of any of the following events:
 - (i) the Customer requests for Early Settlement;
 - (ii) a financing restructuring exercise of the Facility;
 - (iii) the occurrence of any Event of Default; and/or
 - (iv) the termination of this Agreement before expiry of the Tenure for any reason.
- (c) If the Customer requests Early Settlement of the Facility, Early Settlement will be made on the dates as determined by the Bank and agreed by the Customer.
- (d) Any notice for Early Settlement will be irrevocable and the Customer must make such settlement in accordance with such notice.

SECTION 4 *REBATE (IBRA’)*

- (a) The Bank undertakes to provide to the Customer a rebate (Ibra’) on the Bank’s Sale Price and/or other monies remaining unpaid by the Customer, in particular, but not limited to, in the circumstances stated in the Letter of Offer.
- (b) The Bank’s calculation of such rebate (Ibra’) will be treated as final and binding.

SCHEDULE 2: MURABAHAH SALE CONFIRMATION
(which shall be taken and construed as an integral part of this Agreement)

From: Demo Bank Berhad

To: [SAKINAH 20240904 KIN] Date: 11-APR-2023]

Re: The Murabahah Sale Confirmation

We refer to **the Letter of Offer** dated [•].

Unless otherwise defined in this Schedule, words and expressions used in this Schedule will have the same meanings as defined in the Letter of Offer.

This is to confirm that:-

- i. the Bank, has at your specific request purchased the Commodity from the Commodity Supplier at the Bank's Purchase Price; and
- ii. pursuant to the Purchase Request, the Bank as your agent has concluded the purchase of the Commodity from the Bank at the Bank's Sale Price; and
- iii. pursuant to the Purchase Request, the Bank as your agent has sold the Commodity to a commodity supplier (who is a different party from the Commodity Supplier referred to in (i) above) at the Customer's Sale Price (which is equivalent to the Bank's Purchase Price).

The details of the transaction are as follows:-

- a. Bank's Purchase Price: As set out in the Letter of Offer;
- b. Bank's Sale Price: As set out in the Letter of Offer;
- c. Profit Rate: As set out in the Letter of Offer; and
- d. payment of the Bank's Sale Price: As set out in the Letter of Offer.

Yours faithfully,

As Attorney for and on behalf of DEMO

ISLAMIC BANK BERHAD

(Company No. DEMO)]in the presence of:

SCHEDULE 7

Item No.	Subject Mater	Particulars
1	Name(s) of Customer	Name: SAKINAH 20240904 KIN
2	Name(s) and Description(s) of the persons providing the Security	

Execution

SIGNED BY THE BANK AND THE CUSTOMER(S).

THE BANK

Signed by

As Attorney for and on behalf of DEMO BANK

BERHAD

(Company No. DEMO] in the presence of:

.....

Witness

Name:

NRIC No:

.....

Signatory

Name:

Designation:

NRIC No:

THE CUSTOMER/CUSTOMERS

Signed by

(NRIC No. •)

in the presence of:

.....

Witness

Name: NRIC No: