

INVESTMENT MANAGEMENT AGREEMENT

ICB AMCL ISLAMIC MUTUAL FUND

THIS DEED OF INVESTMENT MANAGEMENT is made at Dhaka on this the 4th day of September of the Christian era 2004.

BETWEEN

ICB Capital Management Limited, a Merchant Bank established under section 21A of the Investment Corporation of Bangladesh Ordinance No. XL of 1976 (amended up to July 06, 2000) and registered with the Securities & Exchange Commission on October 16, 2001, having its registered office at 8, DIT Avenue-14th Floor, Dhaka-1000, Bangladesh, represented by its Chief Executive Officer Mr. Md. Iftikhar-uz-zaman hereinafter referred to as the SPONSOR which expression shall, unless it be repugnant to the context or meaning thereof, include its representatives, successors in interest and assigns of the FIRST PART.

AND

ICB Asset Management Company Limited, an Asset Management Company established under section 21A of the Investment Corporation of Bangladesh Ordinance No. XL of 1976 (amended up to July 06, 2000) and registered with the Securities & Exchange Commission on October 14, 2001, having its registered office at 8, DIT Avenue-15th Floor, Dhaka-1000, Bangladesh, represented by its Chief Executive Officer Mr. Khondoker Md. Iqbal hereinafter referred to as the ASSET MANAGEMENT COMPANY or MANAGER which expression shall, unless it be repugnant to the context or meaning thereof, include its representatives, successors in interest and assigns of the SECOND PART.

WHEREAS the party of the first part is a subsidiary of a reputed financial institution i.e. Investment Corporation of Bangladesh having adequate skills in their concerned field of activities and offices and network of branches and agencies all over Bangladesh and is the SPONSOR of a mutual fund named ICB AMCL Islamic Mutual Fund by virtue of a Trust Deed executed between the ICB Capital Management Ltd. as SPONSOR and the ICB as the TRUSTEE.

WHEREAS the party of the Second part, a subsidiary of Investment Corporation of Bangladesh, is an Asset Management Company, engaged in, among others, asset management business having required capabilities, qualifications and adequate skills in its concerned fields of activities and is the ASSET MANAGEMENT COMPANY or MANAGER, as the case may be, of the ICB AMCL ISLAMIC MUTUAL FUND by virtue of the Trust Deed drawn by the Sponsor and the Trustee of the Fund.

NOW THEREFORE, with the intent to manage the ICB AMCL ISLAMIC MUTUAL FUND in particular and its various schemes established by the Sponsors of the Fund from time to time for the benefit of the small investors and the development of capital market of Bangladesh as are entrusted to the ASSET MANAGEMENT COMPANY from time to time and in consideration of mutual covenants and arrangement hereinafter set forth ,it is hereby mutually agreed between the parties hereto as follows:

1. The Second party shall design, structure, seek registration and custodial arrangements and publicly float and manage the various schemes of the mutual fund approved by the Trustee under the sponsorship of the First part, in terms of the Trust Deed as per the provisions of the Securities and Exchange Commission (Mutual Fund) Rules, 2001 (hereinafter referred to as the 'Rules')
2. The Second party shall make initial public offer (IPO) of the close ended schemes of the Mutual Fund in the Bangladesh Capital Market, on approval from the Regulatory Authority under the applicable Law.
3. The Second party shall be responsible for the management of the Fund and its various schemes with due approval from the Securities & Exchange Commission (hereinafter referred to as the 'SEC' or Commission) and in accordance with the provisions of the Fund and the Rules.
4. The Second party shall take all reasonable steps and exercise all due diligence and ensure that the investment of the schemes of the Fund is not contrary to the provisions of the Trust Deed and the Rules.
5. The Second party shall not undertake any business that may adversely affect the interest of the Fund.
6. Any loss or damage or expenses resulting from negligence by the Asset Management Company or any of their officers or any person delegated by them, shall not be met out of the Trust property.
7. The Second party shall ensure that no application form, or sales literature or other printed matter issued to prospective buyers, or advertisement, or report and or announcement (other than an announcement of price or yields) addressed to the general body of unit holders, or to the public, or to the press or other communication media, is issued or published with contents and statement or matter extraneous to the Trust Deed or Prospectus or Offer Document of any scheme approved by the Commission or the Trustee, as the case may be without prior approval of the Trustee and the Commission.
8. The Manager shall not acquire any asset for the Fund out of the Trust property, which involves the assumption of any liability that is unlimited or shall result in encumbrance of the Trust property in any way.

9. The Fund or the Manager on behalf of the Fund shall not give or guarantee term loans for any purpose or under take any activity in contravention of the Rules.
10. For listed securities, the average quoted market price on the stock exchanges on the date of valuation shall form the basis of any calculation of Net Asset Value of such securities in the portfolio of the Fund.
11. When the securities were not traded either at DSE or CSE on the particular valuing date, immediate previous average price, which one is nearer, but not longer than 30 days, to the valuing date will be taken into account.
12. When the securities were not traded either at DSE or CSE for a period for over 30 days, the Fund shall follow the method approved by the Commission for valuation of the non-traded investment, and the Trustee shall periodically review the value of such investments.
13. The valuation of non-traded securities will be made with their reasonable value by the ICB Asset Management Company Ltd. and approved by the Trustee and commented upon by the Auditors in the Annual Report of the Mutual Fund but shall not be more than the intrinsic value of the securities.
14. The valuation of non-listed securities will be made by the AMC with their reasonable value and approved by the Trustee and commented upon by the Auditors in the Annual Report of the Fund.
15. Once non-listed securities are valued, the valued amount will be considered for purpose of valuing the Fund's assets in any interval of time until the securities are further revalued by the AMC.
16. The valuation of investment made under Sharia complaint investments e.g. Modaraba, Musharika, Murabaha, etc. will be made by AMC with the approval of the Trustee and in consultation with the Sharia Advisor. The auditors will comments on the policy of valuation in the Audit Report.
- 17 AMC and Trustee will value the non-listed securities at least after every three months.
- 18 The Fund shall follow a general formula for computing the Net Asset Value as per Rules and as approved by the Trustee and the Commission and shall disclose in the Prospectus or information Memorandum of the Scheme and it shall be adequately published as per the provisions of the Rules.
19. The Trustee shall receive a quarterly report from the Second party and submit a six monthly report to the Commission, or such other intervals as per Rules, on the activities of the various Schemes of the Mutual Fund.

20. The Trustee shall provide or cause to provide information to the unit holders and the SEC by the Second party as per Rules or as may be specified by the Commission, so that it is revealed that the affairs of the various Schemes of the Mutual Fund is being conducted as per the provision of the Trust Deed and the Rules.
21. The Trustee shall cause to make such disclosures by the Second party to the investors as are essential in order to keep them informed about any information, which may have an adverse bearing on their investments.
22. The Trustee shall have the right to call for any books of accounts, records, documents and such other information as considered necessary from the Second party as is relevant to the Management of the affairs of the various Schemes of the Mutual Fund.
23. The Second party shall submit to the Trustee and the SEC quarterly activity and compliance reports as of March 31, June 30, September 30 and December 31 within 15 days of the end of the quarter or at such intervals as may be required by the Trustee or the SEC.
24. The Trustee of the Fund shall have the power to initiate the process of annulment of the appointment of the Second party i.e. the Asset Management Company of the Fund, under specific events of breach of Trust and Investment Management Agreement and/or provisions of the Rules only, with the approval of the Commission, in accordance with the provisions of the Rules.
25. Any change in the appointment of the Second party as the Asset Management Company of the Fund as well as its management shall be subject to prior approval of the SEC.
26. The second party is prohibited to undertake any activities without prior approval of the Trustee and the Commission excepting determination of size, objective and nature of the schemes, preparation of prospectus and acquiring consent of the Commission, issuance of unit certificates of the schemes, formation and management of investment portfolio, calculation of NAV, preparation, submission and dissemination of financial and other statements besides the duties and responsibilities mentioned in Rule 33 of the Securities and Exchange Commission (Mutual Fund) Rules, 2001.
27. Relevant provisions of the Rules in general and Schedule III of the Rules in particular shall apply for the interpretation of this agreement and in case of any controversy as to the meaning and spirit, the decision by the Commission shall be conclusive.

If any confusion arises any time about explanation of any clause of this Agreement, the Securities and Exchange Commission (Mutual Fund) Rules,2001 will be conclusive for this agreement and all other documents executed in connection of this mutual fund and provisions of this agreement will be treated to be changed in accordance with any change or amendment of the Securities and Exchange Commission (Mutual Fund) Rules,2001.

IN WITNESS WHEREOF the Sponsor and the Asset Management Company have caused their common seals to be affixed to these presents and have hereto set their hands the day and year above written.

The party of the First Part, the SPONSOR.

ICB CAPITAL MANAGEMENT LTD.
Represented by Chief Executive Officer, Mr. Md. Iftikhar-uz-zaman,

AND

The party of the Second part, the ASSET MANAGEMENT COMPANY LTD.:

ICB ASSET MANAGEMENT COMPANY LTD.
Represented by Chief Executive Officer, Mr. Khondoker Md. Iqbal

WITNESS:

1. Md. Rafiqul Islam
Senior Principle Officer,
ICB Asset Management Company Ltd.
8, DIT Avenue, Dhaka- 1000
2. S. M. Anisuzzaman
Officer
ICB Capital Management Ltd
8, DIT Avenue, Dhaka-1000.