

# Wakala Investment Account

On this day \_\_\_\_\_ dated / / 20

It has been agreed and confirmed between the below two parties

Kuwait Finance House (SAK), Address: P.O Box 24989 Safat Kuwait First party (Investment Agent)

Mr./Ms. \_\_\_\_\_ Second Party (Customer)

## Introduction

The Second Party being a KFH customer delegates the First Party to invest the funds put under his disposal in KFH's investment activities in the way the First Party finds appropriate and acting as an agent on his behalf when it comes to managing the Second Party's investment activities, including self-contracting or with any other parties. The First Party agrees to manage the Second Party's investment activities as per the following terms and conditions:

## First Clause

The above-mentioned introduction is considered as an integral part of the contract.

## Second Clause: Investment Currency

- The First Party shall invest the amounts in Kuwaiti Dinar or any other foreign currency that the Second Party specifies while ensuring that the customer possesses an account in the same currency, provided the First Party accepts the same.

- The First Party will not bear any responsibility whatsoever in case of currency fluctuations during the investment period and when crediting the investment amount or profits distribution.

## Third Clause: The Investment Period

The Second Party will specify the investment period that he chooses in the investment request form. The minimum investment period will be one month, and the maximum investment period would be three years (one month – 3/6/9/12 months – 24 months – 36 months) and will be automatically renewed unless both parties do not agree on the same before renewal or maturity. The investment in the deposit shall start from the next business day of opening the deposit for deposits in Kuwaiti Dinars & two business days for the deposits in USD.

## Fourth Clause: Profits

- The First Party will set the minimum profit rate in the investment request form.
- At maturity of each investment, the investment amount and profits earned will be credited to the funding account.
- In case the customer wishes to renew the investment, the First Party will renew based on the announced prices available with him at that date and the invested amount can be reinvested with or without profits as per the customer's request and upon KFH's approval.
- In case the actual profit rate is higher than the promised rate to the customer, the Customer (Second Party) renounces this profit increase in favor of the First Party as an incentive.

## Fifth Clause: Cancellation of Investment

In case the Second Party requests to cancel the investment contract before the maturity date, the Second Party will renounce the current quarter profits and will receive all due previous profits. During two business days, the First Party will return the invested amount with profits due to the Second Party banking account.

## Sixth Clause: Amendment and Closure

The Second Party shall provide instructions to amend the invested amount. The reinvestment is done for the new period or amount if instructions are provided before the end of the last investment period and upon approval of the First Party. The First Party will set the new profit rate based on the schedule of declared profit rates for the day of investment renewal.

## Seventh Clause: Commission

- The Second Party delegates the First Party to transact on any of its accounts in KFH by withdrawing or depositing in regard to the investment contract. The First Party will deduct his share of the profit for the work and effort being performed in regards to the investment contract being 2% of the value of deals that the First Party is undergoing with other parties (depending on the period) and which the First Party can surrender totally or partially if he pleases.

- The First Party does not earn any commission if the transactions done are to his own account (buying and selling for his own account).

## Eighth Clause: Correspondences

All communication and correspondences between both parties will be done via correspondences on each party's address and mentioned in this contract or whenever updated later. Correspondences between both parties via Fax, Telex and other modern communication tools are accepted, and original correspondences would need to be sent via mail for safe keeping before the date of any deal.

## General Conditions

- The first party undertakes to work towards achieving the agreed profit rate mentioned in the investment application form and shall be liable to compensate the second party by the actual damage suffered. In the event of error, negligence and violation of his role as an agent and KFH guarantees the shortage of the same value.

- KFH undertakes not to invest the second party funds subject of this contract only in case if profit is achieved and not less than what was agreed upon in the investment application form. The first party is considered in breach of his application and negligent if he invested the funds of the second party in less of what was agreed upon, and KFH guarantees the shortage of the same value for the second party by the end of the investment period in case of a breach.

- KFH has the right to reject any investment requests due to the unavailability of investment amount or not being collected at the investment day or for any other reason without any liability towards KFH.

- The Second Party can instruct KFH not to renew the investment contract as long as these instructions are provided before maturity. KFH shall then at maturity close the contract and deposit the invested amount with the agreed profits.

- KFH clients of natural and legal entity can open the account and the minimum amount opening is KD 1,000 or USD 15,000.

- The Second Party can request the renewal of the investment and the accrued profits automatically for every new maturity.

- The First Party acknowledges that profit rates are divided into two segments for invested amounts in the schedule of declared rates (depending on the invested amount). The first segment is between 1,000 and 49,999 Kuwaiti Dinars or 15,000 and 99,999 US Dollars. and the second segment starts from KD 50,000 and above or USD 100,000 and above and applies to all investment periods (1 month – 3/6/9/12 months – 24 months and 36 months).

- The Second Party can withdraw up to 30% of the invested amount during the investment period as long as the deposit amount does not fall under 1,000 Kuwaiti Dinars or USD 15,000 after the 30% withdrawals.

- In case the Second Party withdraws from the balance of the deposit and the investment goes below KD 50,000 or USD 100,000, profit will be calculated based on the daily schedule rates for deposits below KD 50,000 or USD 100,000 and based on the defined maturities.

- In case the Second Party cancels the investment contract after withdrawing part of the balance, in this case profit will be calculated as of the last balance for the contract on maturity date.

- The Second Party can request to invest in number of days and not only in months but for further maturities in number of days (35 days, 95 days, 112 days, 123 days etc...).

- This contract falls under the jurisdiction of the Kuwaiti law abiding with Islamic Shariaa concept and KFH's article of association and any conflict arising will be dealt with in Kuwaiti courts.

This contract has been issued in two copies and each party receiving a copy to work accordingly.

## First Party

Relationship Manager: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Signature: \_\_\_\_\_

Phone: \_\_\_\_\_ Fax: \_\_\_\_\_

Address: \_\_\_\_\_

## Second Party

Customer Name: \_\_\_\_\_

Civil ID Number: \_\_\_\_\_

Account Number: \_\_\_\_\_

Signature: \_\_\_\_\_

Phone: \_\_\_\_\_ Fax: \_\_\_\_\_

Address: \_\_\_\_\_

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