

TERMS & CONDITIONS

RESTRICTED MUDARABAH INVESTMENT ACCOUNT

DANAT INDIA RIA COMPANY

1. INVESTMENT

The Applicant has funds which it wishes to invest as Rab al Maal and the Bank agrees to provide the Services to the Applicant as Mudareb and to make the Underlying Investment in conformity with the Islamic Shari'ah and otherwise in accordance with these terms and conditions (these "Conditions", and such expression includes the Financial Term Sheet and Investment Overview).

2. DEFINITIONS

In these Conditions:

"Account" means each account opened with the Bank into which a Deposit is made and the amount standing to the credit thereof;

"AED" or **"Dirham"** means the lawful currency of the United Arab Emirates;

"Applicant" or **"You"** means the person or entity named in the Application Form;

"Application Form" means the application form signed by the Applicant of which these Conditions form part;

"Bank" or **"We"** means Emirates Islamic Bank PJSC;

"Bank Profit" means the Bank's share of the Profit calculated in accordance with the Profit Sharing Ratio;

"Business Day" means a day on which commercial banks are open for business in the United Arab Emirates and the Kingdom of Bahrain;

"Certificate" means any document or other physical evidence of entitlement to the rights and benefits deriving from the Underlying Investment;

"Day" means a Gregorian calendar day;

"Deposit" means the amount deposited in the Account with the Bank by the Applicant which may not, unless the Bank otherwise agrees, be less than AED 100,000;

"Deposit Date" means the date upon which a Deposit is accepted by the Bank for the purposes of investment in the Underlying Investment;

"Deposit Period" means for each Applicant, the period running from the Deposit Date until the Expected Maturity Date;

"Expected Applicant Profit" means the net amount, if any, available for distribution to the Applicant after deduction from

the Profit of (i) the Bank's Profit; (ii) any transfers to the Profit Stabilisation Account effected by the Bank (if applicable); and (iii) any transfers to the Risk Reserve Account effected by the Bank (if applicable);

"Expected Investment Term" means the 36 month investment holding period running from 28 February 2008;

"Expected Maturity Date" means for each Applicant, the last day of the Investment Term being 28 February 2011 unless otherwise varied by the Bank in accordance with these Conditions and the Financial Term Sheet;

"Financial Term Sheet" means the accompanying supplementary document issued by the Bank to Applicants with an Application Form from time to time and which sets out inter alia the Profit Sharing Ratio and other pertinent details related to this restricted investment account;

"Investment Overview" means the accompanying supplementary document issued by the Bank to Applicants with an Application Form from time to time and which sets out inter alia information relating to the Underlying Investment.

"Portfolio" means the Applicant's Accounts with the Bank utilised in respect of the Underlying Investment;

"Profit" means the expected profit that shall be generated by the Underlying Investment throughout the Expected Investment Term;

"Profit Sharing Ratio" means the profit sharing ratio of Applicant 72.29% and Bank 27.71% as set out more fully in the Financial Term Sheet;

"Profit Stabilisation Account" means the account opened by the Bank to which the Bank may from time to time, prior to the allocation of the Applicant's Profit, remit a percentage of all Profit in order to protect the Applicant and other investors from adverse movements in profitability in relation to the Underlying Investment. Such amounts shall be determined by the Bank in accordance with the principles and policies set by its Shari'ah Board;

"Risk Reserve Account" means the account opened by the Bank as Takaful amongst the Applicant and other investors, to which the Bank may from time to time, prior to allocation of the Applicant's Profit, remit a percentage of all Profit in order to protect the Applicant and other investors from risks encountered in respect of the Underlying Investment. Such amounts shall be determined by the Bank in accordance with the principles and policies set by its Shari'ah Board;

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“**Services**” means the investment management services to be provided by the Bank to the Applicant pursuant to these Conditions;

“**Shari’ah Board**” means the Bank’s board of advisors on Islamic Shari’ah;

“**UAE**” means the United Arab Emirates; and

“**Underlying Investment**” means a beneficial interest in the investment made by the Bank in a 77.78% holding in Danat RIA Company, Cayman Islands.

3. GENERAL

(a) The passage of time shall be calculated in accordance with the Gregorian calendar.

(b) The illegality, invalidity or unenforceability of any provision of these Conditions under the law of any jurisdiction shall not affect its legality, validity or enforceability under the law of any other jurisdiction nor the legality, validity or enforceability of any other provision of these Conditions.

4. EFFECT OF CONDITIONS

These Conditions shall apply to all dealings between the Applicant and the Bank relating to your Portfolio and supersede any previous agreement between us (if any) in relation to the Underlying Investment. These Conditions constitute a legally binding contract.

5. RESTRICTED INVESTMENT ACCOUNTS

The Services are designed for Applicants requiring professional investment management who wish to delegate the day-to-day management of their interest in the Underlying Investment. Subject to these Conditions, we will manage the Portfolio for you on a discretionary basis without prior reference to you though in all cases it is understood and accepted by the Bank that the Portfolio will only invest in the Underlying Investment.

6. OVERSEAS PERSONS

The Services may not be available in countries where they are prohibited by local law. If in doubt you should contact your legal and financial advisers. We will not be responsible for the provision or the use of the Services to persons in countries where the Services are so prohibited.

7. APPLICANT INFORMATION

The Bank is entitled to rely upon any information provided by you.

8. INVESTMENT CIRCUMSTANCES

You should remember that past performance is not necessarily a guide to future performance and the prices, values and hence the income deriving from the Underlying Investment may fall. You may receive less than the original principal amount of any Deposit you make. The Bank does not guarantee that any Profit or Expected Applicant Profit will be generated. The Bank does not protect or otherwise guarantee your Deposit.

9. ACCOUNTS AND DEPOSITS

(a) The Bank will open an Account (or Account(s)) denominated in AED in your name, for the purpose of holding your interest in the Underlying Investment and as such we will remit any Expected Applicant Profit to such Account(s). The authorised signatories of the Applicant on the Account(s) shall be as specified in the Application Form unless the Bank has received a written notification to the contrary. All funds for the purpose of implementing the Underlying Investment shall be disbursed only through the Account. The Bank is entitled to commingle your Deposits with deposits from other Applicants for the purposes of effecting the Underlying Investment under these same Conditions and the Financial Term Sheet. All amounts received arising from the Underlying Investment shall be collected by the Bank and remitted, without deduction (save as may be permitted in accordance with these Conditions or as required by applicable law) to the relevant Account.

(b) Unless the Bank agrees otherwise, payment of any Deposit to an Account will be made by the Applicant by way of cheque or telegraphic transfer. The Bank will not be obliged to effect the acquisition of any interest in the Underlying Investment on behalf of the Applicant until the Bank has satisfied itself that the funds representing any Deposit have been received in full by the Bank.

10. COVENANTS OF THE BANK

The Bank undertakes to the Applicant that the Bank shall (i) render the Services with due care and all reasonable commercial diligence; (ii) collect (or procure the collection of) all receivables arising from the Underlying Investment (iii) remit the Applicant’s Profit (if any) to the relevant Account; (iv) maintain or cause to be maintained, true and correct books of account relating to the Underlying Investment together with all invoices, records, Certificates and all other documentation relating thereto; and (v)

manage the Portfolio in conformity with all applicable civil and criminal laws and without violation of the principles of the Islamic Shari'ah as determined and interpreted by the Shari'ah Board.

11. COST OF OPERATIONS

The Bank shall (with the exception of any transaction charges imposed) bear all of the costs of banking operations, and the Bank shall bear the cost of managing the Accounts. Brokerage commissions and similar fees paid to third parties (if any) in the ordinary course of business in connection with the Underlying Investment are treated as capital costs of the Underlying Investment and not as expenses borne by the Bank.

12. CONFLICTS OF INTEREST

When we enter into the Underlying Investment on your behalf, we or some other person connected with us may have an interest, relationship or arrangement that is material in relation to that Underlying Investment. You agree that we and any relevant connected person may provide the Services despite any such interest and that we are not required to account to you for any income, gain, profit, or other advantage arising from doing so, provided that we comply with applicable law and the principles of the Islamic Shari'ah.

13. LIEN AND SET-OFF

We reserve the right to sell or realise any Underlying Investment which we are holding (or entitled to receive) on your behalf in order to meet any liabilities which you may have incurred with us, including liabilities incurred by way of fees and charges. Any liabilities still outstanding after set-off will remain your responsibility. We reserve the right to retain, or make deductions from, amounts that we owe to you or are holding for you where you have failed to discharge your liabilities to us howsoever arising.

14. PARTICIPATION IN AND APPORTIONMENT OF THE PROFIT

- (a) The apportionment of the Profit will be in accordance with the Profit Sharing Ratio and these Conditions which the Applicant acknowledges and accepts.
- (b) The Applicant's Profit shall be pro-rated in accordance with the length of the Deposit Period of the Applicant.
- (c) Subject to Clause 17 below, on the Expected Maturity Date, the Bank will, in accordance with generally accepted accounting principles and these Conditions, calculate the Profit, the Applicant's Profit and the Bank's Profit.

- (d) Subject to the Underlying Investment's performance and these Conditions, the Deposit and Expected Applicant Profit (if any) will be credited to the relevant Account of the Applicant by the Bank on or shortly after the Expected Maturity Date.

15. PROFIT STABILISATION ACCOUNT AND RISK RESERVE ACCOUNT

The Applicant irrevocably authorises the Bank throughout the period of the Expected Investment Term and prior to making any payment of the Applicant's Profit, at its sole discretion but subject always to these Conditions, to deduct from the Profit and to remit such amounts to the Risk Reserve Account and the Profit Stabilisation Account as it deems appropriate.

16. EARLY WITHDRAWAL

Prior to the Expected Maturity Date, the Applicant may not withdraw the whole or part of any Deposit.

17. LOSSES

In accordance with the Shari'ah rules of Mudarabah, the Bank does not guarantee the Profit, the Expected Applicant Profit or the initially committed Deposit as these will depend entirely on the performance of the Underlying Investment. All losses arising from the Underlying Investment will be borne by each Applicant on a pro-rata basis (based on their initially committed Deposit), except any losses arising as a consequence of any material breach by the Bank of these Conditions.

18. ASSIGNMENT AND TRANSFERS

You may not assign, transfer, dispose of or grant security over any Deposit, or Account and/or the Underlying Investment without the prior written consent of the Bank.

19. ANTI MONEY LAUNDERING

- (a) We have certain responsibilities under anti-money laundering legislation to confirm the identity and permanent address of Applicants. You will be asked to provide documents to establish your identity. These will generally be a certified copy of your passport and photo card driving license (in the case of an individual) or a certified copy of your certificate of registration and constitutive documents or equivalent (in the case of a corporate entity or other Applicant which is not an individual) or other acceptable documents, which must be supplied on request. We also have responsibilities under these laws to confirm the identity and permanent address of any third party connected to your Portfolio. You confirm that where requested any documents and information will be provided

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promptly and will be accurate. We reserve the right to restrict payments if they are to be made to third parties or to bank accounts not in your name(s), or held in a jurisdiction outside the United Arab Emirates. We may make further requests for information from you in order that we satisfy all applicable anti-money laundering legislation and/or our internal procedures from time to time and you hereby agree to promptly provide us with such information.

- (b) Please note that if you invest in other products, we may be requested by the product provider to forward to them copies of any verification of identity and address documents that we have obtained from you. On occasion, we may also be required to pass these documents to the Bank's bankers. By signing these Conditions, you confirm that we have your permission to forward these documents to these persons if so requested.

20. LIABILITY

We shall not be responsible for any loss whether arising through delay or changes in market conditions or from an error of judgment made in good faith on our part or on the part of any broker, analyst, adviser or agent used by us in relation to the Underlying Investment, or otherwise howsoever caused whether before or after the date of this contract, unless such loss shall have been caused by our gross negligence, fraud or wilful default. We shall not have any responsibility for money being paid to you once the money has left the Bank's bank account. Any correspondence and/or Certificate that are dispatched to you by post or courier to the latest address as notified to us by you are sent at your sole risk. We shall have no responsibility for any failure in delivery to you on the part of the postal system or any courier company.

21. INDEMNITY AND COSTS

All direct costs and expenses incurred by the Bank in connection with the provision of the Services to you and/or making the Underlying Investment on your behalf will be deducted from the Account. You agree to indemnify the Bank against all claims, demands, liabilities, losses, judgments, expenses of any kind and costs (together with any third party costs) which we may incur in providing the Services and/or making the Underlying Investment on your behalf though only as a consequence of any breach by you of these Conditions. The said indemnification for claims,

demands, liabilities, losses, judgments or expenses will not extend to situations arising as a direct result of the Bank's gross negligence, fraud or wilful default.

22. SHARI'AH PRINCIPLES

The Underlying Investment will be made and managed in strict conformity with the provisions of Islamic Shari'ah. The Underlying Investment and the terms thereof are subject to review and supervision of the Bank's Shari'ah Board, the determinations of which are binding on all Applicants.

23. VARIATION AND NOTICES

We may amend these Conditions by giving you not less than 30 Days written notice. No amendments will affect any outstanding order or transaction or any legal rights or obligations which may already have arisen. Notices required to be given by us to you under these Conditions will be in writing addressed to your last known address and delivered by post, by hand or courier, or sent by facsimile transmission or email. Notices and other correspondence shall be deemed to be received four Business Days after posting if sent by pre-paid post to addresses within the United Arab Emirates, seven Business Days if sent by airmail post to addresses outside the United Arab Emirates, or simultaneously on successful transmission if sent by email or facsimile. Notices required to be given to us by you under these Conditions must be given in writing, unless otherwise specified in these Conditions. You must update us immediately of any change to your address, contact details and/or other important details.

24. GOVERNING LAW

These Conditions shall be governed by and construed in accordance with the laws of the United Arab Emirates, and the rules of Shari'ah. In the event of any conflict, the rules of Shari'ah will prevail. The Applicant hereby consents generally in respect of any legal action or proceeding arising out of or in connection with these Conditions to the giving of any relief or the issue of any process in connection with such action or proceeding including, without limitation, the making, enforcement or execution against any property whatsoever (irrespective of its use or intended use) of any order or judgment which may be made or given in such action or proceeding.