



ALLIANCE ISLAMIC BANK

Terms & Conditions for Agency Appointment (Murabahah Trust Receipt-i)

Terms and Conditions of Agency Appointment for Murabahah Trust Receipt-i

These terms and conditions are applicable to eligible corporate, commercial and SME financing customers that have applied for deferment of payment of their outstanding trade bills under their Islamic trade facilities ("Payment Flexibility Arrangement") via the 'Request Form for Payment Flexibility for Islamic Trade Facilities during Moratorium Period'. Terms such as 'the Bank', 'the Customer' and 'the Facility' shall have the following meanings:

- 'the Bank' refers to Alliance Islamic Bank granting the Facility;
- 'the Customer' refers to the financing customer that has been granted the Payment Flexibility Arrangement.
- 'the Facility' refers to the Murabahah Trust Receipt-i facility which is utilised to convert outstanding trade bills under the payment flexibility granted to the Customer.

The Customer irrevocably and unconditionally appoints the Bank to be the Customer's agent to:

- (a) purchase London Metal Exchange (LME) metals/Platinum Group Metals ("the Commodities") from the Bank by accepting and executing the sale transaction on the Customer's behalf at the Bank's Selling Price equivalent to the sum of the principal and profit amounts for the financing transaction; and
- (b) sell the Commodities to any third party purchaser ("the 3rd party Commodity Purchaser") on the Customer's behalf at a price equivalent to the principal amount for the financing transaction.

The Customer agrees that the Bank as Customer's agent shall at all times:

- (a) be authorised to sign and execute all documents and do all acts and observe and perform all obligations required to be done in connection with its appointment as the Customer's agent, or imposed under any sale transaction to the third party purchaser of the Commodities; and
- (b) be required to do all the administrative duties regarding the holding and the sale of the Commodities;
- (c) allow the Customer to obtain possession of the Commodities if requested by the Customer (provided that the Bank has yet to sell the Commodities to any third party); and
- (a) receive sale proceeds on the Customer's behalf from the 3rd party Commodity Purchaser and utilize the sale proceeds to settle the outstanding amount for the Facility.

The Bank's appointment shall be subject to the Customer's purchase of the Commodities from the Bank, failing which the Bank will not be acting as the Customer's agent for that particular sale transaction.

Notwithstanding any sale of the Commodities by the Customer or by the Bank as the Customer's agent and/or any non-delivery and/or dispute whatsoever in relation to the Commodities that the Customer may have with the third party purchaser to whom the Bank sold the Commodities as agent on the Customer's behalf subsequent to the Customer entering into the sale transaction with the Bank but prior to the full settlement of the selling price of the Commodities and the indebtedness created under the said sale transaction, it shall not in any way impair or absolve the Customer's obligation for the Facility.

The Customer does not deem the Bank's appointment as a partnership or a joint venture, nor does it establish a relationship of principal and agent in any other relationship between the Customer and the Bank and the appointment shall cease upon cancellation of the Facility.

The Customer undertakes to indemnify the Bank from any losses, costs, expenses or damages that the Bank may suffer or incur as a result of fulfilling the Bank's agency function as set out above not due to the Bank's fault.

This agency appointment shall continue to be valid so long as the Bank continues to grant the Payment Flexibility Arrangement to the Customer and shall cease upon termination of the Facility by the Bank.