

# AL-KHAIR Long-Term Investment Deposit Terms & Conditions



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 acts 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: The Investment Currencies

- 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 determines the investment period they desire in the investment request form, with a minimum of one year and a maximum of three years, according to its duration (one year, two years, three years). It will automatically renew for a similar period unless one of the parties notifies the other of their desire not to renew before the investment period ends, with the investment starting from the date of opening the deposit.

## Fourth Clause: Profits

- The first party determines the minimum profit rate in the investment application form.
- Upon the end of each investment period, the investment amount along with the realized profits are added to the same account from which the deduction was made.
- Upon renewal of the investment, the second party agrees that the first party will renew according to the announced rates at that date, so that the amount is reinvested for another similar period according to the client's desire and after the approval of Kuwait Finance House.
- 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

- If the second party requests to cancel the investment contract before the specified end date:
  - For a deposit with a duration of one year: The rules for calculating profits shall apply if the deposit is withdrawn before its maturity and it will be subject to the term for calculation of profit on Al-Khair monthly deposit.
  - For a deposit with a duration of two years: The rules for calculating profits for one year Al-Khair long-term deposit profit rate apply if the deposit is withdrawn after one year from the deposit start date. If it is withdrawn before one year from the start date, the rules for Al-Khair Monthly deposit calculating profits will apply.
  - For a deposit with a duration of three years: The rules for calculating profits for a two-year Al-Khair long-term deposit profit rate applies if the deposit is withdrawn after two full years from the start date. If it is withdrawn after one full year from the start date, the rules for one year Al-Khair long term deposit calculating profits will apply. If it is withdrawn one year from the start date, the rules for Monthly Al-Khair long term deposit calculating profits will apply.

## Sixth Clause: Amendment and Closure

- The Second Party shall provide instructions to amend the amount invested. The reinvestment is made 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 regarding the investment contract. The First Party will deduct its share of the profit for the work and effort being performed regarding 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 are made to its own account (buying and selling for its own account).

## Eighth Clause: Correspondences

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

## General Conditions

- The first party is committed to achieving the expected profit rate agreed upon in the investment application form and is responsible for compensating the second party for any actual damage incurred in the event of proven error, negligence, or breach of agency terms. KFH guarantees the shortage of the same value.
- The first party is committed to investing the second party's funds only if a profit equal or greater than the agreed rate in the investment application form is achieved. The first party is considered breach of duty and liable if the client's funds are invested at a rate below the agreed-upon percentage. Kuwait Finance House guarantees any shortage below the fair value to the second party at the end of the investment period in case of breach.
- The amount to be invested must be available and deposited under the control of the first party as the investment agent. Kuwait Finance house has the right to reject any investment request due to the unavailability of the amount, failure to collect it on the investment day, or for any other reasons, without any liability on Kuwait finance House.
- The second party has the right to give instructions not to renew the investment contract and to reinvest for a similar period, provided that these instructions are received before the end of the most recent investment period. Kuwait Finance House will, on the maturity date, terminate the contract and deposit the invested amount along with the agreed profit rate into the client's account.
- The deposit can be opened by all Kuwait Finance House clients, both individuals and legal entities, with a minimum invested amount of 10,000 Kuwaiti Dinars.
- This contract is subject to the provisions of Kuwaiti law, provided it does not conflict with the provisions of Islamic Sharia and the basic system of Kuwait Finance House. Kuwaiti courts have jurisdiction to resolve any disputes arising from this contract.
- In the event of granting banking facilities guaranteed by the investment deposit, the lien remains valid in favor of the bank even in the event of extending its term for another period or periods, or in the event of modifying its number, currency, or amount until full repayment.
- This contract is made in two copies, with each party holding a copy to act accordingly.

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## Second Clause: Investment Currency

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- 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.

## 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 on 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's 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 amount invested. The reinvestment is made 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 regarding the investment contract. The First Party will deduct its share of the profit for the work and effort being performed regarding 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 are made to its own account (buying and selling for its own account).

## Eighth Clause: Correspondences

- All communication and correspondence between both parties will be done via correspondence 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 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 amounts being collected on 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 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 entities can open the account, and the minimum opening amount is KWD 1,000 or USD 15,000 or EUR 15,000 or GBP 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 from KWD 1,000 to 49,999 for deposits in Kuwaiti Dinars or 15,000 to 99,999 for deposits in Foreign Currencies, and the second segment starts from KWD 50,000 and above for deposits in Kuwaiti Dinars or 100,000 and above for deposits in Foreign Currencies 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 the deposit amount does not fall under the minimum opening amount.
- In case the Second Party withdraws from the balance of the deposit and the investment goes below the second segment amount, profits shall be calculated based on the daily schedule rates for deposits in the first segment (less than 50,000 Kuwaiti Dinars or less than 100,000 in Foreign Currencies) 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 Sharia concept and KFH's article of association and any conflict arising will be dealt with in Kuwaiti courts.
- In the event of granting banking facilities guaranteed by the investment deposit, the lien remains valid in favor of the bank even in the event of extending its term for another period or periods, or in the event of modifying its number, currency, or amount until full repayment.
- This contract has been issued in two copies and each party receiving a copy to work accordingly.