

## **WAKALAH INVESTMENT TERMS AND CONDITIONS**

### **Wakalah Investment**

Wakalah Investments may be opened by Individuals (single or joint) and as well as by legal entities such as limited liability companies, sole proprietorships, partnerships, associations, clubs, societies, and trade unions.

The Muwakkil / Investor agrees to the terms and conditions of the Wakalah Investment Agreement forming part and parcel hereof entered into with the Wakeel.

### **Renewal**

If no notice of withdrawal is received in writing 2 days prior to the maturity, such Wakalah Investment will be automatically renewed for the same period and treated as a fresh Wakalah Investment subject to the terms & conditions prevailing at the time of such renewal. For which a renewal notice shall be sent by the Wakeel to the Muwakkil.

### **General**

- A Wakalah Investment Certificate will be issued in acceptance of the Wakalah Investment Amount.
- Where a Wakalah Investment is held jointly, instructions shall be carried out as per the operating mandate provided (Anyone / Two / All / Other).
- In the event of the death of an investor, the investment proceeds will be payable either individually or jointly to the surviving account holders or to the nominee(s) specified in the application. Where a nomination has been made on a joint Wakalah Investment, such nomination shall be null and void if any one of the investors survives at maturity.
- In the event of withdrawal prematurely / at maturity, the Investor (or any one of the signatories in the case of a joint investment) may obtain proceeds unless instructions to the contrary are given. In the case of corporate or institutional investors, instructions shall be acted upon only in accordance with the authorized signatories / Board Resolution provided.
- At the request of the Investor(s), the company may remit the Muwakkil's Anticipated Profit and/or Wakalah Investment Amount as per instructions given by the Investor(s); in such event the Investor(s) undertake to indemnify the company against any loss, expense or other detriment arising from such remittance.
- In instance of Wakalah Investments made by cheque, the Wakalah Investment Certificate will be issued subject to realization of the cheque. All cheques must be drawn in favour of "LOLC Finance PLC" and crossed "PAYEES ACCOUNT ONLY".
- Wakalah Investment Certificate will be signed by two authorized officers of the Wakeel.
- Strict secrecy is observed with regard to all Wakalah Investments.

### **The Company Reserves the Right To**

- i. Restrict the amount of each Wakalah Investment.
- ii. Accept or reject any offer for a Wakalah Investment.
- iii. Refund a Wakalah Investment after giving due notice of not less than ONE MONTH.
- iv. Make any changes in the terms of Wakalah Investment, if so required by the Government or occasioned by Government Monetary or Fiscal policy, after giving due notice to the Investor.
- v. Recover any statutory levies if any that may be imposed by the State from time to time.
- vi. The Wakalah Investment shall be managed by the Muwakkil as per the terms and conditions contained herein and in the Wakalah Investment Agreement.

## WAKALAH INVESTMENT AGREEMENT

This Wakalah Investment Agreement is made by and between **"Muwakkil / Investor"** (which term or expression shall mean and include the heirs, executors, administrators/its successors, nominees or permitted assigns) of the ONE PART;

### AND

**LOLC Finance PLC**, a company duly incorporated under the laws of Sri Lanka bearing business registration No. PB 244 PQ and having its registered office at No. 100/1, Sri Jayawardenepura Mawatha, Rajagiriya (hereinafter referred to as the **"Wakeel / Fund Manager"**, which expression shall, where the context so permits, mean and include its successors and permitted assigns), of the OTHER PART.

(The above said parties shall individually be referred to as a "Party" and collectively as the "Parties".)

The "Wakeel" operates its Alternate Financing Business from its Alternate Financial Services Unit at No. 100/1, Sri Jayawardenepura Mawatha, Rajagiriya and the "Muwakkil" hereby appoints the "Wakeel" to act as its agent and to invest its funds in Legitimate business transactions pursuant to the terms and conditions set out in this Wakalah Investment Agreement.

### It is hereby agreed as follows:

1. The Muwakkil shall tender an offer by way of an application to the Wakeel to invest in its Treasury Pool, which Wakalah Investment Application Form shall form part and parcel of this Wakalah Investment Agreement.
2. In acceptance of the Muwakkil's offer, the Wakeel shall enter into this Wakalah Investment Agreement with the Muwakkil.
3. The Wakalah Investment Amount shall be invested by the Muwakkil in the Wakeel's Treasury Pool to be utilized in Legitimate business transactions.
4. The **Muwakkil's Anticipated Profit Rate** shall be the rate on which profit is anticipated to be generated by the Wakeel in relation to this Wakalah Investment Agreement. The applicable APR for each period can be viewed through [Wakala for Term Investment | Investment Options at AL-FALAAH](#). Any subsequent changes to the said rate and the applicable profit may be notified to the Muwakkil by a renewal notice issued on maturity.
5. The date on which the Wakalah Investment Amount is received by the Wakeel in relation to this Wakalah Investment Agreement shall be the **Investment Date** specified on the Wakalah Investment Certificate issued by the Wakeel.
6. This Wakalah Investment Amount shall mature on the **Maturity Date** as specified on the Wakalah Investment Certificate; thereafter, in the event the Muwakkil wishes to continue the Wakalah Investment with the Wakeel, the applicable re-investment terms and conditions shall be confirmed by way of a renewal notice sent at the end of each subsequent maturity date until withdrawal; such renewal notices shall form part and parcel of this Wakalah Investment Agreement.
7. The Muwakkil agrees that the Wakalah Investment Amount and the Muwakkil's Anticipated Profit to be received on the Maturity Date shall be subject to the profits and losses of the investment for which the Wakalah Investment Amount shall be utilized by the Wakeel on behalf of the Muwakkil.
8. The Muwakkil shall pay to the Wakeel, for services rendered hereunder, a **Wakalah Fee** in the Wakalah Investment Application Form, to be recovered from the Muwakkil's Anticipated Profit.
9. The activities related to business operations of the Alternate Financial Services Unit of LOLC Finance PLC shall be guided and supervised by its **Scholar Supervisory Board (SSB)**.
10. The Muwakkil, as principal, shall bear all investment risks associated with the acts of the Wakeel as agent for the Muwakkil, except those risks resulting from the Wakeel's willful misconduct or gross negligence.
11. The Wakeel shall, at the request of the Muwakkil, submit to the Muwakkil published accounts evidencing the investments carried out by the Wakeel pursuant to this Wakalah Investment Agreement after completion thereof.
12. The maturity proceeds shall be subject to automatic renewal for the same period at the Anticipated Profit Rate determined by the Wakeel, unless the Muwakkil has communicated its intention to withdraw the maturity proceeds on the date of maturity. Such intention shall be communicated 7 (seven) business days prior to the date of maturity.

Each party represents and warrants to the other that;

- (i) It has the legal capacity to enter into this Wakalah Investment Agreement and the Wakalah Investment contemplated hereunder;
  - (ii) The execution by it of this Wakalah Investment Agreement has been duly authorized and executed;
  - (iii) This Wakalah Investment Agreement and each Wakalah Investment contemplated hereunder will be binding and enforceable upon it and will not violate the terms of any other agreement to which it is a party; and
  - (iv) It has and will at all times maintain all authorizations, approvals, licenses and consents required to enable it to lawfully to perform its obligations under this Wakalah Investment Agreement.
13. This Wakalah Investment Agreement is governed by and shall be construed in accordance with the applicable laws of Sri Lanka. The Wakeel, being a registered finance company, shall conduct this transaction in accordance with the legal provisions applicable to finance companies and subsequent amendments, and the Directions, Rules, Determinations, Notices and Guidelines issued from time to time by the Central Bank of Sri Lanka.
  14. A notice shall be deemed to have been given when received. Any notice received on a day which is not a Business Day for the addressee shall be deemed served at its opening on the next succeeding Business Day.
  15. This Wakalah Investment Agreement will be effective from the date stated in the Wakalah Investment Application Form and shall continue until terminated by either party on any date of maturity or on withdrawal of the Wakalah Investment Amount, whichever occurs first. Any termination shall be without prejudice to the rights and obligations of either party outstanding prior to the date of termination; the conditions shall remain applicable until such obligations are duly satisfied.
  16. Withdrawal of the Wakalah Investment Amount prior to maturity is possible and may be allowed on mutual agreement between Wakeel and Muwakkil, subject to notice of three (3) working days.
  17. In the event of a premature withdrawal, the Muwakkil's Anticipated Profit will be calculated only on the actual period of investment completed as per the relevant Anticipated Profit Rate or as per directions issued from time to time by the regulator. Any overpayment of Anticipated Profit resulting from a premature withdrawal will be adjusted from the accumulated Muwakkil's Anticipated Profit as at such date of the respective Wakalah Investment or may be recovered from the Wakalah Investment Amount invested.
  18. Any loss that may arise from and out of this investment shall be borne solely by the Muwakkil unless it is proven that the loss is due to the negligence, willful misconduct and/or breach of any terms and conditions of this Wakalah Investment Agreement by the Wakeel.
  19. Wakalah Investment Amount must remain for a minimum period of one calendar month from the date of investment in order to qualify for the Muwakkil's Anticipated Profit Rate.
  20. The Wakeel should utilize the Wakalah Investment Amount provided by the Muwakkil only for the purposes of legitimate business activities done during its normal course of business.
  21. The Wakeel undertakes to pay the Muwakkil's Anticipated Profit and Wakalah Investment Amount as agreed at the due dates as instructed by the Muwakkil.
  22. The parties agree that any profit generated in excess of the Muwakkil's Anticipated Profit will be the entitlement of the Wakeel as an incentive.
  23. The Wakalah Investment Amount must remain with the Wakeel until the date of maturity in order to qualify for the Muwakkil's Anticipated Profit.
  24. The Wakeel shall be fully authorized to deduct/withhold any duties, taxes, levies in any form as required under any applicable rules/laws in force or imposed by the State from time to time, without reference to the Muwakkil.
  25. All matters provided or not provided for in this Wakalah Investment Agreement will be conducted strictly within the existing regulatory framework applicable to registered finance companies and funds mobilized will be considered as Deposits for the Finance Companies (Liquid Assets) Direction No. 04 of 2013, Finance Companies (Capital Funds) Direction No. 01 of 2003, Finance Company (Deposit) Direction No. 01 of 2005, Finance Company (Deposit-Incentive Schemes) Direction No. 05 of 2001, and the Finance Company (Interest) Direction No. 02 of 2016 and any other future regulations and directions.