

## THIS MUDARABAH (INVESTMENT PARTNERSHIP) AGREEMENT

(this "Agreement") made this ..... day of March 20.....

**TrustBanc Arthur, a Shariah-compliant Division of TrustBanc Asset Management Ltd** registered with the Securities and Exchange Commission of Nigeria with office at 163B Sinari Daranijo Street, Victoria Island, Lagos (hereinafter referred to as "**INVESTMENT COMPANY**" or "**MANAGER**", which expression shall where the context otherwise admits, include its permitted assigns and representatives) on the one part.

### AND

\_\_\_\_\_ is a company registered under the Laws of the Federal Republic of Nigeria with office at \_\_\_\_\_ (hereinafter referred to as "**DEPOSITOR**", which expression shall where the context otherwise admits, include its permitted assigns and **representatives) of the other part.**

Each a "**Party**" and together the "**Parties**".

1. The Depositor has agreed to deposit capital in the sum of **N** \_\_\_\_\_ (\_\_\_\_\_ Naira) (herein referred to as "**CAPITAL**") with the Investment Company/Manager for a **Tenure** of \_\_\_\_\_ **days**. Parties agree that **Expected Profits** is payable at an agreed ratio.
2. The Investment Company is a Fund Manager specialized in Shariah Compliant and Ethical Investments.
3. The Depositor agrees that the Manager shall exercise its expert discretion in utilizing the capital for Shariah compliant investments based on the principles of Mudarabah/Investment Partnership. Under a Mudarabah, the Investment Company acts as manager while the depositor is owner of capital.
4. Under a Mudarabah, the Depositor bears the loss in the investment; unless where the Manager is negligent or mismanages funds, the Manager loses time and reputation in an event of loss. Under this agreement it is agreed to be shared according to a ratio of \_\_\_\_: \_\_\_\_ that is, (\_\_\_\_% for Manager and \_\_\_\_% for the Depositor).

5. The Manager may allocate some profit from the investment to a reserve account. In the event the depositor terminates the deposit without receiving any distribution from the reserves, the depositor agrees to grant his/her share in any such reserve to future depositors. For instance, in the case of pre-termination of contract, the depositor will forfeit his/her profit, where there will not be any form of prorated profit allocation to the investor.
6. For the Mudarabah investment accounts:
  - (a) if upon maturity, the depositor(s) elects not to withdraw the deposits together with the profit (if any), this agreement will be deemed to be renewed for a similar tenor. Each renewal will be deemed to be a new agreement on similar terms and conditions as this agreement.
  - (b) In case of early termination of the Mudarabah before the end of the initially agreed tenure of \_\_\_\_\_ days, the Manager has the right to decline the payment of any profit.
  - (c) Depending on the performance of the Mudarabah investment, early termination may result in a risk to capital. In this situation, the investor shall lose not more than 10 percent of expected profit for the investment period.

#### **MUDARABAH SUMMARY**

Depositor Name	Capital	Tenure	Account Details for Capital/Profit Payment	Commencement Date of Partnership

***N.B. The Depositor Acknowledges that this is a Shariah Compliant Profit and Loss Bearing Partnership and Investment carried out by the Manager can lead to partial or total loss in Capital.***

**IN WITNESS OF WHICH** the parties have executed this **Mudarabah (Investment Partnership) Agreement** in the manner below the day and year first above written.

**FOR AND ON BEHALF OF TRUSTBANC ARTHUR**

.....  
**Authorized Signatory/Date**

.....  
**Authorized Signatory/Date**

**FOR AND ON BEHALF OF** \_\_\_\_\_ **(INVESTOR)**

.....  
**Authorized Signatory/Date**

.....  
**Authorized Signatory/Date**

**1<sup>st</sup> WITNESS:**

Name:

Signature:

Date:

**2<sup>nd</sup> WITNESS**

Name:

Signature:

Date: