



National Clearing Company of Pakistan Limited

8th Floor, Pakistan Stock Exchange Building, Stock Exchange Road, Karachi

NCCPL/CM/AUGUST-19/06

August 21, 2019

Subject: Implementation of Murabaha Share Financing (MSF) System

Dear Market Participants,

1. We are pleased to inform that the Securities and Exchange Commission of Pakistan (SECP) has accorded regulatory approval with respect to Murabaha Share Financing (MSF) and has directed National Clearing Company of Pakistan Limited (NCCPL) to implement MSF System **effective from Monday, September 02, 2019.**
2. Murabaha is primarily a sale transaction which will be used to finance the purchase requirements of customers in a Shariah compliant manner. The introduction of MSF facility will benefit the investors who are willing to avail Shariah compliant products for purchase of securities and will facilitates the financiers in extending credit facility in a Shariah compliant manner.
3. The MSF will allow financing only in Shariah compliant securities included in the PSX-KMI All Share Islamic Index.
4. MSF can be obtained through MSF System through the following options:
 - a. MSF by Broker Clearing Member (MSF Seller) to its own customers (MSF Buyer)
 - b. MSF by Non-Broker MSF Seller to a Broker Clearing Member (MSF Buyer)
 - c. MSF by Non-Broker MSF to a customer of Broker Clearing Member (MSF Buyer)
5. Following Agreements are required to be executed for undertaking MSF Transactions:
 - A. Master Murabaha Agreement (MMA):** to be executed between MSF Seller and MSF Buyer before entering into any MSF Transaction. It covers the terms of extending the financing facility as per format available in NCCPL Regulations.
 - B. MSF Agreement:** to be executed between MFS Seller and MSF Buyer to purchase required security under MMA. This is a system based document needs to be executed before purchasing securities under the MMA.
 - C. Agency Agreement:** to be executed between Customer and Securities Broker and/or Securities Broker and Non-Broker Financier as the case may be to appoint the securities broker as an agent to perform MSF transaction as per format available in NCCPL Regulations.
6. The approved NCCPL Regulations governing MSF are attached herewith wherein all necessary details pertaining to MSF have been mentioned.



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7. The recording and settlement of MSF Transactions will be handled through an exclusive module of National Clearing and Settlement System (NCSS). NCCPL has arranged awareness sessions for the Market Participants for understanding MSF system as per the following details:

S. No.	Venue	Date	Time
01	Pakistan Stock Exchange (PSX) Auditorium, Karachi	Thursday August 22, 2019	04:00 pm
02	ISE Towers REIT Management Company Limited Auditorium, Islamabad		
03	LSE Financial Services Limited Auditorium, Lahore		

8. For the facilitation of Market Participants, NCCPL will also arrange Mock Sessions of MSF System jointly with PSX and CDC dated August 28-30, 2019 and details of such Mock Sessions will be announced shortly.
9. Market Participants, intending to access MSF System are requested to contact Customer Support Services of NCCPL and complete their account opening formalities.

For any further queries or concerns, please feel free to contact the Customer Support Department at UAN No. 021-111-111-622.

Regards,

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Rehan Saif

Head of PD & CSS

- Enclosure: 1. Approved NCCPL regulations of MSF
2. MMA agreement, MSF agreement, agency agreement

Cc

1. Director/HOD - Policy, Regulation and Development Department - SMD
2. Securities & Exchange Commission of Pakistan - Islamabad
3. Chief Executive Officer - Pakistan Stock Exchange Limited
4. Chief Executive Officer - Central Depository Company of Pakistan Limited
5. Chief Executive Officer – Pakistan Mercantile Exchange
6. The Pakistan Banking Association

Amendments in NCCPL Regulations in respect of Murabaha Share Financing System

PREAMBLE

And whereas, the Company being registered authorized intermediary under rule 3 of the Securities (Leveraged Markets and Pledging) Rules, 2011 intends to establish Margin Trading System Margin Financing System to provide funding system at the national level and pursuant to the Commission directive issued under section 40B read with section 20(4)(x) and 20(6)(a) of the Securities and Exchange Commission Act, 1997 intends to establish platform for Murabaha Share Financing in compliance with Shariah rules and Securities Lending and Borrowing System for lending and borrowing of SLB Eligible Securities at the national level.

CHAPTER 2 INTERPRETATION AND DEFINITIONS

Agency Agreement

i. means an agreement whereby the customer of a Broker Clearing Member (admitted with the Company as potential MSF Buyer) appoints such Broker Clearing Member an Agent to purchase the MSF Eligible Securities from the Non-Broker MSF Seller and for any other purpose in relation to MSF, in the form prescribed by the Company in accordance with these Regulations.

ii. means an agreement whereby the Non-Broker MSF Seller appoints Broker Clearing Member (admitted with the Company as potential MSF Buyer) an Agent for purchase of MSF Eligible Securities and for any other purpose in relation to MSF, in the form prescribed by the Company in accordance with these Regulations.

Agent

mean a Broker Clearing Member admitted as a MSF Buyer, appointed by the customer and/or appointed by the Non-Broker MSF Seller under the Agency Agreement.

Application Form

means the following Application forms prescribed and made available by the Company from time to time:

- Application form for admission as NCC Participant;
- Application form for admission of a NCC Participant as a Margin Financier under Chapter 7B of these Regulations;
- Application form for admission of a NCC Participant as a Trading Financier under Chapter 7C of these Regulations;

- Application form for admission of an Eligible Person as Reporting Member under Chapter 9 of these Regulations; and
- Application form for admission as an NCS Client under Chapter 30 of these Regulations.
- **Application form for admission of a Clearing Member as a MSF Seller in the MSF System under Chapter 7E of these Regulations.**

Applicant

shall mean and include the following:

- an eligible person who has applied to the Company for admission as NCC Participant in accordance with these Regulations;
- an NCC Participant who has applied to the Company for admission as a Lender/Borrower with respect to Securities Lending and Borrowing under Chapter 7A of these Regulations;
- a NCC Participant who has applied to the Company for admission as a Margin Financier with respect to Margin Financing System under Chapter 7B of these Regulations;
- a NCC Participant who has applied to the Company for admission as a Trading Financier with respect to Margin Trading System under Chapter 7C of these Regulations;
- an Eligible Person who has applied to the Company for admission as a Reporting Member under Chapter 9 of these Regulations; and
- a person who applies to the Company for admission as an NCS Client under Chapter 30 of these Regulations.
- **a Clearing Member who has applied to the Company for admission as a MSF Seller for Murabahah Share Financing under Chapter 7E of these Regulations.**

MSF Blocked Status

means where any MSF Eligible Securities are delivered to the CDS Account of a MSF Participant in such status that the same cannot be dealt with by the MSF Participant unless authorized under these Regulations.

Broker MSF Seller

means a Broker Clearing Member of the NCSS who has been admitted as a MSF Seller by the Company under these Regulations. Such Broker Clearing Member can provide MSF in accordance with the Rules and these Regulations.

MSF Deposits

	means the ratio of deposit required to be maintained by the MSF Buyer in cash with the respective MSF Seller for MSF Transaction.
MSF Contract Period	means the period agreed among the MSF Participants in accordance with MMA.
MSF Eligible Securities	means the Securities declared by the Company as such pursuant to these Regulation.
Profit	means any amount which is over and above the MSF Transaction Cost Price, as disclosed by the MSF Seller for the execution of MSF Transaction.
Master Murabahah Agreement (MMA)	Means an agreement executed between MSF Participants before entering into any MSF Transaction through MSF System in the form prescribed by the Company from time to time in accordance with these Regulations.
MSF Collateral	means MSF Eligible Securities offered by the MSF Buyer as collateral that may, from time to time, be substituted to MSF Seller against MSF.
MSF Participant	means a MSF Seller or a MSF Buyer as the case may be.
MSF Transaction	means the sale and purchase of the MSF Eligible Securities which is effected on the MSF System where both the MSF Transaction Cost Price and the Profit are disclosed by the MSF Seller. Provided that such transaction should be recorded by MSF Seller within ten Business Days from the Settlement Date of Ready Delivery Contract or Ready Market Contract purchase. After expiry of ten Business Days, such transaction may be recorded subject to the valid reason/justification provided by the MSF Seller, as acceptable to the Company.
MSF Transaction Cost Price	means the amount which is incurred by MSF Seller for the acquisition of the MSF Eligible Securities including all costs, duties, taxes, fees, levies and charges incidental to and connected with acquisition of the MSF Eligible Securities.

MSF Buyer

means a Broker Clearing Member and/or Customer of a Broker Clearing Member as the case may be who enter into MSF Transaction(s) directly or through its Agent

MSF Buyer Agreement

means an agreement setting out the terms relating to MSF, in the form prescribed by the Company from time to time, entered into by a Broker Clearing Member and Company as a pre-condition to admission of that Broker Clearing Member as a MSF Buyer.

MSF Seller

means a Clearing Member who meets the eligibility criteria as stipulated in these Regulations and has been admitted by the Company as a MSF Seller under this Chapter of these Regulations.

MSF Seller Agreement

means an agreement setting out the terms relating to MSF, in the form prescribed by the Company from time to time, entered into by a Clearing Member and Company as a pre-condition to admission of that Clearing Member as a MSF Seller.

Murabahah Share Financing (MSF)

means purchase of the MSF Eligible Securities in the Ready Delivery Contract or Ready Market Contract by the MSF Seller. After the MSF Seller has completed the purchase, it is sold to the MSF Buyer at MSF Transaction Cost Price plus a disclosed amount of Profit, with payment due at an agreed future date pursuant to this Chapter of these Regulations

Non-Broker MSF Seller

means a Non-Broker Clearing Member of the NCSS who has been admitted as a MSF Seller by the Company under these Regulations.

CHAPTER 7E MURABAHAH SHARE FINANCING SYSTEM

7E.1. Applications for Admission and Admission Criteria for MSF Participants

7E.1.1 Eligibility Criteria for a MSF Seller

A Clearing Member will be eligible to apply to the Company for admission as MSF Seller if such Clearing Member fulfills the following:

1. a TRE Certificate Holder of a Stock Exchange, it has been admitted as Broker Clearing Member by the Company and having minimum net capital balance of Rs 20 million;
2. a banking company within the meaning of the Banking Companies Ordinance, 1962 (LVII of 1962) it has been allocated minimum short-term credit rating of A3 and has obtained licensed from the State Bank of Pakistan to offer shariah compliant products and services;
3. a financial institution or company or corporation or institution covered under section 3A of the Banking Companies Ordinance, 1962 (LVII of 1962) it has been allocated minimum short-term credit rating of A3 and has obtained licensed from the State Bank of Pakistan to offer Shariah compliant products and services;
4. an investment finance company or Modaraba duly licensed/authorized by the Commission/Registrar (Modaraba) to offer Shariah compliant products and services, with a minimum credit rating as specified by the authorized intermediary; or;
5. any other Corporate entity about which the Board (subject to final approval by the Commission) is satisfied that it has a good financial standing, has the capability to satisfy the requirements of these Regulations and is otherwise fit and proper to be admitted as a MSF Seller.

7E.1.2 Admission/ Refusal to Admission of a MSF Seller

1. The Company may admit an Applicant as a MSF Seller by a written notice issued to such Applicant, subject to the fulfillment of registration requirement and documentation required by the Company.
2. The Company may refuse an Applicant for admission as a MSF Seller after providing an opportunity of hearing by a written notice issued to such Applicant.

7E.1.3 MSF Buyer

All Broker Clearing Members shall be MSF Buyer in the MSF System of NCSS, provided that the Company is satisfied that each such Broker Clearing Member:

1. holds a valid TRE Certificate under the respective regulations, rules and procedures governing their admission to the Pakistan Stock Exchange;
2. has no action, pending in any court, which might materially and adversely affect such Broker Clearing Members TRE Certificate, or no such action has been initiated by Pakistan Stock Exchange or the Commission against such Broker Clearing Member;
3. is not in breach of these Regulations, any law or other regulations applicable to such Broker Clearing Member; and
4. has submitted an agreement appropriately stamped and duly executed by its authorised representative(s).

Such Broker Clearing Member as MSF Buyer may execute MSF Transactions and an Agent on behalf of its customer as well as per terms and conditions of Agency Agreement.

7E.1.4 Suspension or Termination of MSF Participant

The Company shall impose restriction on a MSF Participant or suspend or terminate admission of a MSF Participant in accordance with the provisions of these Regulations. However, in the event that a MSF Participant is suspended or terminated as a Clearing Member pursuant to these Regulations, such MSF Participant shall also stand suspended or terminated as MSF Participant automatically without any further action being taken on the part of the Company. The Company shall immediately notify the same to Pakistan Stock Exchange and CDC for suspension, forfeiture or cancellation of TRE Certificate of Pakistan Stock Exchange and restriction of access in CDS in accordance with the respective regulations.

7E.1.5 MSF Participant's Warranties and Indemnities

A MSF Participant, supplying any information to the Company in pursuance of any obligation of the MSF Participant under these Regulations and the Procedures, shall:

- (a) be deemed to have warranted to the Company that the information supplied is true and correct; and
- (b) indemnify the Company if any losses, damages, costs or expenses are suffered or incurred by the Company as a result of any inaccuracy contained in the information supplied by the MSF Participant.

7E.2. MSF Transactions and Settlement

7E.2.1 Eligibility Declaration

The Company shall select the securities that are eligible to be declared as MSF Eligible Securities for the purpose of MSF System that are declared eligible by Pakistan Stock Exchange for KMI All Share Islamic Index of Pakistan 'Islamic Index'.

7E.2.1.1 Eligibility Review

In consequence of any additions to the existing list of securities in shares Islamic Index, the Company will give at least 3 days prior notice to the Clearing Members for introduction of incoming MSF Eligible Securities.

In consequence of any deletions to the existing list of securities in shares Islamic Index, the Company will give at least 60 days prior notice to the Clearing Members for phasing out of outgoing MSF Eligible Securities. After expiry of the said notice period, MSF Transactions in the outgoing securities shall not be allowed. However, during this period no fresh purchase of outgoing MSF Eligible Securities shall be allowed.

Where a MSF Eligible Security has been placed on the defaulter segment of the Exchange and notified to the Company, such Security shall not be made available for Murabahah Share Financing from the date of its placement on the defaulter segment. However, all open MSF Transaction shall be settled as per the terms and conditions defined in the Murabahah Master Agreement agreed between MSF Participants. Such MSF Eligible Security shall be eligible for Murabahah Share Financing once it has been removed from the defaulter's segment by the Exchange.

7E.2.2 Master Murabahah Agreement (MMA)

7E.2.2.1 A MMA has to be executed before entering into any MSF Transaction in MSF System between the MSF Participants as per the standard format prescribed by the Company, detailing at least the following:

- i) Information of MSF Seller and MSF Buyer
- ii) Purpose and Definitions
- iii) MSF Transaction execution and settlement mechanism
- iv) Sale and purchase in MSF Eligible Securities
- v) Acceptable Collateral, MSF Fees and Expenses
- vi) Terms and Conditions of Payment and Re-Payment
- vii) Responsibilities of MSF Seller and MSF Buyer
- viii) Event of Default and Termination of Agreement
- ix) General Terms and Conditions
- x) Any other additional conditions agreed between MSF Seller and MSF Buyer

7E.3.3 Agency Agreement

7E.3.3.1 Agency Agreement has to be executed before entering into any MSF Transaction in MSF System between Broker Clearing Member and Customer and/or Broker Clearing Member and Non-Broker MSF Seller as per the standard format prescribed by the Company.

E.2.4 MSF Recording and Settlement

7E.2.4.1 MSF System shall be made available by the Company in NCSS to all MSF Participants for recording of MSF Transactions. MSF Transaction shall only be extended against Ready Delivery Contract or Ready Market Contract purchases in MSF Eligible Securities executed through a separate function key which will be available for MSF through MSF System. MSF Transaction can be recorded on Settlement Date of Ready Delivery Contract or Ready Market Contract purchases or on future date in accordance with these Regulations. Provided that such transaction should be recorded by MSF Seller within ten Business Days from the Settlement Date of Ready Delivery Contract or Ready Market Contract purchase. After expiry of ten Business Days, such transaction may be recorded subject to the valid reason/justification provided by the MSF Seller, as acceptable to the Company.

7E.2.4.2 A MSF Seller shall be allowed to provide MSF in MSF System only to the extent of 5% of such MSF Eligible Security's free float. Free float for this purpose shall be as determined by Pakistan Stock Exchange.

7E.2.4.3 MSF can be obtained through MSF System through the following options:

1. MSF by Broker Clearing Member (MSF Seller) to its customers (MSF Buyer)
2. MSF by Non-Broker MSF Seller to a Broker Clearing Member (MSF Buyer)
3. MSF by Non-Broker MSF to a customer of Broker Clearing Member (MSF Buyer)

7E.2.4.4 The MSF Seller will purchase the required MSF Eligible Securities from the Ready Delivery Contract or Ready Market Contract using Client Code tagged with the UIN of the respective MSF Buyer through a specific key to identify such trades.

7E.2.4.5 Non-Broker MSF Seller, shall appoint Broker Clearing Member (admitted with the Company as potential MSF Buyer) as its Agent under Agency Agreement before entering into MSF Transaction. Accordingly, Non-Broker MSF Seller, through its Agent, will purchase the required MSF Eligible Securities from the Ready Delivery Contract or Ready Market Contract using Client Code tagged with the UIN of the respective MSF Buyer through a specific key to identify such trades.

7E.2.4.6 On the Trade Date, relevant information of such purchases shall be initiated in MSF System by MSF Buyer (Broker Clearing Member) to the relevant Non-Broker MSF Seller within Designated Time Schedule. Non-Broker MSF Seller, within the Designated Time Schedule, will intimate through MSF System its intention by confirming such purchases to enter into MSF Transaction on future date including Settlement Date after assuming ownership of the purchased securities as per the terms covered in MMA. In case where MSF Buyer does not intimate relevant information of such purchases to Non-Broker MSF Seller and/or relevant information of such purchases initiated in MSF System by MSF Buyer to the relevant Non-Broker MSF Seller but Non-Broker MSF Seller un-affirmed/rejected such intimation, in such case, MSF Transaction shall not be recorded in MSF System on future/settlement date and MSF Buyer shall be responsible to settle such trades in NCSS.

7E.2.4.7 On the Settlement Date, Ready Delivery Contract or Ready Market Contract purchases shall be settled under Balance Order System as prescribed in these Regulations and the Procedures whereby, the MSF Seller shall be obliged to pay against Ready Delivery Contract or Ready Market Contract purchases which are confirmed as per clause 7E.3.4.6 above and Securities shall be delivered to the CDS house account of MSF Seller maintained under

MSF Blocked Status under Balance Order System

7E.2.4.8 If MSF Seller is unable to receive the Securities on Settlement Date on account of default by the counter selling Clearing Member, the Company shall initiate squaring up process in accordance with NCSS Procedures and the securities purchased through squaring process shall be transferred to the CDC account of such MSF Seller on SD+1 basis. If the Company is unable to purchase the relevant Security in the squaring up process, then the Company will initiate squaring-up/close-out process in accordance with NCSS Procedures. Resultantly, the transaction shall be considered as cancelled and the MSF Seller shall receive its actual purchase price paid on the settlement date.

7E.2.4.9 On the agreed date, in accordance with the terms and conditions of MMA, MSF Transaction will be recorded by MSF Seller in MSF System within Designated Time Schedule based on activity performed by the MSF Seller and MSF Buyer on Trade Date.

7E.2.4.10 In accordance with the provisions agreed in MMA whereby MSF Buyer undertakes the Company to make arrangement for transfer of its purchased securities through MSF Transaction to its designated MSF Blocked Status as MSF Collateral, the Company shall deliver such purchased Securities from the CDS house account of MSF Seller maintained under MSF Blocked Status to the CDS account of MSF Buyer maintained under MSF Blocked Status as MSF Collateral. MSF Seller will obtain MSF_Deposit directly from MSF Buyer.

7E.2.4.11 MSF System will facilitate MSF Seller to release such MSF Collateral from CDS account of MSF Buyer maintained under MSF Blocked Status to the respective normal CDS account of MSF Buyer. Once such instruction is received in MSF System from MSF Seller, such movement of securities will be done through On-line BO Mechanism within Designated Time Schedule

7E.2.4.12 MSF Transaction Price and Profit will be managed by MSF Participants directly in accordance with the terms and conditions set-out in MMA

7E.2.4.13 In case of any default by MSF Buyer or any dispute, the MSF Seller will have recourse to these Securities. MSF System will facilitate MSF Seller to release such MSF Eligible Securities from CDS account of MSF Buyer and/or from his own CDS house account maintained under MSF Blocked Status as the case may be, to his normal CDS account. Once such instruction is received in MSF System from MSF Seller, such movement of securities will be done through On-line BO Mechanism within Designated Time Schedule.

7E.3 Corporate Actions

Corporate actions (any right including right to dividend, right to vote etc.) in respect of MSF Transactions and MSF Collateral as the case may be will vest with the MSF Seller before the execution of MSF Transaction. However, corporate entitlement shall vest with MSF Buyer only after execution of MSF Transaction. Such corporate actions shall be handled by Company in accordance with the Procedures.

7E.4 Functions of the Company

- (i) The Company shall act as the MSF System provider for recording of MSF Transactions and to perform such other functions as specified in these Regulations as are necessary or proper for carrying out the foregoing purposes without incurring any liability or obligations as principal, agent, fiduciary or trustee to any of the MSF Participants or their respective customers.
- (ii) The Company shall collect advance tax from the MSF Seller in respect of MSF in accordance with the relevant applicable provisions of the Ordinance.

7E.5 Liability of Company

1. The only obligation of the Company with regard to the settlement of the MSF Transactions and movement of MSF Collateral shall be to facilitate the delivery and payment in respect of such transactions between the MSF Participants in accordance with these Regulations. Each MSF Participant acknowledges and confirms that the Company shall not be responsible for:
 - (a) the title, ownership, genuineness, regularity or validity of any security or any other documents or instrument passing through the NCSS;
 - (b) the execution, genuineness, validity, enforceability or sufficiency of any agreement or any other document relating thereto;
 - (c) the collectability of amounts payable in respect of MSF;
 - (d) the financial condition of any MSF Participant;
 - (e) the performance and observance by MSF Participants of their obligations under the agreements or any other documents executed between them in respect of MSF; or
 - (f) the accuracy of any statements (whether written or oral) made by an MSF Participant in or in connection with any agreement or documents in respect of MSF.
2. Each MSF Participant confirms to the Company that it:-
 - (a) has made its own independent investigation and assessment of the financial condition and affairs of the concerned MSF Participants in connection with its participation in the MSF and has not relied on any information provided to it by the Company in connection with the MSF; and
 - (b) will continue to make its own independent appraisal of the creditworthiness of the MSF Participants with which it executed any MSF Transaction.

7E.6 Liability of the MSF Participants

All outstanding MSF Transactions shall be binding upon the MSF Participants until settled in accordance with these Regulations.

7E.7 Transaction Costs

All MSF Participants shall pay prevailing transaction costs to the Company in accordance with Fees, Charges and Deposit Schedule for all MSF Transactions and MSF Collateral.

7E.8 Exposure and Margins for MSF Participants

Till Settlement Date of ready market purchase, the MSF Buyer and/or Non-Broker MSF Seller, as the case may be, will be responsible for margin requirements as per regime specified in Chapter 12 of these Regulations. The MSF Sellers will be responsible to collect margins/MSF Deposit from MSF Buyer as per terms and conditions of MMA

7E.9 Default Management

1. Since ready market purchases are carried-out by MSF Seller in MSF Eligible Securities to provide MSF through MSF System in accordance with these Regulations, the relevant MSF Seller shall be responsible for settlement of the ready market trades, hence in case of default to meet settlement obligations on the settlement date, the Company will carry out default management procedures as per the existing default mechanism.
2. In case of a default by a customer to meet its obligations directly to a Broker Clearing Member, such default shall be managed by the Broker Clearing Member directly without any obligation to the Company.
3. In case of any default by MSF Participant and/or customer of MSF Buyer as the case may be, subsequent to the settlement of ready market purchase in NCSS, such default shall be managed by the MSF Participants directly without any obligation to the Company.

7E.10 MSF Market Information

7E.10.1 Important Statistics to be made available to the General Public.

Following statistics will be made available to the public on a daily basis by the Company:

- i) Scrip wise MSF value and volume;
- ii) Scrip-wise Total MSF availed during the day;
- iii) Top 15 MSF Seller and Buyers in MSF Market will be disclosed by name.
- iv) Any other report that the Company and/or Commission intends to provide to the public or monitoring purposes.

7E.11 Shariah Audit

The MSF Participants shall be required to conduct periodic Shariah audit of its functions governing MSF in accordance with the NCCPL Regulations. Provided that Customers of Broker Clearing Member shall be excluded to perform such audit requirements.

CHAPTER 8 – SECURITY DEPOSITS / BASIC DEPOSITS

8.1 Obligation of Clearing Members to keep Security Deposit and Basic Deposit with the Company

8.1.1 Each NCC Participant shall keep and maintain with the Company, according to the category to which he belongs in terms of Chapter 5, Chapter 7A, Chapter 7B, Chapter 7C **and Chapter 7E** of these Regulations, a certain sum of money in cash as set out in the Fee, Charges and Deposits Schedule, by way of Security Deposit and/or Basic Deposit which sums shall not be less than the Minimum Amount. Such Security Deposit / Basic Deposit shall secure the obligations of the NCC Participant under or arising from these Regulations, the Procedures and/or Clearing Member Agreement and the Tripartite Agreement and/or any other agreement or agreements entered into by the NCC Participant jointly with the Company and/or any other entity. The amount of the Security Deposit and Basic Deposit may be utilized and/or applied by the Company for any purpose set out in these Regulations, the Procedures and/or any of the said agreements. Each NCC Participant shall, by becoming a NCC Participant, agree to the utilization and application by the Company of his Security Deposit and Basic Deposit for any purpose set out in these Regulations, the Procedures and any of the said agreements.

CHAPTER 13 – MONEY DEFAULT MANAGEMENT

13.4 Miscellaneous

13.4.4 Without prejudice to or in any manner limiting the obligations of a Clearing Member as set out in these Regulations and/or the Procedures arising from his failure to make payment, within the deadline for its payment, of the amount set out in the notice issued to the Clearing Member under Regulation 13.1.2, the Clearing Member shall pay to the Company (in addition to the amount set out in the said notice and other amounts payable under these Regulations and/or the Procedures) delayed payment charges / non-payment charges calculated at the rate of 0.50% of the amount not paid, subject to a minimum of Rs. 2,500/- (Rupees Two thousand and five hundred only).

With respect to Murabahah Share Financing, where any default is made in settlement obligation by the MSF Seller in accordance with the provisions of the NCCPL Regulations, the respective MSF Seller shall pay penalty to the Company which shall include:

- i) For one time default in a calendar year, 1.00 % of the value of defaulted position;**
- ii) For second time default in a calendar year, 2.00 % of the value of defaulted position; and**
- iii) For third time default in a calendar year, 4.00 % of the value of defaulted position and such MSF Seller shall be suspended for a period of three months from the MSF Market.**

CHAPTER 12
Schedule-I

BROKER CLEARING MEMBERS (BCMS) NET CAPITAL BALANCE (NCB) LIMIT & LEVERAGE POSITION

	SLB Market	*MF Market/ MSF Market	**MT Market (As Financee)	Deliverable Futures Market	Cash Settled Future (CSF) Contracts	Index Options Market	Stock Index Futures Contracts (SIFC)	Debt Market	Ready Market
Broker Clearing Members' NET CAPITAL BALANCE LIMIT & LEVERAGE POSITION	The aggregate Exposure of each SLB Participant who is a Broker Clearing Member shall not exceed 5 times of its NCB	The aggregate Exposure of each Margin Financee shall not exceed 5 times of its NCB/ <u>The aggregate Exposure of each MSF Buyer shall not exceed 5 times of its NCB</u>	The aggregate Exposure of each Financee in respect of MT Market shall not exceed 5 times of its NCB	7.5 times of the NCB of a Broker Clearing Member excluding the Capital Adequacy (Exposure) utilized by such Broker Clearing Member in the MT Market				The aggregate Exposure of Broker Clearing Members shall not exceed 10 times of its NCB allotted	25 times the NCB of Broker Clearing Member
			Maximum Exposure of 7.5 times of the NCB of a Broker Clearing Member for Cash Settled Futures Market, Stock Index Futures Contracts Market, Index Options Market, Deliverable Futures Contract Market, and MT Market						
Maximum Exposure of 25 times of the NCB of Broker Clearing Members for All Markets									

*MF Market: Exposure to a single client shall not exceed 5% of the total permissible Exposure and Exposure in single MF Eligible Security shall not exceed 20% of the total permissible Exposure (5 times of net capital balance).

Minimum net capital balance for Broker Margin Financier of Exchange will be Rs. 20 million:

**MT Market (As Financee)

Financee shall be required to maintain minimum net capital balance in accordance with the slabs as prescribed in Schedule-IV of this Chapter.

NATIONAL CLEARING COMPANY OF PAKISTAN LIMITED

AMENDMENT IN FEE, CHARGES AND DEPOSITS SCHEDULE

SCHEDULE OF FEE AND CHARGES							
	NAME	Revised Rate		BASIS	LEVIED ON	COLLECTION	
		Retail Sector **	Corporate Sector *			TIME	MODE
	Fixed Fee						
	MSF Annual Fee	NA	100,000	Annual Fee	Non-Broker MSF Seller	Annual	Through NCSS Pay & Collect
	Leveraged Market Fee						
	MSF Transaction Fee	0.75	0.75	Per Rs. 100,000 financed value [MFS and MFS (R)] Transactions	Clearing Member	Monthly	Through NCSS Pay & Collect
	SECP Levy	0.19	0.19	Per Rs. 100,000 value of MSF Transaction multiplied by No. days of respective contracts	Authorized Seller and Buyer		

SCHEDULE OF DEPOSITS					
	NAME	RATE	BASIS	COLLECTION	
				TIME	MODE
	Security Deposit from Broker CM	Rs.100,000	One time fixed for MSF facility	On receiving request letter	P. O. / Draft/ Cheque
	Security Deposit from Non-Broker MSF Seller	Rs. 250,000	One time fixed	On signing of agreement	

- MSF= Murabahah Share Financing

* Corporate Sector includes Banks / DFIs, NBFC, foreign companies & individuals, Mutual Funds and other corporate companies; and

** Retail Sector comprises Individuals, Brokers, overseas Pakistanis and other similar investors.

Master Murabahah Agreement for MSF
“By Securities Broker to its Customer”

MASTER MURABAHA AGREEMENT (MMA) Dated -----

By AND BETWEEN

NAME (CUSTOMER) AS MSF BUYER

AND

NAME (SECURITIES BROKER) AS MSF SELLER

THIS MASTER MURABAHA AGREEMENT (MMA) (this “Agreement”) is made at (City) on this Date

BY AND

BETWEEN

MSF BUYER Name having its registered office address (hereinafter referred to as the “MSF Buyer” which expression shall where the context so permits mean and include its successors in interest and permitted assigns) of the One Part;

AND

MSF SELLER Name, incorporated under the law of Pakistan, having its registered office address (hereinafter referred to as the “MSF Seller” which expression shall where the context so permits mean and include its successors in interest and permitted assigns) of the Other Part.

(The MSF Buyer and the MSF Seller are hereinafter individually referred to as a “Party” and collectively as the “Parties”)

WHEREAS

1. the MSF Buyer wishes to obtain finances as defined in NCCPL Regulations, 2015 with the principles of Murabahah Share Financing “MSF” from the MSF Seller for the purchase of the Eligible Securities.
2. The Securities Broker has been admitted as Clearing Member of the National Clearing Company of Pakistan Limited “NCCPL” under NCCPL Regulations, 2015”;

NOW THEREFORE IT IS HEREBY AGREED BETWEEN THE PARTIES as follows:

1. PURPOSE AND DEFINITIONS

1.1 This Agreement sets out the terms and conditions upon and subject to which the MSF Seller has agreed to sell the MSF Eligible Securities to the MSF Buyer from time to time by way of Murabahah Share Financing facility up to a total aggregate of MSF Transaction Cost Price Rs. /- (Rupees ----- Only), at any given time to purchase / trading of Shariah compliant MSF Eligible Securities of Listed companies

1.2 In this Agreement, unless the context otherwise requires:

“Business Day” means a day on which MSF Seller is open for normal business in Pakistan;

“Event of Default and Termination” means any of the events or circumstances described in Clause 9 below and include any event or circumstance which with the passage of time or the giving of notice or both would become an Event of Default and Termination.

“Expire Date” Means date

“Financial Indebtedness” mean any obligation, whether present or future, actual or contingent, to pay/ deliver any moneys under or in respect of any financial accommodation, facility or arrangement granted to the MSF Buyer including:

- (a) Moneys financed or raised by the MSF Buyer including, without limitation, any Finances as defined in NCCPL Regulations, 2015
- (b) Guarantee
- (c) MSF Eligible Securities
- (d) Central excise duty and other statutory levies imposed by or payable to the Federal, Provincial or any local governments by virtue of or in respect of any of the above; and
- (e) An arrangement which achieves the same equivalent commercial effect as to any of the above

“MSF Deposits”

means the ratio of deposit required to be maintained by the MSF Buyer in cash with the respective MSF Seller for MSF Transaction.

“Guarantee” means a guarantee, MSF Collateral;

“Indebtedness” means any obligation of the MSF Buyer for the payment of any sum of money due or payable under this Agreement;

“MSF Transaction Cost Price ” means the amount which is incurred by MSF Seller for the acquisition of the MSF Eligible Securities including all costs, duties, taxes, fees, levies and charges incidental to and connected with acquisition of the MSF Eligible Securities:

“MSF Transaction” means the sale and purchase of the MSF Eligible Securities which is affected on the MSF System and where both the MSF Transaction Cost Price and the Profit are disclosed by the MSF Seller. Provided that such transaction should be recorded by MSF Seller within ten Business Days from the Settlement Date of Ready Delivery Contract or Ready Market Contract purchase. After expiry of ten Business Days, such transaction may be recorded subject to the valid reason/justification provided by the MSF Seller, as acceptable to the Company.

“MSF Eligible Securities” means the Securities declared by the Company as such pursuant to these Regulation which the MSF Seller shall acquire, from time to time, for the sale the MSF Buyer as mentioned in Schedule “A” hereto and as more particularly described in the Agreement

“MSF Collateral” means MSF Eligible Securities offered by the MSF Buyer as collateral that may, from time to time, be substituted to MSF Seller against MSF Transaction, as more specifically mentioned in attached Schedule “B”, which will remain mortgaged / pledged to the MSF Seller as MSF Collateral;

“MSF System” means a system made available by the Company to MSF Participants for recording and execution of MSF Transactions

“Payment Date(s)” means the respective date(s) for the payment of amount of the MSF Transaction or part thereof by the MSF Buyer to the MSF Seller as specified in separate Schedule

“C” as attached hereto, or, if such respective due date is not a Business Day, the next Business Day;

“**Profit**” means any amount which is over and above the MSF Transaction Cost Price, as disclosed by the MSF Seller for the execution of MSF Transaction

“**Parties**” means the parties to this Agreement;

“**Schedule of Payments**” or “**Payment Schedule**” means **Schedule “D” attached hereto** in which the payment Date(s) in respect of the MSF Transaction shall be specified.

“**Value Date**” means the date on which the MSF Transaction Cost Price will be paid by the MSF Seller for the purchase of the Eligible Securities.

Clause headings and the table of contents are inserted for convenience of reference only shall be ignored in the interpretation of this Agreement, unless the context otherwise requires, references to Clause and Schedules are to be construed as references to the clause of and Schedule, this Agreement and references to this Agreement include its Schedules; words importing the plural shall include the singular and vice versa and reference to a person shall be construed as including reference to an individual. Firm, institution, corporation, unincorporated body of person or any state or any Agency thereof;

2. MSF TRANSACTION

2.1 The MSF Seller will purchase the required MSF Eligible Securities from the Ready Delivery Contract or Ready Market Contract using Client Code tagged with the UIN of the respective MSF Buyer through a specific key to identify such trades

2.2 Non-Broker MSF Seller, shall appoint Broker Clearing Member (admitted with the Company as potential MSF Buyer) as its Agent under Agency Agreement before entering into MSF Transaction. Accordingly, Non-Broker MSF Seller, through its Agent, will purchase the required MSF Eligible Securities from the Ready Delivery Contract or Ready Market Contract using Client Code tagged with the UIN of the respective MSF Buyer through a specific key to identify such trades.

2.3 On the Trade Date, relevant information of such purchases shall be initiated in MSF System by MSF Buyer (Broker Clearing Member) to the relevant Non-Broker MSF Seller within Designated Time Schedule. Non-Broker MSF Seller, within the Designated Time Schedule, will intimate through MSF System its intention by confirming such purchases to enter into MSF Transaction on future date including Settlement Date after assuming ownership of the purchased securities as per the terms covered in MMA. In case where MSF Buyer does not intimate relevant information of such purchases to Non-Broker MSF Seller and/or relevant information of such purchases initiated in MSF System by MSF Buyer to the relevant Non-Broker MSF Seller but Non-Broker MSF Seller un-affirmed/rejected such intimation, in such case, MSF Transaction shall not be recorded in MSF System on future/settlement date and MSF Buyer shall be responsible to settle such trades in NCSS.

2.4 On the Settlement Date, Ready Delivery Contract or Ready Market Contract purchases shall be settled under Balance Order System as prescribed in these Regulations and the Procedures whereby, the MSF Seller shall be obliged to pay against Ready Delivery Contract or Ready Market Contract purchases which are confirmed as per clause 7E.2.4.6 above and Securities shall be delivered to the CDS house account of MSF Seller maintained under MSF Blocked Status under Balance Order System

2.5 If MSF Seller is unable to receive the Securities on Settlement Date on account of default by the counter selling Clearing Member, the Company shall initiate squaring up process in accordance with NCSS Procedures and the securities purchased through squaring process shall be transferred to the CDC account of such MSF Seller on SD+1 basis. If the Company is unable to purchase the relevant Security in the squaring up process, then the Company will initiate squaring-up/close-out process in accordance with NCSS Procedures. Resultantly, the transaction shall be considered as cancelled and the MSF Seller shall receive its actual purchase price paid on the settlement date.

2.6 On the agreed date, in accordance with the terms and conditions of MMA, MSF Transaction will be recorded by MSF Seller in MSF System within Designated Time Schedule based on activity performed by the MSF Seller and MSF Buyer on Trade Date. Provided that such transaction should be recorded by MSF Seller within ten Business Days from the Settlement Date of Ready Delivery Contract or Ready Market Contract purchase. After expiry of ten Business Days, such transaction may be recorded subject to the valid reason/justification provided by the MSF Seller, as acceptable to the Company.

2.7 In accordance with the provisions agreed in MMA whereby MSF Buyer undertakes the Company to make arrangement for transfer of its purchased securities through MSF Transaction to its designated MSF Blocked Status as MSF Collateral, the Company shall deliver such purchased Securities from the CDS house account of MSF Seller maintained under MSF Blocked Status to the CDS account of MSF Buyer maintained under MSF Blocked Status as MSF Collateral. MSF Seller will obtain Securities Deposit directly from MSF Buyer.

2.8 MSF System will facilitate MSF Seller to release such MSF Collateral from CDS house account of MSF Buyer maintained under MSF Blocked Status to the respective normal CDS house account of MSF Buyer. Once such instruction is received in MSF System from MSF Seller, such movement of securities will be done through On-line BO Mechanism within Designated Time Schedule

2.9 MSF Transaction Price and Profit will be managed by MSF Participants directly in accordance with the terms and conditions set-out in MMA

2.10 In case of any default by MSF Buyer or any dispute, the MSF Seller will have recourse to these Securities. MSF System will facilitate MSF Seller to release such MSF Eligible Securities from CDS account of MSF Buyer and/or from his own CDS house account maintained under MSF Blocked Status as the case may be, to his normal CDS account. Once such instruction is received in MSF System from MSF Seller, such movement of securities will be done through On-line BO Mechanism within Designated Time Schedule.

3. SALE AND PURCHASE OF THE MSF ELIGIBLE SECURITIES

3.1 The MSF Seller, agrees to sell the Securities, of a maximum amount of Rs. /= (Rupees) at any time, to the MSF Buyer. The MSF Buyer agrees to purchase the MSF Eligible Securities from the MSF Seller, from time to time, at the MSF Transaction

4. MSF COLLATERAL

4.1 As security for the Indebtedness under this Agreement, the MSF Buyer shall:

- (a) furnish to the MSF Seller MSF Collateral(s) substantially in the form and substance as per attached schedule hereto;
- (b) execute such further deeds ad documents as may from time to time be required by the MSF Seller for the purpose of more fully securing and/or perfecting the MSF Collateral created in favor of the MSF Seller; and
- (c) create such other securities to secure the MSF Buyers obligations under this agreement as the parties hereto, may by mutual consent, agree from time to time.

5. FEES AND EXPENSES

The MSF Buyer shall pay to the MSF Seller on demand, within [-----] days of such demand being made, all expenses (including legal and other ancillary expenses) incurred by the MSF Seller in connection with the negotiation, preparation and execution of the agreement and of amendment or extension of or the granting of any waiver or consent under the agreement.

6. PAYMENTS

6.1 All payments to be made by the MSF Buyer under this Agreement shall be made in full, without any set-off, roll over or counterclaim whatsoever, on the due date and when due date is not a Business Day, the following Business Day and save as provided in Clause 6.2 below, free and clear of any deductions or withholdings, to an account of the MSF Seller as may be notified from time to time, and the MSF Buyer will only be related from its payment obligations hereunder by a written notification by the MSF Seller to the MSF Buyer in respect thereof.

6.2 Where any amount is required to be paid by the MSF Buyer to the MSF Seller under the agreement on a specified date and is not paid by that date (or till any extension there of permitted by the MSF Seller without any increase in the required payment), the MSF Buyer hereby undertakes to pay to the charity fund, if constituted by the MSF Seller, a sum calculated @ {}% per annum, for the entire period of default, calculated on the total amount of the obligation remaining un-discharged or any other amount acceptable to the MSF Seller, unless the delay in the required payment is accepted to the MSF Seller .

The charity fund shall be used exclusively for the purpose of charity to be approved by the Shariah supervisory board/Shariah Advisor of the MSF Seller.

7. MSF SELLER'S REPRESENTATIONS AND WARRANTIES

7.1 The MSF Seller warrants and represents that:

- (a) That it is admitted as Eligible MSF Seller of NCCPL in accordance with the eligibility criteria as prescribed in the NCCPL Regulations
- (b) That it full legal right, power and authority to enter into, execute and deliver this agreement and to perform the MSF transactions on MSF System;
- (c) That all requisite corporate approval and consents have been obtained to enable it to enter and perform its obligations under this agreement.
- (d) The obligation of the MSF Seller to pay the MSF Transaction Cost Price shall be in accordance with NCCPL Regulations

8. MSF BUYERS REPRESENTATIONS, WARRANTIES AND UNDERTAKINGS

8.1 The MSF Buyer represents, warrants, covenants to and undertakes with the MSF Seller that so long as the MSF Buyer is indebted to the MSF Seller in terms of this Agreement:

- (a) Neither its execution of, nor its exercise of, its rights or performance of its obligations under this Agreement does or will;
 - i. Contravene any applicable law to which the MSF Buyer are subject;
 - ii. Contravene any undertaking or instrument binding on the MSF Buyer;
 - iii. Required the MSF Buyer to make any payment or delivery in respect of any Financial Indebtedness before the scheduled date of that payment or delivery; or
 - iv. Cause any limited on the power of the MSF Buyer to incur Financial Indebtedness to be exceeded;
- (b) All requisite corporate and regulatory approvals required to be obtained by the MSF Buyer in order to enter into the agreement are in full force and effect and such approval permit the MSF Buyer, inter alia, to obtain financial facilities under this agreement and perform its obligations hereunder and that the execution of the Agreement by the Finance;
- (c) No material litigation, arbitration or administrative proceeding is pending or threatened against the MSF Buyer or any of its assets;
- (d) It shall inform the MSF Seller within business days of an event or happening which may have an adverse effect on the financial position of the MSF Buyer, whether such an event is recorded in the financial statements or not as per applicable international accounting standards where applicable;
- (e) No extraordinary circumstances and no change of law has occurred which would make it impossible for it to carry on its business or fulfill its obligations under this agreement;
- (f) No order or passing of resolution for the winding up of the MSF Buyer has been made or is likely to be made;

- (g) There are no judicial and enforcement proceedings taken against the MSF Buyer which may, singly or cumulatively result in a significant of the value of its assets;
- (h) There is no governmental measure or decision, whether general moratorium or individual decision or any other event whatsoever which has or will have material adverse effect on the MSF Buyer or its assets:
- (i) No process has been invoked by any court or authority against the MSF Buyer or any of its asset;
- (j) The security created and /or furnished by the MSF Buyer to the MSF Seller or any other Security furnished by the MSF Buyer to the MSF Seller under or pursuant to this agreement has not deteriorated in quality or has become inadequate;
- (k) No amount whatsoever is declared to be due and payable or has become capable of being declared due and payable in respect of any Financial Indebtedness of the MSF Buyer before the stated maturity of that Financial Indebtedness;
- (l) In the event of an occurrence of an Event of Default, the MSF Seller shall have the right to initiate any legal proceedings it deems fit, in the MSF Buyers name and at the MSF Buyers cost and expense. The MSF Buyer agrees to indemnify the MSF Seller against all losses, damages and expenses that it may suffer, sustain or incur in this regard;
- (m) it shall inform the MSF Seller of any Event of Default or any event, which with the giving of notice or lapse of time or both would constitute an Event of Default forthwith upon becoming aware thereof;
- (n) it shall provide to the MSF Seller, upon written request, copies of all contracts, agreements and documentation relating to the purchase of the Goods;
- (o) the MSF Buyer shall provide to the MSF Seller fresh MSF Collateral if the security provided to the MSF Seller at any time ceases to be an effective security in the sole opinion of the MSF Seller and failure to do so on the part of the MSF Buyer shall constitute an Event of Default hereunder. All costs and expenses incurred in creating and registering such a fresh MSF Collateral shall be borne by the MSF Buyer;
- (p) the MSF Buyer has not defaulted in respect of any payment obligation (whether relating to loan, finance or otherwise) or any other type of obligation owed to any MSF Seller or financial institution and that the MSF Buyer has not defaulted in payment of any taxes or other dues owed to the Government or local authority; and
- (q) it shall forthwith inform the MSF Seller of:

- i. any event or factor, any litigation or proceedings pending or threatened against the MSF Buyer which could materially and adversely affect or be likely to materially and adversely affect: (a) the financial condition of the MSF Buyer; (b) business or operations of the MSF Buyer; and (c) the MSF Buyers ability to meet its obligations when due under any of the agreement;
- ii. any actual or proposed termination, rescission, discharge (otherwise than by performance), amendment or waiver or indulgence under any material provision of any of the agreement; and

8.2 The MSF Buyer acknowledges that the MSF Seller has entered into this agreement in reliance on the representations and warranties contained in this Clause 8.

9. EVENTS OF DEFAULT AND TERMINATION

9.1 There shall be an Event of Default and Termination if in the opinion of the MSF Seller:

- (a) The MSF Buyer fails to pay any sum payable by its under this agreement when due; or admits its inability to pay any sum payable by it under this agreement as they fall due; or
- (b) Any representation or warranty or undertaking or covenant made or deemed to be made or repeated by the MSF Buyer in or pursuant to the agreement or in any document delivered under this agreement is found to be incorrect in any material respect; or
- (c) The MSF Buyer defaults in the due and punctual performance of any other provision of this agreement and (if such default is in the opinion of the MSF Seller capable of remedy) such default shall not have been remedied within [] days of the MSF Seller notifying the MSF Buyer of such default; or
- (d) The MSF Buyer stops or suspends payment of its debts generally or is unable or admits inability to pay its debts as they fall due or proposes or enters into any composition or other arrangement for the benefit of its creditors generally or proceedings are commenced in relation to the MSF Buyer under any law, regulation or procedure relating to reconstruction or readjustment of debts; or
- (e) Proceedings are commenced for the winding-up (whether compulsory or voluntary) of the MSF Buyer or the alteration of the structure, power, authority and functions of the MSF Buyer or if the implementation and compliance with any terms and conditions of this agreement are rendered impossible or illegal; or
- (f) Any event occurs or proceedings are taken with respect to the MSF Buyer in any jurisdiction to which it is subject, which has an effect equivalent or similar to any of the events mentioned herein; or

- (g) The MSF Collateral furnished by the MSF Buyer to the MSF Seller under Clause 4 above deteriorates in quality or becomes inadequate in the reasonable opinion of the MSF Seller; or
- (h) Any MSF Collateral executed or furnished by the MSF Buyer under Clause 4 above for any reason whatsoever ceases to be in full force and effect or is declared to be void or is repudiated.

9.2 Notwithstanding anything contained herein, the MSF Seller may without prejudice to any of its other rights, at any time after the happening of an Event of Default, by notice to the MSF Buyer declare that its obligations hereunder are immediately terminated.

9.3 The MSF Buyer shall pay the said amount to the MSF Seller within [] Business Days after the receipt of such notice. If the MSF Buyer fails to pay the outstanding amount along with any other payment (costs, expenses, charity payment etc) within [] Business Days from the date of the receipt by the MSF Buyer of such notice from the MSF Seller

10. GENERAL

10.1 The Parties unconditionally and irrevocably agree that the only obligation of the NCCPL with regard to the facilitate settlement and MSF contracts in accordance with NCCPL Regulations, 2015. The Parties acknowledge and confirm that NCCPL shall not be responsible for:

- i. the title, ownership, genuineness, regularity or validity of any security or any other documents or instrument pledged with or held by the Parties under this agreement;
- ii. the execution, genuineness, validity, enforceability or sufficiency of any agreement or any other document relating thereto;
- iii. the collectability of amounts payable in respect of MSF;
- iv. the financial condition of Parties to this agreement;
- v. the performance and observance by Parties of their obligations under the agreements or any other documents executed between them in respect of MSF; or
- vi. In the event of fraud, negligence or default by any parties to the agreement, neither the Company nor any of its officers, employees shall be liable to any party of this agreement for any loss suffered to any party arising out of any act or omission in relation to MSF.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement on the day and year above written.

For: MSF Buyer

For: MSF Seller

Mr. _____

Mr. _____

Witnesses:

1. _____
NIC# _____
Name: _____

2. _____
NIC# _____
Name: _____

Witnesses:

1. _____
NIC# _____
Name: _____

2. _____
NIC# _____
Name: _____

Master Murabahah Agreement for MSF
“By Financial Institution to Securities Broker”

MASTER MURABAHA AGREEMENT (MMA) Dated -----

By AND BETWEEN

NAME (SECURITIES BROKER) AS MSF BUYER

AND

NAME (ISLAMIC FINANCING INSTITUTION- IFI) AS MSF SELLER

THIS MASTER MURABAHA AGREEMENT (MMA) (this “Agreement”) is made at (City) on this Date

BY AND

BETWEEN

MSF BUYER Name having its registered office address (hereinafter referred to as the “MSF Buyer” which expression shall where the context so permits mean and include its successors in interest and permitted assigns) **of the One Part;**

AND

MSF SELLER Name, incorporated under the law of Pakistan, having its registered office address (hereinafter referred to as the “MSF Seller” which expression shall where the context so permits mean and include its successors in interest and permitted assigns) **of the Other Part.**

(The MSF Buyer and the MSF Seller are hereinafter individually referred to as a “Party” and collectively as the “Parties”)

WHEREAS

1. the MSF Buyer wishes to obtain finances as defined in NCCPL Regulations, 2015 with the principles of Murabahah Share Financing “MSF” from the MSF Seller for the purchase of the Eligible Securities.
2. The MSF Buyer and Islamic Financing Institution (IFI) have been admitted as Clearing Member of the National Clearing Company of Pakistan Limited “NCCPL” under NCCPL Regulations, 2015”;

NOW THEREFORE IT IS HEREBY AGREED BETWEEN THE PARTIES as follows:

1. PURPOSE AND DEFINITIONS

1.1 This Agreement sets out the terms and conditions upon and subject to which the MSF Seller has agreed to sell the MSF Eligible Securities to the MSF Buyer from time to time by way of Murabahah Share Financing facility up to a total aggregate of **MSF Transaction Cost Price of Rs. /- (Rupees ----- Only)**, at any given time to purchase / trading of Shariah compliant MSF Eligible Securities of Listed companies

1.2 In this Agreement, unless the context otherwise requires:

“Agent” mean Security Broker as Party to this Agreement appointed by the Financer to acquired the MSF Eligible Securities under the Agency Agreement;

“Agency Agreement” means the Agency Agreement whereby the MSF Seller appoints an Agent to acquire the MSF Eligible Securities from the ready market to sell such securities, as the MSF Buyer may request from time to time and has been attached to this Agreement;

“Business Day” means a day on which MSF Seller is open for normal business in Pakistan;

“Event of Default and Termination” means any of the events or circumstances described in Clause 9 below and includes any event or circumstance which with the passage of the or the giving of notice or both would become an Event of Default and Termination.

“Expire Date” Means **date**

“Financial Indebtedness” mean any obligation, whether present or future, actual or contingent, to pay/ deliver any moneys under or in respect of any financial accommodation, facility or arrangement granted to the MSF Buyer including:

- (a) Moneys financed or raised by the MSF Buyer including, without limitation, any Finances as defined in NCCPL Regulations, 2015
- (b) Guarantee
- (c) MSF Eligible Securities
- (d) Central excise duty and other statutory levies imposed by or payable to the Federal, Provincial or any local governments by virtue of or in respect of any of the above; and
- (e) An arrangement which achieves the same equivalent commercial effect as to any of the above;

“MSF Deposits” means the ratio of deposit required to be maintained by the MSF Buyer in cash with the respective MSF Seller for MSF Transaction.

“Guarantee” means a guarantee, MSF Collateral;

“Indebtedness” means any obligation of the MSF Buyer for the payment of any sum of money due or payable under this Agreement;

“MSF Transaction Cost Price” means the amount which is incurred by MSF Seller for the acquisition of the MSF Eligible Securities including all costs, duties, taxes, fees, levies and charges incidental to and connected with acquisition of the MSF Eligible Securities

“MSF Transaction” means the sale and purchase of the MSF Eligible Securities which is affected on the MSF System and where both the MSF Transaction Cost Price and the Profit are disclosed by the MSF Seller. Provided that such transaction should be recorded by MSF Seller within ten Business Days from the Settlement Date of Ready Delivery Contract or Ready Market Contract purchase. After expiry of ten Business Days, such transaction may be recorded subject to the valid reason/justification provided by the MSF Seller, as acceptable to the Company.

“MSF Eligible Securities” means the Securities declared by the Company as such pursuant to these Regulation which the MSF Seller shall acquire, from time to time, for the sale the MSF Buyer as mentioned in Schedule “A” hereto and as more particularly described in the Agreement;

“MSF Collateral”

means MSF Eligible Securities offered by the MSF Buyer as collateral that may, from time to time, be substituted to MSF Seller against MSF Transaction, as more specifically mentioned in attached Schedule ‘B’, which will remain mortgaged / pledged to the MSF Seller as MSF Collateral;

“MSF System” means a system made available by the Company to MSF Participants for recording and execution of MSF Transactions

“Payment Date(s)” means the respective date(s) for the payment of the MSF Transaction or part thereof by the MSF Buyer to the MSF Seller as specified in separate Schedule “C” as attached hereto, or, if such respective due date is not a business Day, the next Business Day;

“Profit” means any amount which is over and above the MSF Transaction Cost Price, as disclosed by the MSF Seller for the execution of MSF Transaction

“Parties” means the parties to this agreement;

“Schedule of Payments” or **“Payment Schedule”** means **Schedule “D” attached hereto** in which the payment Date(s) in respect of the MSF Transaction shall be specified.

“Value Date” means the date on which the MSF Transaction Cost Price will be paid by the MSF Seller for the purchase of the Eligible Securities.

Clause headings and the table of contents are inserted for convenience of reference only shall be ignored in the interpretation of this Agreement, unless the context otherwise requires, references to Clause and Schedules are to be construed as references to the clause of and Schedule, this Agreement and references to this Agreement include its Schedules; words importing the plural shall include the singular and vice versa and reference to a person shall be construed as including reference to an individual. Firm, institution, corporation, unincorporated body of person or any state or any Agency thereof;

2. MSF TRANSACTION

2.1 The MSF Seller will purchase the required MSF Eligible Securities from the Ready Delivery Contract or Ready Market Contract using Client Code tagged with the UIN of the respective MSF Buyer through a specific key to identify such trades

2.2 Non-Broker MSF Seller, shall appoint Broker Clearing Member (admitted with the Company as potential MSF Buyer) as its Agent under Agency Agreement before entering into MSF Transaction. Accordingly, Non-Broker MSF Seller, through its Agent, will purchase the required MSF Eligible Securities from the Ready Delivery Contract or Ready Market Contract using Client Code tagged with the UIN of the respective MSF Buyer through a specific key to identify such trades.

2.3 On the Trade Date, relevant information of such purchases shall be initiated in MSF System by MSF Buyer (Broker Clearing Member) to the relevant Non-Broker MSF Seller within Designated Time Schedule. Non-Broker MSF Seller, within the Designated Time Schedule, will intimate through MSF System its intention by confirming such purchases to enter into MSF Transaction on future date including

Settlement Date after assuming ownership of the purchased securities as per the terms covered in MMA. In case where MSF Buyer does not intimate relevant information of such purchases to Non-Broker MSF Seller and/or relevant information of such purchases initiated in MSF System by MSF Buyer to the relevant Non-Broker MSF Seller but Non-Broker MSF Seller un-affirmed/rejected such intimation, in such case, MSF Transaction shall not be recorded in MSF System on future/settlement date and MSF Buyer shall be responsible to settle such trades in NCSS.

2.4 On the Settlement Date, Ready Delivery Contract or Ready Market Contract purchases shall be settled under Balance Order System as prescribed in these Regulations and the Procedures whereby, the MSF Seller shall be obliged to pay against Ready Delivery Contract or Ready Market Contract purchases which are confirmed as per clause 7E.2.4.6 above and Securities shall be delivered to the CDS house account of MSF Seller maintained under MSF Blocked Status under Balance Order System

2.5 If MSF Seller is unable to receive the Securities on Settlement Date on account of default by the counter selling Clearing Member, the Company shall initiate squaring up process in accordance with NCSS Procedures and the securities purchased through squaring process shall be transferred to the CDC account of such MSF Seller on SD+1 basis. If the Company is unable to purchase the relevant Security in the squaring up process, then the Company will initiate squaring-up/close-out process in accordance with NCSS Procedures. Resultantly, the transaction shall be considered as cancelled and the MSF Seller shall receive its actual purchase price paid on the settlement date.

2.6 On the agreed date, in accordance with the terms and conditions of MMA, MSF Transaction will be recorded by MSF Seller in MSF System within Designated Time Schedule based on activity performed by the MSF Seller and MSF Buyer on Trade Date. Provided that such transaction should be recorded by MSF Seller within ten Business Days from the Settlement Date of Ready Delivery Contract or Ready Market Contract purchase. After expiry of ten Business Days, such transaction may be recorded subject to the valid reason/justification provided by the MSF Seller, as acceptable to the Company.

2.7 In accordance with the provisions agreed in MMA whereby MSF Buyer undertakes the Company to make arrangement for transfer of its purchased securities through MSF Transaction to its designated MSF Blocked Status as MSF Collateral, the Company shall deliver such purchased Securities from the CDS house account of MSF Seller maintained under MSF Blocked Status to the CDS account of MSF Buyer maintained under MSF Blocked Status as MSF Collateral. MSF Seller will obtain Securities Deposit directly from MSF Buyer.

2.8 MSF System will facilitate MSF Seller to release such MSF Collateral from CDS house account of MSF Buyer maintained under MSF Blocked Status to the respective normal CDS house account of MSF Buyer. Once such instruction is received in MSF System from MSF Seller, such movement of securities will be done through On-line BO Mechanism within Designated Time Schedule

2.9 MSF Transaction Price and Profit will be managed by MSF Participants directly in accordance with the terms and conditions set-out in MMA

2.10 In case of any default by MSF Buyer or any dispute, the MSF Seller will have recourse to these Securities. MSF System will facilitate MSF Seller to release such MSF Eligible Securities from CDS account of MSF Buyer and/or from his own CDS house account maintained under MSF Blocked Status as

the case may be, to his normal CDS account. Once such instruction is received in MSF System from MSF Seller, such movement of securities will be done through On-line BO Mechanism within Designated Time Schedule.

3. SALE AND PURCHASE OF THE MSF ELIGIBLE SECURITIES

3.1 The MSF Seller agrees to sell the Securities, of a maximum amount of **Rs. /=(Rupees)** at any time, to the MSF Buyer. The MSF Buyer agrees to purchase the MSF Eligible Securities from the MSF Seller, from time to time, at the MSF Transaction

4. MSF COLLATERAL

4.1 As security for the Indebtedness under this Agreement, the MSF Buyer shall:

- (a) furnish to the MSF Seller MSF Collateral(s) substantially in the form and substance as per attached schedule hereto;
- (b) execute such further deeds ad documents as may from time to time be required by the MSF Seller for the purpose of more fully securing and/or perfecting the MSF Collateral created in favor of the MSF Seller; and
- (c) create such other securities to secure the MSF Buyers obligations under this agreement as the parties hereto, may by mutual consent, agree from time to time.

5. FEES AND EXPENSES

The MSF Buyer shall pay to the MSF Seller on demand, within [-----] days of such demand being made, all expenses (including legal and other ancillary expenses) incurred by the MSF Seller in connection with the negotiation, preparation and execution of the agreement and of amendment or extension of or the granting of any waiver or consent under the agreement.

6. PAYMENTS

6.1 All payments to be made by the MSF Buyer under this Agreement shall be made in full, without any set-off, roll over or counterclaim whatsoever, on the due date and when due date is not a Business Day, the following Business Day and save as provided in Clause 6.2 below, free and clear of any deductions or withholdings, to an account of the MSF Seller as may be notified from time to time, and the MSF Buyer will only be related from its payment obligations hereunder by a written notification by the MSF Seller to the MSF Buyer in respect thereof.

6.2 Where any amount is required to be paid by the MSF Buyer to the MSF Seller under the agreement on a specified date and is not paid by that date (or till any extension there of permitted by the MSF Seller without any increase in the required payment), the MSF Buyer hereby undertakes to pay to the charity fund, if constituted by the MSF Seller, a sum calculated @ {}% per annum, for the entire period of default, calculated on the total amount of the obligation remaining un-discharged or any other amount acceptable to the MSF Seller, unless the delay in the required payment is accepted to the MSF Seller .

The charity fund shall be used exclusively for the purpose of charity to be approved by the Shahriah supervisory board of the MSF Seller.

7. MSF SELLER'S REPRESENTATIONS AND WARRANTIES

7.1 The MSF Seller warrants and represents that:

- a) That it is admitted as Eligible MSF Seller of NCCPL in accordance with the eligibility criteria as prescribed in the NCCPL Regulations
- b) That it full legal right, power and authority to enter into, execute and deliver this agreement and to perform the MSF transactions on MSF System;
- c) That all requisite corporate approval and consents have been obtained to enable it to enter and perform its obligations under this agreement.
- d) The obligation of the MSF Seller to pay the MSF Transaction Cost Price shall be in accordance with NCCPL Regulations

8. MSF BUYERS REPRESENTATIONS, WARRANTIES AND UNDERTAKINGS

8.1 The MSF Buyer represents, warrants, covenants to and undertakes with the MSF Seller that so long as the MSF Buyer is indebted to the MSF Seller in terms of this Agreement:

- (a) Neither its execution of, nor its exercise of, its rights or performance of its obligations under this Agreement does or will;
 - i. Contravene any applicable law to which the MSF Buyer are subject;
 - ii. Contravene any undertaking or instrument binding on the MSF Buyer;
 - iii. Required the MSF Buyer to make any payment or delivery in respect of any Financial Indebtedness before the scheduled date of that payment or delivery; or
 - iv. Cause any limited on the power of the MSF Buyer to incur Financial Indebtedness to be exceeded;
- (b) All requisite corporate and regulatory approvals required to be obtained by the MSF Buyer in order to enter into the agreement are in full force and effect and such approval permit the MSF Buyer, inter alia, to obtain financial facilities under this agreement and perform its obligations hereunder and that the execution of the Agreement by the Finance;
- (c) No material litigation, arbitration or administrative proceeding is pending or threatened against the MSF Buyer or any of its assets;
- (d) It shall inform the MSF Seller within business days of an event or happening which may have an adverse effect on the financial position of the MSF Buyer, whether such an event is recorded in the financial statements or not as per applicable international accounting standards where applicable;
- (e) No extraordinary circumstances and no change of law has occurred which would make it impossible for it to carry on its business or fulfill its obligations under this agreement;
- (f) No order or passing of resolution for the winding up of the MSF Buyer has been made or is likely to be made;
- (g) There are no judicial and enforcement proceedings taken against the MSF Buyer which may, singly or cumulatively result in a significant of the value of its assets;

- (h) There is no governmental measure or decision, whether general moratorium or individual decision or any other event whatsoever which has or will have material adverse effect on the MSF Buyer or its assets:
- (i) No process has been invoked by any court or authority against the MSF Buyer or any of its asset;
- (j) The security created and /or furnished by the MSF Buyer to the MSF Seller or any other Security furnished by the MSF Buyer to the MSF Seller under or pursuant to this agreement has not deteriorated in quality or has become inadequate;
- (k) No amount whatsoever is declared to be due and payable or has become capable of being declared due and payable in respect of any Financial Indebtedness of the MSF Buyer before the stated maturity of that Financial Indebtedness;
- (l) In the event of an occurrence of an Event of Default, the MSF Seller shall have the right to initiate any legal proceedings it deems fit, in the MSF Buyers name and at the MSF Buyers cost and expense. The MSF Buyer agrees to indemnify the MSF Seller against all losses, damages and expenses that it may suffer, sustain or incur in this regard;

- (m) it shall inform the MSF Seller of any Event of Default or any event, which with the giving of notice or lapse of time or both would constitute an Event of Default forthwith upon becoming aware thereof;

- (n) it shall provide to the MSF Seller, upon written request, copies of all contracts, agreements and documentation relating to the purchase of the Goods;

- (o) the MSF Buyer shall provide to the MSF Seller fresh MSF Collateral if the security provided to the MSF Seller at any time ceases to be an effective security in the sole opinion of the MSF Seller and failure to do so on the part of the MSF Buyer shall constitute an Event of Default hereunder. All costs and expenses incurred in creating and registering such a fresh MSF Collateral shall be borne by the MSF Buyer;

- (p) the MSF Buyer has not defaulted in respect of any payment obligation (whether relating to loan, finance or otherwise) or any other type of obligation owed to any MSF Seller or financial institution and that the MSF Buyer has not defaulted in payment of any taxes or other dues owed to the Government or local authority; and

- (q) it shall forthwith inform the MSF Seller of:
 - i. any event or factor, any litigation or proceedings pending or threatened against the MSF Buyer which could materially and adversely affect or be likely to materially and adversely affect: (a) the financial condition of the MSF Buyer; (b) business or operations of the MSF Buyer; and (c) the MSF Buyers ability to meet its obligations when due under any of the agreement;

- ii. any actual or proposed termination, rescission, discharge (otherwise than by performance), amendment or waiver or indulgence under any material provision of any of the agreement; and

8.2 The MSF Buyer acknowledges that the MSF Seller has entered into this agreement in reliance on the representations and warranties contained in this Clause 8.

9. EVENTS OF DEFAULT AND TERMINATION

9.1 There shall be an Event of Default and Termination if in the opinion of the MSF Seller:

- (a) The MSF Buyer fails to pay any sum payable by its under this agreement when due; or admits its inability to pay any sum payable by it under this agreement as they fall due; or
- (b) Any representation or warranty or undertaking or covenant made or deemed to be made or repeated by the MSF Buyer in or pursuant to the agreement or in any document delivered under this agreement is found to be incorrect in any material respect; or
- (c) The MSF Buyer defaults in the due and punctual performance of any other provision of this agreement and (if such default is in the opinion of the MSF Seller capable of remedy) such default shall not have been remedied within [] days of the MSF Seller notifying the MSF Buyer of such default; or
- (d) The MSF Buyer stops or suspends payment of its debts generally or is unable or admits inability to pay its debts as they fall due or proposes or enters into any composition or other arrangement for the benefit of its creditors generally or proceedings are commenced in relation to the MSF Buyer under any law, regulation or procedure relating to reconstruction or readjustment of debts; or
- (e) Proceedings are commenced for the winding-up (whether compulsory or voluntary) of the MSF Buyer or the alteration of the structure, power, authority and functions of the MSF Buyer or if the implementation and compliance with any terms and conditions of this agreement are rendered impossible or illegal; or
- (f) Any event occurs or proceedings are taken with respect to the MSF Buyer in any jurisdiction to which it is subject, which has an effect equivalent or similar to any of the events mentioned herein; or
- (g) The MSF Collateral furnished by the MSF Buyer to the MSF Seller under Clause 4 above deteriorates in quality or becomes inadequate in the reasonable opinion of the MSF Seller; or
- (h) Any MSF Collateral executed or furnished by the MSF Buyer under Clause 4 above for any reason whatsoever ceases to be in full force and effect or is declared to be void or is repudiated.

9.2 Notwithstanding anything contained herein, the MSF Seller may without prejudice to any of its other rights, at any time after the happening of an Event of Default, by notice to the MSF Buyer declare that its obligations hereunder are immediately terminated.

9.3 The MSF Buyer shall pay the said amount to the MSF Seller within [] Business Days after the receipt of such notice. If the MSF Buyer fails to pay the outstanding amount along with any other payment (costs, expenses, charity payment etc) within [] Business Days from the date of the receipt by the MSF Buyer of such notice from the MSF Seller

10. GENERAL

10.1 The Parties unconditionally and irrevocably agree that the only obligation of the NCCPL with regard to the facilitate settlement and MSF contracts in accordance with NCCPL Regulations, 2015. The Parties acknowledge and confirm that NCCPL shall not be responsible for:

- i. the title, ownership, genuineness, regularity or validity of any security or any other documents or instrument pledged with or held by the Parties under this agreement;
- ii. the execution, genuineness, validity, enforceability or sufficiency of any agreement or any other document relating thereto;
- iii. the collectability of amounts payable in respect of MSF;
- iv. the financial condition of Parties to this agreement;
- v. the performance and observance by Parties of their obligations under the agreements or any other documents executed between them in respect of MSF; or
- vi. In the event of fraud, negligence or default by any parties to the agreement, neither the Company nor any of its officers, employees shall be liable to any party of this agreement for any loss suffered to any party arising out of any act or omission in relation to MSF.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement on the day and year above written.

For: MSF Buyer

For: MSF Seller

Mr. _____

Mr. _____

Witnesses:

Witnesses:

2. _____
NIC# _____
Name: _____

1. _____
NIC# _____
Name: _____

2. _____
NIC# _____
Name: _____

2. _____
NIC# _____
Name: _____

Master Murabahah Agreement for MSF
“By Financial Institution to Customer of Securities Broker”

MASTER MURABAHA AGREEMENT (MMA) Dated -----

By AND BETWEEN

NAME (CUSTOMER OF SECURITIES BROKER) AS MSF BUYER

AND

NAME (ISLAMIC FINANCING INSTITUTION- IFI) AS MSF SELLER

AND

NAME (SECURITY BROKER) AS AGENT OF CUSTOMER AND IFI

THIS MASTER MURABAHA AGREEMENT (MMA) (this “Agreement”) is made at (City) on this Date

BY AND

BETWEEN

MSF BUYER Name having its registered office **address** (hereinafter referred to as the “**MSF Buyer**” which expression shall where the context so permits mean and include its successors in interest and permitted assigns) **of the One Part;**

AND

MSF SELLER Name, incorporated under the law of Pakistan, having its registered office **address** (hereinafter referred to as the “**MSF Seller**” which expression shall where the context so permits mean and include its successors in interest and permitted assigns) **of the Other Part.**

AND

SECURITIES BROKER Name having its registered office **address** (hereinafter referred to as the “**Agent**” **of MSF Buyer and MSF Seller;**

(The MSF Buyer, MSF Seller and Agent are hereinafter individually referred to as a “**Party**” and collectively as the “**Parties**”)

WHEREAS

1. the MSF Buyer wishes to obtain finances as defined in NCCPL Regulations, 2015 with the principles of Murabahah Share Financing “MSF” from the MSF Seller for the purchase of the MSF Eligible Securities.
2. The MSF Buyer and Islamic Financing Institution (IFI) have been admitted as Clearing Member of the National Clearing Company of Pakistan Limited “NCCPL” under NCCPL Regulations, 2015”;

NOW THEREFORE IT IS HEREBY AGREED BETWEEN THE PARTIES as follows:

1. PURPOSE AND DEFINITIONS

- 1.1 This Agreement sets out the terms and conditions upon and subject to which the MSF Seller has agreed to sell the MSF Eligible Securities to the MSF Buyer from time to time by way of Murabahah Share Financing facility up to a total aggregate of **MSF Transaction Cost Price of Rs. /- (Rupees ----- Only)**, at any given time to purchase / trading of Shariah compliant MSF Eligible Securities of Listed companies and MSF Buyer and Financer have appointed Securities Broker as their “Agent” as Party to this Agreement for the purpose.

1.2 In this Agreement, unless the context otherwise requires:

“Agent” mean Security Broker as Party to this Agreement appointed by the Financer and the MSF Seller to acquired the MSF Eligible Securities under the Agency Agreement;

“Agency Agreement”

- i. means the Agency Agreement whereby the MSF Buyer appoints an Agent to acquire the MSF Eligible Securities from the MSF Seller as the MSF Buyer may request from time to time and has been attached to this Agreement;
- ii. means the Agency Agreement whereby the MSF Seller appoints an Agent to acquire the MSF Eligible Securities from the ready market to sell such securities, as the MSF Buyer may request from time to time and has been attached to this Agreement;

“Business Day” means a day on which MSF Seller is open for normal business in Pakistan;

“Event of Default and Termination” means any of the events or circumstances described in Clause 9 below and includes any event or circumstance which with the passage of the or the giving of notice or both would become an Event of Default and Termination.

“Expire Date” Means **date**

“Financial Indebtedness” mean any obligation, whether present or future, actual or contingent, to pay/ deliver any moneys under or in respect of any financial accommodation, facility or arrangement granted to the MSF Buyer including:

- (a) Moneys financed or raised by the MSF Buyer including, without limitation, any Finances as defined in NCCPL Regulations, 2015
- (b) Guarantee:
- (c) MSF Eligible Securities
- (d) Central excise duty and other statutory levies imposed by or payable to the Federal, Provincial or any local governments by virtue of or in respect of any Of the above; and
- (e) An arrangement which achieves the same equivalent commercial effect as to any of the above;

“MSF Deposits” means the ratio of deposit required to be maintained by the MSF Buyer in cash with the respective MSF Seller for MSF Transaction.

“Guarantee” means a guarantee, MSF Collateral;

“Indebtedness” means any obligation of the MSF Buyer for the payment of any sum of money due or payable under this Agreement;

“MSF Eligible Securities” means the Securities declared by the Company as such pursuant to these Regulation which the MSF Seller shall acquire, from time to time, for the sale the MSF Buyer as mentioned in Schedule “A” hereto and as more particularly described in the Agreement;

“MSF Transaction Cost Price” means the amount which is incurred by MSF Seller for the acquisition of the MSF Eligible Securities including all costs, duties, taxes, fees, levies and charges incidental to and connected with acquisition of the MSF Eligible Securities

“MSF Transaction” means the sale and purchase of the MSF Eligible Securities which is effected on the MSF System and where both the MSF Transaction Cost Price and the Profit are disclosed by the MSF Seller. Provided that such transaction should be recorded by MSF Seller within ten Business Days from the Settlement Date of Ready Delivery Contract or Ready Market Contract purchase. After expiry of ten Business Days, such transaction may be recorded subject to the valid reason/justification provided by the MSF Seller, as acceptable to the Company.

“MSF Collateral” means MSF Eligible Securities offered by the MSF Buyer as collateral that may, from time to time, be substituted to MSF Seller against MSF Transaction, as more specifically mentioned in attached Schedule “B”, which will remain mortgaged / pledged to the MSF Seller as MSF Collateral;

“MSF System” means a system made available by the Company to MSF Participants for recording and execution of MSF Transactions

“Payment Date(s)” means the respective date(s) for the payment of the MSF Transaction or part thereof by the MSF Buyer to the MSF Seller as specified in separate Schedule “C” as attached hereto, or, if such respective due date is not a business Day, the next Business Day;

“Profit” means any amount which is over and above the MSF Transaction Cost Price, as disclosed by the MSF Seller for the execution of MSF Transaction;

“Parties” means the parties to this agreement;

“Schedule of Payments” or **“Payment Schedule”** means **Schedule “D” attached hereto** in which the payment Date(s) in respect of the MSF Transaction shall be specified.

“Value Date” means the date on which the MSF Transaction Cost Price will be paid by the MSF Seller for the purchase of the MSF Eligible Securities.

Clause headings and the table of contents are inserted for convenience of reference only shall be ignored in the interpretation of this Agreement, unless the context otherwise requires, references to Clause and Schedules are to be construed as references to the clause of and Schedule, this Agreement and references to this Agreement include its Schedules; words importing the plural shall include the singular and vice versa and reference to a person shall be construed as including reference to an individual. Firm, institution, corporation, unincorporated body of person or any state or any Agency thereof;

2. MSF TRANSACTION

2.1 The MSF Seller will purchase the required MSF Eligible Securities from the Ready Delivery Contract or Ready Market Contract using Client Code tagged with the UIN of the respective MSF Buyer through a specific key to identify such trades

2.2 Non-Broker MSF Seller, shall appoint Broker Clearing Member (admitted with the Company as potential MSF Buyer) as its Agent under Agency Agreement before entering into MSF Transaction. Accordingly, Non-Broker MSF Seller, through its Agent, will purchase the required MSF Eligible Securities from the Ready Delivery Contract or Ready Market Contract using Client Code tagged with the UIN of the respective MSF Buyer through a specific key to identify such trades.

2.3 On the Trade Date, relevant information of such purchases shall be initiated in MSF System by MSF Buyer (Broker Clearing Member) to the relevant Non-Broker MSF Seller within Designated Time Schedule. Non-Broker MSF Seller, within the Designated Time Schedule, will intimate through MSF System its intention by confirming such purchases to enter into MSF Transaction on future date including Settlement Date after assuming ownership of the purchased securities as per the terms covered in MMA. In case where MSF Buyer does not intimate relevant information of such purchases to Non-Broker MSF Seller and/or relevant information of such purchases initiated in MSF System by MSF Buyer to the relevant Non-Broker MSF Seller but Non-Broker MSF Seller un-affirmed/rejected such intimation, in such case, MSF Transaction shall not be recorded in MSF System on future/settlement date and MSF Buyer shall be responsible to settle such trades in NCSS.

2.4 On the Settlement Date, Ready Delivery Contract or Ready Market Contract purchases shall be settled under Balance Order System as prescribed in these Regulations and the Procedures whereby, the MSF Seller shall be obliged to pay against Ready Delivery Contract or Ready Market Contract purchases which are confirmed as per clause 7E.2.4.6 above and Securities shall be delivered to the CDS house account of MSF Seller maintained under MSF Blocked Status under Balance Order System

2.5 If MSF Seller is unable to receive the Securities on Settlement Date on account of default by the counter selling Clearing Member, the Company shall initiate squaring up process in accordance with NCSS Procedures and the securities purchased through squaring process shall be transferred to the CDC account of such MSF Seller on SD+1 basis. If the Company is unable to purchase the relevant Security in the squaring up process, then the Company will initiate squaring-up/close-out process in accordance with NCSS Procedures. Resultantly, the transaction shall be considered as cancelled and the MSF Seller shall receive its actual purchase price paid on the settlement date.

2.6 On the agreed date, in accordance with the terms and conditions of MMA, MSF Transaction will be recorded by MSF Seller in MSF System within Designated Time Schedule based on activity performed by the MSF Seller and MSF Buyer on Trade Date. Provided that such transaction should be recorded by MSF Seller within ten Business Days from the Settlement Date of Ready Delivery Contract or Ready Market Contract purchase. After expiry of ten Business Days, such transaction may be recorded subject to the valid reason/justification provided by the MSF Seller, as acceptable to the Company.

2.7 In accordance with the provisions agreed in MMA whereby MSF Buyer undertakes the Company to make arrangement for transfer of its purchased securities through MSF Transaction to its designated MSF Blocked Status as MSF Collateral, the Company shall deliver such purchased Securities from the CDS house account of MSF Seller maintained under MSF Blocked Status to the CDS account of MSF Buyer maintained under MSF Blocked Status as MSF Collateral. MSF Seller will obtain Securities Deposit directly from MSF Buyer.

2.8 MSF System will facilitate MSF Seller to release such MSF Collateral from CDS house account of MSF Buyer maintained under MSF Blocked Status to the respective normal CDS house account of MSF Buyer. Once such instruction is received in MSF System from MSF Seller, such movement of securities will be done through On-line BO Mechanism within Designated Time Schedule

2.9 MSF Transaction Price and Profit will be managed by MSF Participants directly in accordance with the terms and conditions set-out in MMA

2.10 In case of any default by MSF Buyer or any dispute, the MSF Seller will have recourse to these Securities. MSF System will facilitate MSF Seller to release such MSF Eligible Securities from CDS account of MSF Buyer and/or from his own CDS house account maintained under MSF Blocked Status as the case may be, to his normal CDS account. Once such instruction is received in MSF System from MSF Seller, such movement of securities will be done through On-line BO Mechanism within Designated Time Schedule.

3. SALE AND PURCHASE OF THE MSF ELIGIBLE SECURITIES

3.1 The MSF Seller, agrees to sell the Securities, of a maximum **amount of Rs. /=(Rupees)** at any time, to the MSF Buyer. The MSF Buyer agrees to purchase the MSF Eligible Securities from the MSF Seller, from time to time, at the MSF Transaction

4. MSF COLLATERAL

4.1 As security for the Indebtedness under this Agreement, the MSF Buyer through its Agent shall:

- i. furnish to the MSF Seller MSF Collateral(s) substantially in the form and substance as per attached schedule hereto;
- ii. execute such further deeds ad documents as may from time to time be required by the MSF Seller for the purpose of more fully securing and/or perfecting the MSF Collateral created in favor of the MSF Seller; and
- iii. create such other securities to secure the MSF Buyers obligations under this agreement as the parties hereto, may by mutual consent, agree from time to time.

5. FEES AND EXPENSES

The MSF Buyer shall pay to the MSF Seller on demand, within [-----] days of such demand being made, all expenses (including legal and other ancillary expenses) incurred by the MSF Seller in connection with the negotiation, preparation and execution of the agreement and of amendment or extension of or the granting of any waiver or consent under the agreement.

6. PAYMENTS

6.1 All payments to be made by the MSF Buyer directly or through its Agent under this Agreement shall be made in full, without any set-off, roll over or counterclaim whatsoever, on the due date and when due date is not a Business Day, the following Business Day and save as provided in Clause 6.2 below, free and clear of any deductions or withholdings, to an account of the MSF Seller as may be notified from time to time, and the MSF Buyer will only be related from its payment obligations hereunder by a written notification by the MSF Seller to the MSF Buyer in respect thereof.

6.2 Where any amount is required to be paid by the MSF Buyer to the MSF Seller under the agreement on a specified date and is not paid by that date (or till any extension thereof permitted by the MSF Seller without any increase in the required payment), the MSF Buyer hereby undertakes to pay to the charity fund, if constituted by the MSF Seller, a sum calculated @ {}% **per annum**, for the entire period of default, calculated on the total amount of the obligation remaining un-discharged or any other amount acceptable to the MSF Seller, unless the delay in the required payment is accepted to the MSF Seller .

The charity fund shall be used exclusively for the purpose of charity to be approved by the Shariah supervisory board of the MSF Seller.

7. MSF SELLER'S REPRESENTATIONS AND WARRANTIES

7.1 The MSF Seller warrants and represents that:

- (a) That it is admitted as Eligible MSF Seller of NCCPL in accordance with the eligibility criteria as prescribed in the NCCPL Regulations
- (b) That it full legal right, power and authority to enter into, execute and deliver this agreement and to perform the MSF transactions on MSF System;
- (c) That all requisite corporate approval and consents have been obtained to enable it to enter and perform its obligations under this agreement.
- (d) The obligation of the MSF Seller to pay the MSF Transaction Cost Price shall be in accordance with NCCPL Regulations

8. MSF BUYERS REPRESENTATIONS, WARRANTIES AND UNDERTAKINGS

8.1 The MSF Buyer represents, warrants, covenants to and undertakes with the MSF Seller that so long as the MSF Buyer is indebted to the MSF Seller in terms of this Agreement:

- (a) Neither its execution of, nor its exercise of, its rights or performance of its obligations under this Agreement does or will;
 - i. Contravene any applicable law to which the MSF Buyer are subject;
 - ii. Contravene any undertaking or instrument binding on the MSF Buyer;
 - iii. Required the MSF Buyer to make any payment or delivery in respect of any Financial Indebtedness before the scheduled date of that payment or delivery; or

- iv. Cause any limited on the power of the MSF Buyer to incur Financial Indebtedness to be exceeded;
- (b) All requisite corporate and regulatory approvals required to be obtained by the MSF Buyer in order to enter into the agreement are in full force and effect and such approval permit the MSF Buyer, inter alia, to obtain financial facilities under this agreement and perform its obligations hereunder and that the execution of the Agreement by the Finance;
- (c) No material litigation, arbitration or administrative proceeding is pending or threatened against the MSF Buyer or any of its assets;
- (d) It shall inform the MSF Seller within business days of an event or happening which may have an adverse effect on the financial position of the MSF Buyer, whether such an event is recorded in the financial statements or not as per applicable international accounting standards where applicable;
- (e) No extraordinary circumstances and no change of law has occurred which would make it impossible for it to carry on its business or fulfill its obligations under this agreement;
- (f) No order or passing of resolution for the winding up of the MSF Buyer has been made or is likely to be made;
- (g) There are no judicial and enforcement proceedings taken against the MSF Buyer which may, singly or cumulatively result in a significant of the value of its assets;
- (h) There is no governmental measure or decision, whether general moratorium or individual decision or any other event whatsoever which has or will have material adverse effect on the MSF Buyer or its assets;
- (i) No process has been invoked by any court or authority against the MSF Buyer or any of its asset;
- (j) The security created and /or furnished by the MSF Buyer to the MSF Seller or any other Security furnished by the MSF Buyer to the MSF Seller under or pursuant to this agreement has not deteriorated in quality or has become inadequate;
- (k) No amount whatsoever is declared to be due and payable or has become capable of being declared due and payable in respect of any Financial Indebtedness of the MSF Buyer before the stated maturity of that Financial Indebtedness;
- (l) In the event of an occurrence of an Event of Default, the MSF Seller shall have the right to initiate any legal proceedings it deems fit, in the MSF Buyers name and at the MSF Buyers cost and expense. The MSF Buyer agrees to indemnify the MSF Seller against all losses, damages and expenses that it may suffer, sustain or incur in this regard;
- (m) it shall inform the MSF Seller of any Event of Default or any event, which with the giving of notice or lapse of time or both would constitute an Event of Default forthwith upon becoming aware thereof;
- (n) it shall provide to the MSF Seller, upon written request, copies of all contracts, agreements and documentation relating to the purchase of the Goods;
- (o) the MSF Buyer shall provide to the MSF Seller fresh MSF Collateral if the security provided to the MSF Seller at any time ceases to be an effective security in the sole

opinion of the MSF Seller and failure to do so on the part of the MSF Buyer shall constitute an Event of Default hereunder. All costs and expenses incurred in creating and registering such a fresh MSF Collateral shall be borne by the MSF Buyer;

- (p) the MSF Buyer has not defaulted in respect of any payment obligation (whether relating to loan, finance or otherwise) or any other type of obligation owed to any MSF Seller or financial institution and that the MSF Buyer has not defaulted in payment of any taxes or other dues owed to the Government or local authority; and
- (q) it shall forthwith inform the MSF Seller of:
 - i. any event or factor, any litigation or proceedings pending or threatened against the MSF Buyer which could materially and adversely affect or be likely to materially and adversely affect: (a) the financial condition of the MSF Buyer; (b) business or operations of the MSF Buyer; and (c) the MSF Buyers ability to meet its obligations when due under any of the agreement;
 - ii. any actual or proposed termination, rescission, discharge (otherwise than by performance), amendment or waiver or indulgence under any material provision of any of the agreement; and

8.2 The MSF Buyer acknowledges that the MSF Seller has entered into this agreement in reliance on the representations and warranties contained in this Clause 8.

9. EVENTS OF DEFAULT AND TERMINATION

9.1 There shall be an Event of Default and Termination if in the opinion of the MSF Seller:

- (a) The MSF Buyer fails to pay any sum payable by its under this agreement when due; or admits its inability to pay any sum payable by it under this agreement as they fall due; or
- (b) Any representation or warranty or undertaking or covenant made or deemed to be made or repeated by the MSF Buyer in or pursuant to the agreement or in any document delivered under this agreement is found to be incorrect in any material respect; or
- (c) The MSF Buyer defaults in the due and punctual performance of any other provision of this agreement and (if such default is in the opinion of the MSF Seller capable of remedy) such default shall not have been remedied within [] days of the MSF Seller notifying the MSF Buyer of such default; or
- (d) The MSF Buyer stops or suspends payment of its debts generally or is unable or admits inability to pay its debts as they fall due or proposes or enters into any composition or other arrangement for the benefit of its creditors generally or proceedings are commenced in relation to the MSF Buyer under any law, regulation or procedure relating to reconstruction or readjustment of debts; or

- (e) Proceedings are commenced for the winding-up (whether compulsory or voluntary) of the MSF Buyer or the alteration of the structure, power, authority and functions of the MSF Buyer or if the implementation and compliance with any terms and conditions of this agreement are rendered impossible or illegal; or
- (f) Any event occurs or proceedings are taken with respect to the MSF Buyer in any jurisdiction to which it is subject, which has an effect equivalent or similar to any of the events mentioned herein; or
- (g) The MSF Collateral furnished by the MSF Buyer to the MSF Seller under Clause 4 above deteriorates in quality or becomes inadequate in the reasonable opinion of the MSF Seller; or
- (h) Any MSF Collateral executed or furnished by the MSF Buyer under Clause 4 above for any reason whatsoever ceases to be in full force and effect or is declared to be void or is repudiated.

9.2 Notwithstanding anything contained herein, the MSF Seller may without prejudice to any of its other rights, at any time after the happening of an Event of Default, by notice to the MSF Buyer declare that its obligations hereunder are immediately terminated.

9.3 The MSF Buyer shall pay the said amount to the MSF Seller within [] Business Days after the receipt of such notice. If the MSF Buyer fails to pay the outstanding amount along with any other payment (costs, expenses, charity payment etc) within [] Business Days from the date of the receipt by the MSF Buyer of such notice from the MSF Seller

10 GENERAL

10.1 The Parties unconditionally and irrevocably agree that the only obligation of the NCCPL with regard to the facilitate settlement and MSF contracts in accordance with NCCPL Regulations, 2015. The Parties acknowledge and confirm that NCCPL shall not be responsible for:

- i. the title, ownership, genuineness, regularity or validity of any security or any other documents or instrument pledged with or held by the Parties under this agreement;
- ii. the execution, genuineness, validity, enforceability or sufficiency of any agreement or any other document relating thereto;
- iii. the collectability of amounts payable in respect of MSF;
- iv. the financial condition of Parties to this agreement;
- v. the performance and observance by Parties of their obligations under the agreements or any other documents executed between them in respect of MSF; or

- vi. In the event of fraud, negligence or default by any parties to the agreement, neither the Company nor any of its officers, employees shall be liable to any party of this agreement for any loss suffered to any party arising out of any act or omission in relation to MSF.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement on the day and year above written.

For: MSF Buyer	For: MSF Seller	For: Agent
Mr. _____	Mr. _____	Mr. _____

Witnesses:	Witnesses:	Witnesses:
3. _____	1. _____	1. _____
NIC# _____	NIC# _____	NIC# _____
Name: _____	Name: _____	Name: _____
2. _____	2. _____	2. _____
NIC# _____	NIC# _____	NIC# _____
Name: _____	Name: _____	Name: _____

Agency Agreement for MSF
“Between Customer and Securities Broker”

THIS AGENCY AGREEMENT (this “Agreement”) is made at **city and date**
BY AND BETWEEN

MSF Eligible Securities Broker Name, having its registered office at **address**, (hereinafter referred to as the “Agent” which expression shall where the context so permits mean and include its successors in interest and permitted assigns) of the One Part;

And

Customer Name, and address, (hereinafter referred to as the “MSF Buyer” which expression shall where the context so permits mean and include its successors in interest and permitted assigns) **of the Other Part.**

(The Agent and the MSF Buyer are hereinafter individually referred to as a “**Party**” and collectively as the “**Parties**”).

WHEREAS pursuant to the Master Murabaha Agreement (the MMA) **dated**, executed between **Agent Name, MSF Buyer Name, and MSF Seller Name** whereby, **MSF Buyer name** appoints **Agent name** to acquire the Eligible MSF Eligible Securities from the MSF Seller as the MSF Buyer may request from time to time in terms of MMA

MSF Seller Name, (in the capacity of the MSF Seller) has agreed to execute Murabaha Share Financing “MSF” Transaction, from time to time, on Murabaha Share Financing “MSF” basis, subject to the terms and conditions set out in the MMA;

AND WHEREAS the Agent has represented to the MSF Buyer that the Agent has the necessary infrastructure, knew how and expertise to undertake and expedite the assignment to execute MSF Transaction as its Agent;

NOW THEREFORE THIS AGREEMENT WITNESSETH AS FOLLOWS:

1. Capitalized terms used herein, unless otherwise defined, shall have the same meaning as ascribed to them in the MMA.
2. The MSF Buyer hereby appoints the Agent and the Agent hereby agrees to such appointment, to perform all necessary functions from time to time in accordance with the terms and conditions of MMA and NCCPL Regulations
3. The Agent on behalf of MSF Buyer, shall make payment/receive of the funds to/from NCCPL and/or MSF Seller in accordance with the terms and conditions of MMA and NCCPL Regulations.
4. The Agent shall provide necessary information to the MSF Buyer in accordance with the terms and conditions of MMA and NCCPL Regulations.
5. The Agent shall provide the MSF Buyer upon the MSF Buyer’s written request with copies of all documentation pertaining to MSF Transaction and any other information associated with MSF.

6. The Agent shall undertake MSF Buyer any loss or damage occurring to the MSF Eligible Securities due to any contravention of any of the terms of this Agreement by the Agent shall be borne by the Agent.
7. The MSF Buyer shall have the authority to revoke this Agreement and the Agent's appointment as the MSF Buyer's agent hereunder at any time, without assigning any reason thereof.
8. The MSF Buyer shall pay applicable fee as agreed in terms of MMA to the Agent as the MSF Buyer's Agent.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed on the date and year first aforementioned.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement on the day and year above written.

For: Agent

For: MSF Buyer

Mr. _____

Mr. _____

Witnesses:

Witnesses:

4. _____

1. _____

NIC# _____

NIC# _____

Name: _____

Name: _____

2. _____

2. _____

NIC# _____

NIC# _____

Name: _____

Name: _____

Agency Agreement for MSF
“Between Financial Institution and Securities Broker”

THIS AGENCY AGREEMENT (this “Agreement”) is made at **city and date**

BY AND BETWEEN

MSF Eligible Securities Broker Name, having its registered office at **address**, (hereinafter referred to as the “Agent” which expression shall where the context so permits mean and include its successors in interest and permitted assigns) of the One Part;

And

IFI Name, constitution and address, (hereinafter referred to as the “MSF Seller” which expression shall where the context so permits mean and include its successors in interest and permitted assigns) **of the Other Part.**

(The Agent and the MSF Seller are hereinafter individually referred to as a “**Party**” and collectively as the “**Parties**”).

WHEREAS pursuant to the Master Murabaha Agreement (the MMA) **dated**, executed between **Agent Name**, and **MSF Seller Name**, whereby, **MSF Eligible Securities Brokers Name**, (in the capacity of the MSF Buyer) has agreed to purchase the MSF Eligible Securities, from time to time, on Murabaha Share Financing “MSF” basis, subject to the terms and conditions set out in the MMA;

AND WHEREAS the MSF Seller is desirous of purchasing the MSF Eligible Securities, from time to time, from the ready market (as defined in the MMA);

AND WHEREAS the Agent has represented to the MSF Seller that the Agent has the necessary infrastructure, knew how and expertise to undertake and expedite the assignment of purchasing the MSF Eligible Securities from ready market;

AND WHEREAS based on such representations of the Agent, the MSF Seller has agreed to appoint the Agent as agent for purchase of the MSF Eligible Securities, from time to time, from the ready market in terms of this Agreement.

NOW THEREFORE THIS AGREEMENT WITNESSETH AS FOLLOWS:

1. Capitalized terms used herein, unless otherwise defined, shall have the same meaning as ascribed to them in the MMA.
2. The MSF Seller hereby appoints the Agent and the Agent hereby agrees to such appointment, to purchase the MSF Eligible Securities from the ready market from time to time
3. The MSF Seller shall make payment of the funds to NCCPL, and comply with all applicable requirements in accordance with the terms and conditions of MMA and NCCPL Regulations.
4. Immediately after the purchase of desired MSF Eligible Securities in ready market, the Agent shall provide information to the MSF Seller in accordance with the terms and conditions of MMA and NCCPL Regulations

MSF Agreement
“Between MFS Seller and MSF Buyer”

To:
(MSF Seller)

Dear Sirs,

- 1) Please refer to the Murabahah Master Agreement (MMA) dated ____ between ourselves and yourselves;
- 2) We hereby request you to purchase the MSF Eligible Securities as per the clause 7E.2.4 of NCCPL Regulations and as per the provision of the MMA as per the MSF Transactions executed through MSF System
- 3) We understand that we shall acquire the MSF Eligible Securities from you on the basis of MSF as per the MSF Contract Period after your acquisition of the MSF Eligible Securities. In case we fail to purchase the MSF Eligible Securities from you, we undertake to compensate you for loss as per the clause 9. Events of Default and Termination of MMA.
- 4) We undertake to pay you for MSF Transaction Cost Price acquisition of MSF Eligible Securities as per the clauses stipulated in MMA and NCCPL Regulations.
- 5) All terms defined in the MMA and NCCPL Regulations bear the same meanings herein.
- 6) All the term and conditions of the MMA shall form an integral part of this Requisition.
- 7) All representations and warranties contained in the MMA and NCCPL Regulations are correct and true as at this date

Yours faithfully,
(NAME OF MSF BUYER)

Authorized Signatory