



Pronouncement of Meethaq's Fatwa and Sharia Supervisory Board

In the name of Allah, the Most Gracious, the Most Merciful. All praise is due to Allah, the Cherisher of the world

Peace and blessings be upon the Prophet of Allah, on his family and all his companions

The Diminishing Musharaka Product's Sharia Certificate

Meethaq's Fatwa and Sharia Supervisory Board (the "FSSB") has reviewed the structure, mechanism and documents of the above product as stated herein below and announces the following:

Structure, Mechanism and Documents

Diminishing Musharaka Agreement

Meethaq will enter into a Diminishing Musharaka Agreement, hereinafter referred to as (the "DM") with the Customer, whereby, Meethaq and the customer shall acquire an asset jointly, in accordance with *Sharikat-ul-milk* tenets. Each party shall contribute into the Musharaka asset with a certain percentage.

Meethaq and the customer's common shares towards the Musharaka asset shall be reflected and divided into the Musharaka Units. And shall be set out in an Annexure annexed to the Musharaka Agreement.

Meethaq shall assign the customer the right to purchase the asset from the Seller, and shall be responsible to ensure the specifications and all matters relating to the asset are duly met. Whereupon, Meethaq may credit its share's value in the asset to the Musharaka account to be availed by the customer to purchase the asset.

Moreover, the customer may register the asset's title under his/her name as a Managing Partner, alongwith his/her responsibilities in procuring the structural maintenance, handling insurance and paying any required levy or taxes.

Further, any revamps or additions to the asset shall be done under the customer's supervision and responsibility.

The customer shall incrementally acquire parts of Meethaq's Musharka Units from time to time at the face value. Accordingly, at the maturity of the DM, the title of Meethaq's share in the asset shall transfer to the customer, thereupon; the customer shall be deemed the owner of the asset solely.

Monthly Rental Payment Agreement

The customer shall lease Meethaq's Musharaka share against certain Rentals payments; consequently, the customer shall occupy and use the entire Musharaka' asset.

Purchase Undertaking

By virtue of the Monthly Rental Payment Agreement, the customer shall pay monthly rental payments to Meethaq according to the Payments Schedule annexed to the Monthly Rental Payment Agreement. Meethaq and the customer however, may from time to time amend the Rental Payments in light of a certain benchmark as agreed upon between the two parties.

The customer issues a unilateral Purchase Undertaking addressed to Meethaq, under which it undertakes to purchase Meethaq's share/remaining share upon:

- Occurrence an Event of Default; or
- Receiving a Notice of Termination from Meethaq pursuant to the Purchase Undertaking.

Sharia Approval:

The Fatwa and Sharia Supervisory Board of Meethaq is of the view that, after reviewing the structure, mechanism and documents of the DM as set out above, are in line with Sharia principles and precepts, and the FSSB hereby approves the above product. And Allah knows best.

Sheikh Dr. Ali Qaradaghi (Chairman)

Shiekh Essam Muhammad Ishaq (Member)

Shiekh Dr. Majid Al Kindi (Member)

