



29th June 2016

Siraj Finance
P.O.Box 63622
Abu Dhabi
United Arab Emirates

Kind Attention: Mr. Ahmed Bin Khalaf Al Otaiba

Dear Mr. Otaiba,

Re: Labor Guarantee with Corporate Wakala Deposit Product

This Fatwa is being issued with regards to the Labor Guarantee with Corporate Wakala Deposit Product (the **Relevant Product**).

In relation to the Relevant Product, the following documents are envisaged (the **Transaction Documents**):

- Application Form
- Corporate Wakala Deposit Form in relation to Labor Guarantee
- Siraj Finance Terms & Conditions for Corporate Wakala Deposits in relation to Labor Guarantee

Under the Relevant Product, the following process flow is adopted:

1. Procedure for Issuance of Labor Guarantee:

Siraj Finance will issue Labor Guarantee at the request of its customer free of charge to cover the "unpaid dues, repatriation & related expenses" of named employee(s) in favour of Ministry of Labor (Beneficiary) undertaking to pay the sum Guaranteed on claim.

2. Procedure for utilizing the Labour Guarantee deposit as Wakala Deposit.

- a) Subject to approval conditions, the Customer shall duly execute a Corporate Wakala Deposit Form in relation to Siraj Finance Labour Guarantee and deposit the Cash Margin Account in full Customer as a cover against issuance of Labour Guarantee (the **Cash Margin**).
- b) The Cash Margin will be deposited by the Customer into a Cash Margin Account held by the Customer with Siraj Finance (the **Cash Margin Account**) and will be invested on Wakala basis.
- c) Liability of the Customer (Muwakkil or Principal) is only to the extent of the deposit /

investment. This is because Siraj Finance (Wakil or Agent) accepts the capital under Wakala investment basis.

- d) The Cash Margin deposited by the Customer into the Cash Margin Account (the Investment Amount), will be treated as Wakala capital and shall be invested in the Wakala pool on an unrestricted Wakala basis in accordance to the Principles of Sharia (the **Wakala**) with predetermined tier classes in accordance with the relevant anticipated profit grid (as highlighted in the relevant Corporate Wakala Deposit Form) subject to actual realization.
- e) The profits will then be calculated based on the actual performance of the Investment Amount - i.e. net Wakala profit after all costs before distribution.
- f) Siraj Finance shall not be liable or responsible to the Customer for any risks or actual losses in relation to the Investment Amount (including its performance) except those risks and actual losses (not to include any opportunity costs or funding costs) resulting from the Siraj Finance's wilful misconduct or gross negligence or breach of its obligation with respect to the Wakala.

We hereby confirm that we have reviewed the Transaction Documents for the Relevant Product and find the same to be in accordance with the principles of Sharia.

Allaho A'alam.

Yours truly,

A handwritten signature in blue ink, appearing to read 'Hassan', with a long horizontal stroke extending to the right.

Dr. Hussain Hamid Hassan, Chairman, Sharia Committee