

Fatwa: Forward Lease (Corporate)
(Ijara Mawsoufa Bi-Thimmah)

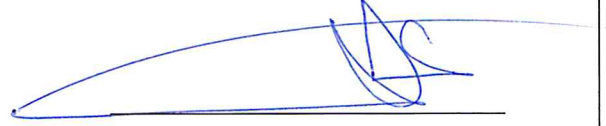
Sharia Supervisory Board at Bank Nizwa reviewed the Forward Lease Product Program and its documents comprehensively, and established the following major execution steps:

- In response to client request, the Bank finances construction cost by means of a construction contract with the contractor, as per specifications requested by client, and delivery date;
- Bank as owner of the construction project, leases the property under construction to the client by means of a Forward Lease Agreement;
- Client, as lessee, pays rental payments agreed with the Bank as per the Forward Lease Agreement and on account of the lease;
- Bank as owner of the property, is liable for major maintenance of the property as described, and property insurance (Takaful), and may assign the client as the service agent to execute these services on behalf of the Bank and to its account;
- Upon completion of construction, and with approval from client, the bank may abrogate the Forward Lease Agreement and conclude a Lease to Own Agreement whereby the Bank remains liable for major maintenance and property insurance;
- Upon termination of the lease, the Bank transfers title of ownership of the property to the client on conditional gift basis subject to payment of all rental payments.

The Sharia Supervisory Board confirms and declares that the Forward Lease Product Program in compliance with Sharia principles and rules as issued by the Sharia Supervisory Board at the bank and Auditing and Accounting Organization for Islamic Financial institutions (AAOIFI), specifically Sharia standard number (09) on Lease (Ijara), and Sharia Standard number (11) on Manufacturing (Istisna), and Accounting Standards number (01) on General Disclosure, and other related Sharia and Accounting standards, and with applicable regulations in the Sultanate of Oman.

The Sharia Supervisory Board recommends obedience to Allah, and sincere intentions in privacy and public, and adhere to best practices to the good of society; and Allah is All-knowledgeable.

Dr. Abdul-Sattar Abou-Ghuddah
Chairman of Sharia Supervisory Board



Dr. Sheikh Muhammad Bin Rashed Al-Gharbi
Member of Sharia Supervisory Board



Sheikh Ibrahim Bin Naser Al-Sawwafi
Member of Sharia Supervisory Board



Muscat, 06th of Safar, 1437H; equivalent to November 18, 2015.