



The Shari'a Committee Report

Shari'a Committee's report to the shareholders of Eqrax INC. on the state of compliance with Shariah standards and guidelines during the year ended 30 September 2023

1. Introduction

Praise be to Allah, Lord of the worlds, and peace and blessings be upon Mohammed, the leader of Prophets and Messengers, and upon his family and Companions, and upon those who follow his Guidance Until the Day of Judgment.

We, collectively, having been appointed as the Shari'a Committee ("SC") of Eqrax INC. (the "Company"). We have fulfilled our responsibilities in respect of ensuring the Company's compliance with Shari'a standards and guidelines approved by us and are pleased to issue this report.

2. Opinion

Primary Opinion

Based on our (i) oversight and supervision of the Company's affairs related to Shari'a compliance, and (ii) a period-specific review of the activities performed, we report that in our opinion, the Company's financial arrangements, contracts and transactions with its customers, other financial companies and stakeholders for the year ended 30 September 2023 are in compliance with Shari'a standards and guidelines approved by us.

Additional Opinions

- a. Convening four meetings during the year.
- b. Issuing fatwas, resolutions and opinions on matters presented to the SC in relation to the Company's activities.
- c. It has been verified that the non-permissible income earned by the company during the period have been clearly accounted for, and have been disbursed or will be disbursed within the next 12 months to charitable purposes and entities in line with the applicable policies approved by the SC.
- d. The company's zakat calculation details have been reviewed.
- e. Ascertaining the level of compliance of distribution of profits between holders of investment accounts and shareholders with parameters set by the SC.

- f. Approving corrective and preventive measures related to identified incidents to preclude their reoccurrence in the future.
- g. Communicating with the senior management of the Company (as needed) concerning compliance of the Company with Shari'a principles and rulings.

3. Our Responsibilities

Our responsibilities in respect of the Company's compliance with Shari'a standards and guidelines include providing supervision, Shari'a rulings on the products, services and operations of the Company, particularly regarding the design of the transactions (including approval of contracts, related documents, process flows, etc.). We are also responsible for supervising and providing our input where needed about the execution of such transactions and implementation of our decisions. We are also required to perform a period-specific review of the state of compliance of the Company with Shari'a standards and guidelines.

4. Shari'a Standards and Guidelines as Applicable to the Company

The Shari'a Standards and Guidelines contained herein sets out as at today's date certain matters of Sharia compliance as adopted and interpreted by us for the year ended 30 September 2023, and defined for the purposes of this report (in no particular order) as follows:

- a) the Shari'a standards issued by the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI) and Shari'a-related requirements of the applicable financial accounting standards issued by AAOIFI;
- b) the regulatory Shari'a requirements;
- c) Shari'a rulings of the institution's SC.

5. SC's Independence and Ethical Considerations

We confirm that we have complied with all ethical and independence requirements, as applicable to us, during the period of the report, until the date of issuance of this report. These requirements include those specified in [IFSB-AAOIFI RSGF/AAOIFI GS 1 and 5] and AAOIFI Code of Ethics for Islamic Finance Professionals.

6. The Responsibilities of the Management and the Board of Directors

The Responsibilities of the Board

The board of directors (the "Board") of the Company has an oversight responsibility to ensure that an effective and robust Shari'a compliance environment and culture exists at the company. The Board is responsible for the establishment of a good governance and control framework for the Company and the development of a strategy for compliance with Shari'a standards and guidelines, and for oversight of the management in implementing the same and in achieving the desired objectives.

Responsibilities of the Management

Management has the responsibility to implement the Shari’ah governance framework and to ensure that Shari’a compliance is embedded in the day-to-day functioning of the company. The management is responsible for ensuring that the financial arrangements, contracts, and transactions having Shari’a implications, entered into by the company with its customers and other stakeholders and related policies and procedures, are, in substance and in their legal form, in compliance with the requirements of Shari’a standards and guidelines. Management is also responsible for the design, implementation and maintenance of appropriate internal control procedures with respect to compliance and maintenance of relevant accounting records.

7. Report Approval and Authentication

This report is duly approved and signed by all the members of the SC, as follows.

We beg Allah the Almighty to keep us on the right path and to grant us success.

Name	Designation	Signature
<i>Sheikh Dr. Irshad Aijaz</i>	Chairman of Committee	
<i>Sheikh Faraz Adam</i>	Member of Committee	
<i>Sheikh Dr. Salah Al-Shalhoob</i>	Member of Committee	
<i>Sheikh Muhammad Ahmad</i>	Member of Committee	

