

Internal Shari`ah Supervisory Committee Report To the AGM For the Year 2019

All praise be to Allah, Lord of the worlds, and Prayer and Peace be upon the Prophet Muhammad, his family and the companions.

To the Shareholders of Mawarid Finance PJSC

Assalam Alaikum Wa Rahmatullahe Wa Barakatuh

In compliance with article (80) of Decretal Federal Law No. (14) of 2019 Regarding the Central Bank & Organization of Financial Institutions and Activities, and article 34 of the Articles of Association of the Company, we are submitting the following report:

We have reviewed the principles on which the Company's activities are based upon, the financial results of the Company, its investments and other activities that are related to the Company's activities in order to form an opinion as to whether or not Mawarid Finance PJSC has complied with Shari`ah Rules and Principles in light of the specific fatwas, rulings and guidelines issued by us during the period ended 31st December 2019.

The responsibility of ensuring that the Company conducts its business in accordance with Shari`ah Rules and Principles lies with Mawarid Finance PJSC's management. Hence, the management is responsible for the activities and business of the Company and responsible for ensuring its implementation is in accordance with the basic principles of the Company which is to fully comply with the rules and principles of Shari`ah, whereas our responsibilities are only to form an independent opinion based on our review of the operations of Mawarid Finance PJSC, and to report to you.

We have conducted 3 Shari`ah board meeting during 2019 in order to conduct our review which included examining the financial results of the Company through our review of the Company's balance sheet and income statement. We have reviewed deposits of the Company in financial institutions as well as the investments of the Company and they were found to be all in Islamic banks and Shari`ah Compliant investments and portfolios. We have also reviewed the transactions of the Company within the period ending 31st December 2019 and we have confirmed those which are in compliance with Shari`ah and we have requested transactions which are not to be amended according to the Shari`ah requirements.



We have also provided the company with Shari`ah compliant answers , as internal Shari`ah supervisory committee (ISSC) opinion, on all inquiries, either by meeting, by e-mail, or by direct telephone.

We have requested the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that Mawarid Finance PJSC in its various activities and businesses has overall not violated Shari`ah Rules and Principles.

The Internal Shari`ah Supervisory Committee (ISSC) and Shari`ah Department facilitated physical trainings for employees, spreading awareness and culture of legitimacy for the company's products and directing the company attention to this aspect.

Hence, we opine that:

The Company in its various activities, investments, deposits and businesses during the period ending 31st December 2019 has complied with Shari`ah Rules and Principles. There are certain operational Shari`ah issues that we have found in the operations of the Company and we have requested them to be rectified in which the Company has undertaken to rectify them;

Since the obligation to pay Zakat is the responsibility of the shareholders, the ISSC hereby announces that as per AAOIFI standers, no Zakat due on MF shares for the year 2019.

The Internal Sharia Committee instructs to conduct a Sharia audit assignment for subsidiaries (where Mawarid Finance Company holds the majority share in it) and providing us with the results.

The committee asserts that the use of any document, agreement, contract or engagement in any investment or activities must first be approved by the committee in order to ensure that it is in compliance with Shari`ah and this is as mentioned in the Memorandum and Articles of Association of the Company;

The Committee emphasizes the importance of commitment of Shri`ah instructions for the defaulters customers in order to avoid any mistakes that may lead to nullity of the transaction. The Committee also highlights the importance of training employees to raise their knowledge skills in the Shari`ah aspects of transactions.

We confirm here the commitment of the internal Shari`a Supervisory Committee to the Higher Shari`ah Authority Decision No. 18/3/2019 regarding the adoption of the Shari`a standards issued by the Accounting and Auditing Organization for Islamic Financial



Institutions (AAOIFI). And we confirm that all products and activities, as far as we know, are comply with AAOIFI Shari`ah standers.

The committee hereby issues this report and praises the Company's noble effort in complying with the rules and principles of Islamic Shari`ah in order to attain the blessings from Allah, and the committee prays to Allah that this effort will lead to attaining His blessings in wealth and deeds.

Blessings and peace be upon the Prophet Muhammad, his family and the companions and we end by praising Allah Lord of the worlds.

Internal Shari`ah Supervisory Committee

**Sheikh Dr. Nizam Mohammed
Saleh Yaqoubi**

Chairman

**Sheikh Prof. Muhammad
Abdul Rahim Sultan Al Olama**

Vice Chairman

12/1
2018/5/5

**Sheikh Dr. Ahmed AbdulAziz
AlHaddad**

Member