

Policy on Treatment and Purification of Shariah Non-Compliant Income

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1. Purpose

This Policy sets out the principles for the identification, treatment, dissemination and purification of any Shariah non compliant income arising from the operations of the Taurus - Islamic Brokerage Window. The objective is to make certain that such income is handled transparently and in full compliance with Shariah principles, without creating any form of benefit for the Taurus Securities Limited or its Islamic clients.

2. Scope

This Policy emphasizes to:

- Any Shariah non compliant income identified at the level of the Taurus Securities Limited in relation to the Islamic Brokerage Window; and
- The purification of dividend income received by clients investing through the Taurus - Islamic Brokerage Window; and
- The treatment and divestment of securities that are subsequently classified as Shariah non compliant by the Shariah Advisor.

3. Shariah Principles

- Any income identified as Shariah non compliant is impermissible for retention and must be purified.
- Purification shall be carried out through donations to charitable organizations approved by the Shariah Advisor.
- Charity serves as a means of purification and shall not be used for commercial, reputational, marketing, or corporate social responsibility purposes.
- All matters relating to identification, calculation, treatment, and disbursement of Shariah non compliant income shall be subject to the guidance, supervision, and approval of the Shariah Advisor.

4. Treatment of Dividend Related Shariah Non Compliant Income

From time to time, companies in which Taurus - Islamic Window clients invest may earn a minor portion of income from activities that are not fully Shariah compliant.

As a result, a portion of the dividends distributed by such companies may require purification from the client's end.

- The Shariah Advisor shall determine and issue the applicable dividend purification rates for relevant companies on the request of the Taurus Securities Limited. The calculation of purification rate shall be done in the following manner:

$$\text{Shariah non compliant Income} * (1 - \text{Tax rate}) \div \text{Operating Profit}$$

- The Taurus Securities Limited shall, on a quarterly basis, provide Islamic Window clients with a list of companies that have declared dividends during the relevant quarter, together with their applicable purification rates, for disclosure and guidance purposes.
- The responsibility to purify the Shariah non compliant portion of dividend income, in accordance with the notified purification rates, shall rest entirely with the client.
- The Taurus Securities Limited shall facilitate disclosure and information only through applicable means and shall not be responsible for executing purification on behalf of clients.
- The Taurus Securities Limited shall make the list available on its website in a timely manner and, where required, may also disseminate the information through other appropriate communication channels, as deemed fit.

5. Treatment of Shariah Non Compliant Income earned by the Islamic Window of the Taurus Securities Limited.

Any Shariah non compliant income earned by the Islamic window of the Taurus Securities Limited including but not limited to interest income on bank balances or brokerage income arising from Shariah non compliant transactions and etc, shall be treated as follows:

- A separate and dedicated bank account shall be maintained exclusively for holding charity amounts.
- Identified Shariah non compliant amounts shall be transferred to the charity account without undue delay.
- Charity amounts shall be disbursed within a maximum period of ninety (90) days from the date of transfer, unless otherwise approved by the Shariah Advisor due to exceptional circumstances.
- Purification amounts shall only be disbursed to charitable organizations approved by the Shariah Advisor. Any deviation shall require prior written approval of the Shariah Advisor.
- Purification amounts shall not be disbursed to any individual, unregistered organization, or any entity that constitutes a related party of the Taurus Securities Limited, the Shariah Advisor, or their respective employees or sponsors.
- No direct or indirect benefit, including CSR recognition or marketing advantage, shall be obtained from the disbursement of purification amounts.

6. Treatment of Shariah Non Compliant Securities and Divestment

If any security purchased through the Taurus - Islamic Brokerage Window is subsequently classified as Shariah non compliant based on the determination of the Shariah Advisor:

- Affected clients shall be informed promptly by the Taurus Securities Limited through applicable means.
- Clients shall be required to divest such securities within the prescribed time approved by the Shariah Advisor from the date of the Shariah Advisor's determination. The current time period allowed for divestments is three (3) months with the advice of quick divestment if the security is profitable.
- If divestment is not carried out within the permitted period, clients shall be required to transfer the security out of the Islamic Brokerage Window sub-account maintained with the Central Depository Company (CDC). Where necessary, the Taurus Securities Limited reserves the right to liquidate the security in accordance with applicable regulations.
- Any dividends received by the client during the permitted divestment period shall be purified by the client using the applicable purification rates provided by the Shariah Advisor.
- Retention of a Shariah non compliant security beyond the permitted period shall require prior written approval from the Shariah Advisor. (If applicable)
- Any capital gains earned after the divestment deadline shall not be treated as permissible income and shall be donated to charity by the client, at their discretion, as a means of purification.

7. Policy Review Document

This Policy shall be reviewed at least annually or earlier if required due to changes in applicable laws, regulations, Shariah standards or directives of the Shariah Advisor.

ANNEXURE – INTERNAL APPROVAL**Declaration**

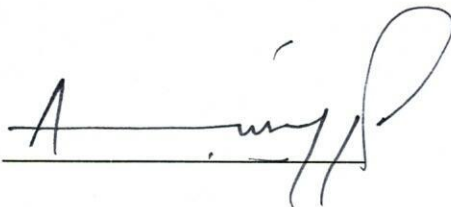
This Policy has been reviewed and approved internally by the Management of Taurus Securities Limited for implementation. The Policy shall be presented to the Board of Directors for formal approval at the next Board Meeting.

Pending such approval, this Policy shall remain effective under the authority of the Management.

Signed By:

Chief Compliance Officer
Taurus Securities Limited

Signature: _____



Date: 29-6-26