

نَادِي الْقِرَاضِ الْإِسْتِثْمَارِي

QIRĀD INVESTMENT CLUB

FOUNDING CONSTITUTION OF A VOLUNTARY ASSOCIATION

*Established in the Republic of South Africa
Governed by Mālikī jurisprudence and South African law*

Version 1.0 | [DATE OF ADOPTION]
qirad.co.za | info@qirad.co.za

PREAMBLE

In the name of Allah, the Most Gracious, the Most Merciful.

The members of the Qirād Investment Club ("the Club") come together in the spirit of mutual trust (amāna), shared endeavour, and the pursuit of lawful sustenance (rizq ḥalāl). We recognise that contemporary financial systems have created structures that separate capital from meaningful risk, reward from genuine effort, and commerce from social purpose. We seek to restore the ancient covenant of qirād — the partnership contract practised by the Companions of the Prophet ﷺ and validated by fourteen centuries of Islamic jurisprudence — as a living, enforceable, and socially responsible alternative.

The Club is constituted as a voluntary association under South African law, drawing on the Roman-Dutch foundations of South Africa's private law — in particular the doctrines of bona fides (good faith), societas (partnership), and condictio (unjust enrichment) — which resonate naturally with the ethical architecture of the classical qirād contract. The Constitution of the Republic of South Africa, 1996, and its transformative values of equality, dignity, and justice, provide the supreme legal framework within which this association operates.

We commit ourselves to the following principles: the absolute prohibition of ribā (interest) in all its forms; genuine risk-sharing between capital providers and entrepreneurs; full transparency in all financial dealings; the exclusion of investments that cause social harm; and the resolution of disputes through reconciliation before litigation. All investments made by the Club shall be certified as Sharī'ah-compliant by our independent Sharī'ah Supervisory Board before capital is deployed.

This Constitution is adopted freely, with full knowledge of its obligations, by the founding members whose signatures appear at the end of this document.

SECTION 1 — DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Constitution, unless the context otherwise requires, the following expressions bear the meanings assigned to them:

"the Club"	The Qirād Investment Club, a voluntary association constituted under this Constitution.
"Qirād" / "Muḍārabah"	The classical Islamic partnership contract in which one party (the rabb al-māl) provides capital and another party (the muḍārib) provides skill, labour, and management, with profits shared at a pre-agreed ratio and losses borne by the capital provider unless caused by the negligence or transgression of the muḍārib.
"Rabb al-Māl"	A capital provider; a Club member who contributes funds to a qirād investment.
"Muḍārib"	An entrepreneur or operating partner who contributes expertise and management to a qirād investment in exchange for a share of the profits.
"Sharī'ah Board"	The independent Sharī'ah Supervisory Board constituted under Section 8 of this Constitution.
"Investment Committee"	The committee constituted under Section 7 of this Constitution.
"General Committee"	The executive committee of the Club constituted under Section 6 of this Constitution.
"General Meeting"	Any meeting of the full membership of the Club, whether an Annual General Meeting or Special General Meeting.
"AGM"	The Annual General Meeting of the Club held in accordance with Section 10.
"Ribā"	Interest in any form, whether explicit or disguised, the receipt or payment of which is absolutely prohibited under this Constitution.
"Ta'addī"	Transgression: the deliberate or reckless departure by the muḍārib from the scope of authority granted under the qirād agreement.
"Taqṣīr"	Negligence: the failure of the muḍārib to exercise the standard of care required under the qirād agreement, equivalent to culpa in Roman-Dutch law.
"Fatwa"	A formal written ruling issued by the Sharī'ah Board on a matter of Islamic jurisprudence.
"Amāna"	Sacred trust; the fiduciary obligation of all parties to act with complete honesty, loyalty, and transparency.
"Halāl"	Permissible under Islamic law.
"Harām"	Prohibited under Islamic law.
"Sulḥ"	A structured reconciliation process; the mandatory first step in dispute resolution under this Constitution.

"NPO Number"	The registration number issued by the Department of Social Development under the Non-Profit Organisations Act 71 of 1997.
"FSCA"	The Financial Sector Conduct Authority established under the Financial Sector Regulation Act 9 of 2017.
"Constitution"	This founding constitution as amended from time to time in accordance with Section 14.
"Writing" / "Written"	Includes electronic communications with digital signature where the context permits.

1.2 Interpretation

- Words importing the singular include the plural and vice versa.
- Words importing any gender include all genders.
- References to any statute include that statute as amended or re-enacted from time to time.
- Headings are inserted for convenience only and do not affect the interpretation of this Constitution.
- Where a term appears in Arabic alongside an English equivalent, the Arabic term governs in the event of any Sharī'ah question; the English term governs in the event of any question of South African law.
- Any ambiguity in the interpretation of this Constitution shall be resolved in a manner consistent with Mālikī jurisprudence and the good faith obligations of Roman-Dutch contract law.

SECTION 2 — NAME, NATURE, AND DOMICILE

2.1 Name

The name of the association is the QIRĀD INVESTMENT CLUB, also referred to in Arabic as **نادي القراض الإستثماري**.

2.2 Nature and Legal Status

The Club is a voluntary association incorporated by agreement among its members. It is not a juristic person but has the capacity, through its General Committee acting on behalf of its members, to enter into contracts, open bank accounts, and take such other actions as are necessary for the execution of its purpose. The Club does not constitute a collective investment scheme as defined in the Collective Investment Schemes Control Act 45 of 2002, as its members are active partners and not passive depositors.

2.3 Non-Profit Character

The Club is constituted on a non-profit basis. No portion of the Club's assets, income, or surplus shall be distributed to any member otherwise than as a return on capital invested in a specific qirād partnership agreement and in accordance with the profit-sharing ratio stipulated therein. The Club itself shall not earn income, take fees, or accumulate assets for its own institutional benefit.

2.4 Domicile and Registered Address

The Club's domicilium citandi et executandi shall be the address of the Chairperson for the time being, or such other address as the General Committee may from time to time determine and notify to all members in writing. All formal legal notices shall be served at this address.

2.5 Website and Communications

The Club's official digital presence is maintained at www.qirad.co.za and the primary correspondence address is info@qirad.co.za.

SECTION 3 — PURPOSE AND OBJECTS

3.1 Primary Purpose

The primary purpose of the Club is to facilitate ethical, Sharī'ah-compliant investment through the classical qirād (muḍārabah) partnership structure, in a manner that is: rooted in Mālikī jurisprudence; legally enforceable under South African law; transparent and accountable to all members; and oriented toward genuine economic value creation and social benefit.

3.2 Objects

In furtherance of its primary purpose, the Club shall:

- Identify, evaluate, and invest in entrepreneurial ventures through qirād partnership agreements;
- Bring together capital providers (arbāb al-māl) and skilled entrepreneurs (muḍāribūn) in ethical partnership;
- Educate its members and the broader community in the principles and practice of Islamic finance;
- Advance the development of Islamic finance jurisprudence in the South African context;
- Maintain a Sharī'ah Supervisory Board to certify the compliance of all investments;
- Cooperate with academic institutions, Muslim community organisations, and regulatory bodies in advancing ethical finance;
- Maintain the highest standards of financial transparency, governance, and accountability.

3.3 Prohibition of Ribā

No activity, investment, contract, or financial arrangement entered into by or on behalf of the Club shall involve ribā in any form, whether as lender, borrower, guarantor, or in any other capacity. This prohibition is absolute and may not be waived or modified by any resolution or agreement.

3.4 Sector Exclusions

The Club shall not invest in, nor provide qirād capital to, any enterprise whose primary business involves or substantially derives from:

- The production, distribution, or sale of alcohol;
- Tobacco and tobacco products;
- Gambling and games of chance;
- Adult entertainment or pornography;

- The manufacture or trade of weapons and armaments intended for civilian harm;
- Pork and pork-derived products;
- Conventional interest-bearing financial institutions;
- Any other activity declared ḥarām by the Sharī'ah Board by formal fatwa.

Enterprises deriving more than thirty percent (30%) of gross revenue from ḥarām-adjacent activities shall also be excluded unless the Sharī'ah Board certifies, by formal fatwa, that effective structural separation exists and the Club's capital is demonstrably insulated from ḥarām revenue.

SECTION 4 — MEMBERSHIP

4.1 Eligibility

Membership is open to any natural person or juristic entity that:

- Is committed to the ethical principles set out in this Constitution;
- Accepts the authority of the Sharī'ah Board over investment decisions;
- Is able to meet the minimum capital contribution for the relevant membership tier;
- Has completed the application process set out in clause 4.2; and
- Has been approved by the General Committee.

Membership is not restricted on the grounds of religion, race, gender, nationality, or any other ground prohibited by the Constitution of the Republic of South Africa. Non-Muslim members are subject to the same rights and obligations as all other members.

4.2 Application Process

- An applicant shall submit a completed membership application form to the General Committee via the Club's official channels.
- The application shall include: full name and identity document number; contact details; professional background; proposed membership tier; and a signed declaration confirming acceptance of this Constitution and the authority of the Sharī'ah Board.
- The Investment Committee shall review the application within fourteen (14) calendar days and make a recommendation to the General Committee.
- The General Committee shall approve or decline the application within seven (7) calendar days of receiving the Investment Committee's recommendation. Reasons for declining shall be provided in writing.
- A declined applicant may appeal to a Special General Meeting within thirty (30) days of receiving notice of the decision.

4.3 Membership Tiers

The Club operates the following membership tiers, each carrying identical governance rights:

Tier	Minimum Capital (ZAR)	Arabic Title
Companion	R 10,000	<i>Sāhib</i> (صاحب)
Trustee	R 50,000	<i>Amīn</i> (أمين)
Patron	R 200,000	<i>Walī</i> (ولي)

Institutional	R 1,000,000	Mu'assasa (مؤسسة)
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All tiers carry one (1) vote in membership decisions. Higher capital contributions entitle members to proportionally greater profit distributions, but confer no additional governance rights. This reflects the principle of shūrā (consultation) in which every voice is equal.

4.4 Rights of Members

Every member in good standing shall have the right to:

- Vote at all General Meetings on the basis of one member, one vote;
- Nominate and stand for election to the General Committee and Investment Committee;
- Access unredacted financial statements for all live and concluded investments;
- Raise a Sharī'ah compliance concern directly with the Sharī'ah Board at any time;
- Propose investment opportunities for consideration by the Investment Committee;
- Request a Special General Meeting in accordance with clause 10.3;
- Exit an investment at a pre-agreed valuation date in accordance with the applicable qirād agreement;
- Receive quarterly written reports in plain language;
- Appeal any governance decision to an independent arbitration panel.

4.5 Obligations of Members

Every member accepts the following obligations upon admission:

- To maintain capital contributions for the agreed term of any investment in which they participate;
- To attend or appoint a proxy for the Annual General Meeting;
- To declare any conflict of interest before voting on any proposal affecting their personal interests;
- To maintain the confidentiality of commercially sensitive information relating to investee enterprises;
- To engage in good faith with the sulḥ process before escalating any dispute;
- To comply with all decisions of the Sharī'ah Board on jurisprudential matters;
- To provide accurate information in the membership application and to notify the General Committee promptly of any material change in their circumstances.

4.6 Termination of Membership

- A member may resign by giving thirty (30) days' written notice to the General Committee, provided they have no outstanding capital committed to any live investment.
- The General Committee may, by a two-thirds majority, suspend or terminate the membership of any member who: materially breaches this Constitution; acts in a manner prejudicial to the Club or its reputation; or provides false information in the membership application.
- Before any suspension or termination, the member shall be given written notice of the proposed action and a reasonable opportunity to respond, not less than fourteen (14) days.
- A terminated member retains all rights to distributions from investments already committed but shall have no further governance rights from the date of termination.

- Upon resignation or termination, capital committed to live investments remains subject to the terms of the relevant qirād agreement until maturity.

SECTION 5 — FINANCIAL FRAMEWORK

5.1 Capital Contributions and Holding

- Member capital contributions shall be held in a ring-fenced account at an Islamic banking institution approved by the Sharī'ah Board.
- No co-mingling of member capital with operational funds shall occur at any time.
- Capital shall be released to a muḍārib only upon the satisfaction of all conditions set out in Section 7 and the execution of the relevant qirād agreement.
- The Club shall not earn income from holding member capital. Any return generated by the holding account shall be donated to a charitable cause nominated by members at the AGM, as such returns cannot constitute investment profit under qirād principles.

5.2 Profit Distribution

- Profits arising from each investment shall be distributed in accordance with the profit-sharing ratio specified in the relevant qirād agreement.
- The default profit-sharing ratio is sixty percent (60%) to the arbāb al-māl (capital providers) and forty percent (40%) to the muḍārib. This ratio may be varied for any specific investment by a resolution of the participating members, provided the Sharī'ah Board certifies the amended ratio as compliant.
- Profit distributions shall occur annually, following finalisation and external audit of the relevant accounts.
- The Mālikī school permits interim distributions at agreed intervals, which may be adopted by agreement in the relevant qirād agreement.
- Distributions shall be made by electronic bank transfer within thirty (30) calendar days of audit sign-off.

5.3 Loss Treatment

- In the event of a lawful business loss — one not caused by the ta'addī or taqṣīr of the muḍārib — capital providers bear the loss proportionally to their individual contributions. The muḍārib bears no liability for capital loss in such circumstances but receives no profit share.
- Where a loss is attributable to the ta'addī or taqṣīr of the muḍārib, the muḍārib shall be liable to restore the capital so lost. The standard of care required of the muḍārib corresponds to that of a reasonable person (the bonus paterfamilias standard of Roman-Dutch law), applied in the context of the specific business and the undertakings made in the qirād agreement.
- The enumeration of specific negligence triggers in each qirād agreement shall not be construed as limiting the Club's rights under South African law.

5.4 Capital Indexation

- To protect against inflationary erosion of capital, the Club may, by resolution of the relevant participating members and with the approval of the Sharī'ah Board, specify

capital contributions in indexed terms — referenced to a commodity basket (gold, food staples, or such other reference as the Sharī'ah Board deems appropriate) rather than nominal South African Rand.

- This mechanism is consistent with Mālikī jurisprudential positions on the permissibility of specifying capital in stable units of value where the use of depreciating fiat currency would cause material injustice to capital providers.

5.5 External Audit

The Club's financial records and each live investment shall be subject to annual external audit by a certified independent auditor with demonstrated competence in Islamic finance. Audit reports shall be circulated to all members within sixty (60) days of the close of the financial year. The financial year of the Club shall run from 1 March to the last day of February.

5.6 Takaful

Where insurance of underlying assets is required or prudent, the Club shall procure takaful (Islamic insurance) coverage. Conventional insurance may only be used where no reasonably available takaful equivalent exists, and only with the prior written approval of the Sharī'ah Board.

SECTION 6 — GENERAL COMMITTEE

6.1 Composition

The Club shall be managed by a General Committee consisting of:

- A Chairperson;
- A Secretary;
- A Treasurer; and
- Up to two (2) additional ordinary members.

The Sharī'ah Board Chair or their nominee shall be an ex officio (non-voting) member of the General Committee.

6.2 Election and Term of Office

- General Committee members shall be elected by members at the AGM by simple majority vote.
- Each member shall serve a term of two (2) years and may be re-elected for one further consecutive term, after which a minimum absence of one (1) year is required before re-election.
- In the event of a casual vacancy, the General Committee may co-opt a replacement to serve until the next AGM.

6.3 Duties of the General Committee

The General Committee shall:

- Administer the affairs of the Club between General Meetings;
- Maintain the Club's records, including membership register, minute book, and financial accounts;

- Execute the decisions of General Meetings;
- Open and operate the Club's bank account(s);
- Prepare the annual financial statements for external audit;
- Communicate regularly with members on Club affairs;
- Ensure compliance with all applicable South African legislation, including the Non-Profit Organisations Act 71 of 1997.

6.4 Meetings of the General Committee

The General Committee shall meet at least quarterly. A quorum shall consist of three (3) members. Decisions shall be by simple majority, with the Chairperson holding a casting vote in the event of a tie. Resolutions may be passed by written consent of all members in lieu of a meeting.

6.5 Conflict of Interest

Any General Committee member who has a direct or indirect personal interest in any matter before the Committee shall declare that interest and recuse themselves from any discussion and vote on that matter. A record of all declared conflicts shall be maintained in the minute book.

SECTION 7 — INVESTMENT COMMITTEE AND INVESTMENT PROCESS

7.1 Composition and Election

The Investment Committee shall consist of three (3) to five (5) members elected by the full membership at the AGM. Members of the Investment Committee need not be members of the General Committee. At least one member of the Investment Committee should have demonstrable financial analysis or business evaluation experience.

7.2 Investment Process

No capital shall be deployed to any investment without completion of all of the following stages in sequence:

1. **Stage 1** Entrepreneur Application — the muḍārib submits a complete application including: business plan, financial projections (three-year minimum), sector description, personal disclosure statement, and prior business track record.
2. **Stage 2** Preliminary Sharī'ah Screen — the Sharī'ah Board secretariat reviews the application against the Sector Exclusion List in clause 3.4 within seven (7) calendar days.
3. **Stage 3** Investment Committee Due Diligence — the Investment Committee applies the twelve-point due diligence protocol set out in the Club's Investment Policy (Schedule A) within twenty-one (21) calendar days and produces a written Due Diligence Report.
4. **Stage 4** Full Sharī'ah Board Review — the complete investment file, including the Due Diligence Report, is submitted to the Sharī'ah Board. The Board issues a written fatwa within fourteen (14) calendar days either approving, conditionally approving, or rejecting the investment. Conditional approval must specify any conditions that must be satisfied before deployment.
5. **Stage 5** Member Vote — the investment proposal, Due Diligence Report, and Sharī'ah fatwa are circulated to all members. A simple majority vote of members present (or

represented by proxy) at a duly convened meeting is required for approval. Each participating member's capital commitment is separately recorded.

6. **Stage 6 Contract Execution** — the qirād agreement in the form approved by the Sharī'ah Board is executed by all parties, witnessed, and filed. Capital is released to the muḍārib in tranches as stipulated in the agreement.

7.3 Muḍārib Reporting Obligations

Every muḍārib shall, as a condition of the qirād agreement, provide:

- Monthly management accounts within fifteen (15) calendar days of month-end;
- Quarterly narrative reports describing operations, progress against milestones, and material risks;
- Immediate written notification (within forty-eight (48) hours) of any material adverse event;
- Access to underlying financial records on reasonable written request;
- Co-operation with any audit or review requested by the Investment Committee or Sharī'ah Board.

Failure to meet these obligations shall trigger the Club's right to appoint a management observer at the muḍārib's premises, at the muḍārib's cost, until compliance is restored.

SECTION 8 — SHARĪ'AH SUPERVISORY BOARD

8.1 Establishment and Independence

The Club shall maintain an independent Sharī'ah Supervisory Board ("the Board") consisting of not fewer than two (2) and not more than five (5) scholars. Members of the Board shall have no commercial interest in any investment made by the Club and shall receive only a fixed honorarium for their services, unrelated to investment returns. The independence of the Board is essential to the integrity of the Club and shall be rigorously maintained.

8.2 Qualifications

Each member of the Sharī'ah Board shall:

- Hold formal traditional training (ijāza) in Islamic jurisprudence, with specialisation in mu'āmalāt (commercial transactions);
- Have demonstrated familiarity with Mālikī jurisprudence and its application to contemporary commercial contexts;
- Be of recognised scholarly standing and unimpeachable personal integrity;
- Have no financial interest, direct or indirect, in any enterprise in which the Club invests.

8.3 Functions and Authority

The Sharī'ah Board shall:

- Issue written fatāwā (fatwas) certifying or declining to certify the compliance of each proposed investment;
- Conduct an annual review of the Club's overall operations and issue an annual compliance certificate;

- Adjudicate any Sharī'ah question referred to it by the General Committee, Investment Committee, or any member;
- Maintain and update the Sector Exclusion List;
- Review and certify the form of the standard qirād agreement template;
- Act as first-stage mediators in the sulḥ dispute resolution process.

The Sharī'ah Board's rulings on matters of Islamic jurisprudence are final and binding on all members and committees of the Club.

8.4 Publication of Fatwas

All fatwas issued by the Sharī'ah Board shall be made available to Club members in full. No investment-specific fatwa shall be withheld from members who have capital committed to that investment. A public summary of the Club's general compliance position shall be published annually on the Club's website.

SECTION 9 — DISPUTE RESOLUTION

9.1 Good Faith Obligation

All members, the General Committee, the Investment Committee, the Sharī'ah Board, and all muḍāribūn bound by qirād agreements are obliged to act in good faith (bona fides) in all dealings with each other and with the Club. This obligation reflects both the Qur'ānic injunction of amāna and the good faith requirement foundational to South African contract law.

9.2 Sulḥ — Mandatory Reconciliation

- Before any dispute is referred to arbitration or litigation, the disputing parties must engage in a structured sulḥ (reconciliation) process of not less than thirty (30) calendar days.
- The sulḥ process shall be facilitated by the Chair of the Sharī'ah Board, or such other person as the parties agree.
- The facilitator shall seek an outcome that is just, equitable, and consistent with Islamic ethics.
- Anything said or offered during the sulḥ process is confidential and may not be referred to in any subsequent arbitration or litigation.
- If sulḥ results in a signed settlement agreement, that agreement is binding on the parties and may be made an order of the competent court on application.

9.3 Arbitration

- If sulḥ fails or is exhausted without resolution, any dispute arising from or in connection with this Constitution or any qirād agreement shall be finally resolved by binding arbitration.
- The arbitration shall be conducted in accordance with the Arbitration Act 42 of 1965, as amended.
- The seat of arbitration shall be in South Africa. Unless the parties agree otherwise, the hearing shall take place in Johannesburg or Cape Town.

- The arbitrator shall be appointed by agreement between the parties. Failing agreement within fourteen (14) days, the arbitrator shall be appointed by the Arbitration Foundation of South Africa (AFSA) on application by either party.
- The arbitrator shall be guided by principles of equity and good conscience consistent with both South African law and Islamic ethics.
- The arbitral award shall be final and binding, and may be made an order of the Gauteng High Court or such other competent court.
- This arbitration clause shall not prevent a party from seeking urgent relief from a court of competent jurisdiction where circumstances require it.

9.4 Governing Law

This Constitution, and any qirād agreement entered into under it, shall be governed by the law of the Republic of South Africa, with particular regard to its Roman-Dutch private law foundations and the constitutional values of equality, dignity, and justice enshrined in the Constitution of the Republic of South Africa, 1996.

SECTION 10 — GENERAL MEETINGS

10.1 Annual General Meeting

The Club shall hold an AGM within four (4) months of the close of each financial year. The AGM shall:

- Receive and adopt the annual financial statements and audit report;
- Receive the Sharī'ah Board's annual compliance certificate;
- Elect members of the General Committee and Investment Committee;
- Appoint the external auditor for the following year;
- Nominate the charitable recipient of any holding account returns;
- Consider any constitutional amendments proposed in accordance with Section 14;
- Transact such other business as appears on the agenda.

10.2 Notice of General Meetings

At least twenty-one (21) calendar days' written notice of any General Meeting shall be given to all members, setting out the date, time, venue (or electronic link), and agenda. A member may add an item to the agenda by giving fourteen (14) days' written notice to the Secretary.

10.3 Special General Meeting

A Special General Meeting may be convened at any time by the General Committee or upon written request by members representing at least twenty percent (20%) of the total membership. The purpose of a Special General Meeting must be specified in the notice and no other business may be transacted.

10.4 Quorum and Voting

- A quorum for any General Meeting shall be fifty percent (50%) of the total membership plus one (1), present in person or by proxy.

- If a quorum is not present within thirty (30) minutes of the scheduled start time, the meeting shall be adjourned to the same time and place seven (7) days later, at which adjourned meeting any number of members shall constitute a quorum.
- Every matter before a General Meeting shall be decided by simple majority of votes cast, except as otherwise specified in this Constitution.
- Each member holds one (1) vote regardless of membership tier or capital committed.
- A member may appoint any other member as proxy by written instrument delivered to the Secretary before the meeting.
- The Chairperson shall hold a casting vote in the event of a tie.

10.5 Electronic Participation

Members may participate in General Meetings by video conference or other electronic means provided that all participants can hear and be heard simultaneously. A member participating electronically shall be deemed present for quorum and voting purposes.

SECTION 11 — RECORDS AND TRANSPARENCY

11.1 Mandatory Records

The General Committee shall maintain and preserve the following records:

- The founding constitution and all amendments thereto;
- A membership register recording all current and former members;
- Minutes of all General Meetings and General Committee meetings;
- All qirād agreements and related due diligence files;
- All fatwas issued by the Sharī'ah Board;
- All financial statements and audit reports;
- The Club's correspondence archive.

Records shall be retained for a minimum of seven (7) years. Financial records shall be retained for a minimum of fifteen (15) years in accordance with good practice.

11.2 Member Access to Records

Every member in good standing shall have the right to inspect any of the records listed in clause 11.1 upon reasonable written request to the Secretary. Copies shall be provided within ten (10) working days. A member may not share confidential commercial information about a specific investee enterprise with any non-member without the written consent of the General Committee.

11.3 NPO Reporting

In the event that the Club obtains NPO registration under the Non-Profit Organisations Act 71 of 1997, the General Committee shall comply with all reporting requirements of that Act, including the submission of narrative and financial reports to the Department of Social Development.

SECTION 12 — WINDING UP AND DISSOLUTION

12.1 Resolution to Wind Up

The Club may be wound up and dissolved by a resolution passed by a two-thirds (2/3) majority of all members (not merely those present at a meeting) at a Special General Meeting convened for that specific purpose, with at least twenty-one (21) days' notice.

12.2 Treatment of Assets on Dissolution

- Before winding up, all outstanding qirād partnerships shall be brought to account. Capital and profit shares shall be distributed to the relevant parties in accordance with the applicable agreements.
- After all liabilities have been discharged and all member capital returned, any remaining assets of the Club shall not be distributed to members.
- Any residual assets shall be donated in their entirety to one or more charitable organisations operating in the field of Islamic finance education, Muslim welfare, or poverty alleviation in South Africa, as nominated by resolution of the winding-up meeting.

This clause is required by the NPO Act for NPO-registered entities and is in any event required as a matter of Islamic ethics — the accumulation of institutional surplus for personal distribution would be inconsistent with the non-profit character of this association.

12.3 Liquidator

The winding-up meeting shall appoint a liquidator (who may be the Treasurer or an external accountant) to discharge liabilities, close accounts, and execute the distribution of residual assets. The liquidator shall report to a final meeting of members upon completion.

SECTION 13 — INDEMNITY AND LIABILITY

13.1 Committee Indemnity

Members of the General Committee and Investment Committee shall not be personally liable for any loss suffered by the Club or its members as a result of any act or omission in good faith in the execution of their duties under this Constitution, provided they acted honestly and without gross negligence. This indemnity does not extend to wilful misconduct, fraud, or a breach of fiduciary duty.

13.2 Member Liability

Members shall not be personally liable for the debts or obligations of the Club beyond their committed capital contribution to any specific qirād investment in which they have elected to participate.

13.3 Muḍārib Liability

As provided in clause 5.3, a muḍārib is liable to restore capital lost through their ta'addī (transgression) or taqṣīr (negligence). This liability is personal and may be enforced against the muḍārib through the dispute resolution process in Section 9 or, failing resolution, through the South African courts.

SECTION 14 — AMENDMENT OF THE CONSTITUTION

14.1 Amendment Procedure

- Any proposed amendment to this Constitution must be submitted in writing to the Secretary at least thirty (30) calendar days before the AGM or Special General Meeting at which it will be considered.
- The Secretary shall circulate the proposed amendment to all members within seven (7) calendar days of receipt, together with a summary of the rationale.
- Any proposed amendment touching on matters of Sharī'ah compliance must be referred to the Sharī'ah Board for a written opinion before it is put to a vote.
- An amendment requires the approval of a two-thirds (2/3) majority of all members present (or represented by proxy) at a duly quorate meeting.

14.2 Core Principles

No amendment may be made to this Constitution that would:

- Remove or qualify the absolute prohibition of ribā;
- Remove the requirement for Sharī'ah Board certification of investments;
- Remove the one member, one vote principle;
- Permit the distribution of residual assets to members on dissolution;
- Undermine the good faith and transparency obligations of members.

Any purported amendment that violates this clause shall be void and of no effect.

SECTION 15 — GENERAL PROVISIONS

15.1 Notices

Any notice required under this Constitution shall be given in writing. Notice may be given by hand delivery, registered post, or electronic communication (email or such messaging platform as the General Committee may designate) to the address or contact detail most recently provided by the recipient. Notice by email shall be deemed received on the first business day following transmission unless the sender receives an automated failure notification.

15.2 Severability

If any provision of this Constitution is found by a competent court or arbitration panel to be invalid, unlawful, or unenforceable, that provision shall be severed from the Constitution to the minimum extent necessary, and the remaining provisions shall continue in full force and effect.

15.3 Entire Agreement

This Constitution constitutes the entire agreement among the founding members as to the organisation and governance of the Club and supersedes all prior understandings, representations, and agreements, whether oral or written, relating to the same subject matter.

15.4 Language

This Constitution is drafted in English. Where Arabic terms are used, their meaning is as set out in the definitions in Section 1. In the event of any conflict between the English text and any translation, the English text shall prevail for purposes of South African legal proceedings.

15.5 Commencement

This Constitution shall come into force on the date upon which it is signed by the founding members at the Founding Meeting.

SECTION 16 — FOUNDING MEMBERS' DECLARATION AND SIGNATURES

We, the founding members of the Qirād Investment Club, having read and fully understood this Constitution, do hereby freely and voluntarily adopt it as the binding governing document of the Club. We acknowledge the obligations it places upon us, accept the authority of the Sharī'ah Supervisory Board over jurisprudential matters, and commit ourselves to the principles of amāna, transparency, and genuine risk-sharing that lie at the heart of the qirād contract.

Signed at _____ on the _____ day of _____ 20_____

_____	_____
<i>Full Name (print)</i>	<i>Full Name (print)</i>
_____	_____
<i>Signature</i>	<i>Signature</i>
_____	_____
<i>Identity Number</i>	<i>Identity Number</i>
_____	_____
<i>Date</i>	<i>Date</i>
_____	_____
<i>Full Name (print)</i>	<i>Full Name (print)</i>
_____	_____
<i>Signature</i>	<i>Signature</i>
_____	_____

<i>Identity Number</i>	<i>Identity Number</i>
<i>Date</i>	<i>Date</i>
<i>Full Name (print)</i>	<i>Full Name (print)</i>
<i>Signature</i>	<i>Signature</i>
<i>Identity Number</i>	<i>Identity Number</i>
<i>Date</i>	<i>Date</i>

Additional signature pages may be attached as Schedule B if required.

SCHEDULE A — INVESTMENT POLICY AND DUE DILIGENCE PROTOCOL

This Schedule sets out the twelve-point due diligence protocol and investment policy of the Club. It may be amended by resolution of the General Committee with the approval of the Sharī'ah Board, without requiring a constitutional amendment.

The twelve mandatory due diligence criteria are:

1. Sharī'ah Sector Compliance — full sector mapping against the Exclusion List in clause 3.4 and revenue-source breakdown for mixed enterprises.
2. Financial Health Review — three years of audited accounts, cash flow analysis, and debt structure review. No ribā-based liabilities on the balance sheet.
3. Management Integrity Assessment — director background checks, reference interviews, credit history, and prior business track record.
4. Market and Competitive Analysis — independent assessment of market size, competitive dynamics, barriers to entry, and demand drivers.
5. Business Plan Stress Testing — financial projections reviewed under three scenarios (base, adverse, severe) with sensitivity analysis on key assumptions.
6. Legal Structure Review — corporate structure, existing contracts, intellectual property ownership, and regulatory licences verified.
7. Environmental and Social Screen — assessment against maṣlaḥa criteria; investments must not generate negative externalities disproportionate to economic benefit.

8. Capital Utilisation Plan — detailed deployment schedule with milestone-linked tranche release conditions.
9. Exit and Valuation Methodology — pre-agreed exit valuation basis to prevent gharar in terminal settlement.
10. Takaful and Asset Protection — permissible takaful coverage verified for underlying assets.
11. Reporting Capability Assessment — management accounting system reviewed for capacity to meet quarterly reporting obligations.
12. Site Visit and Physical Verification — at least one site visit by an Investment Committee member, with written findings filed.

A negative finding on criteria 1 (Sharī'ah Compliance) shall be an automatic and irrebuttable bar to investment. Negative findings on other criteria shall be reported to the member vote with recommendations but do not automatically disqualify the investment.

SCHEDULE B — STANDARD QIRĀD AGREEMENT TEMPLATE

The standard form qirād partnership agreement, reviewed and certified by the Sharī'ah Board, shall be maintained as Schedule B and updated from time to time. The current certified version shall be binding on all parties who execute it. The Schedule B document is maintained separately and is incorporated by reference into this Constitution.

The Schedule B agreement template must be reviewed and certified by the Sharī'ah Board before first use and following any material amendment. A copy of the current certified template is available to all members on request.

◆ END OF CONSTITUTION ◆

وَتَعَاوَنُوا عَلَى الْبِرِّ وَالتَّقْوَىٰ

"Cooperate with one another in righteousness and piety" — Al-Mā'ida 5:2