

# Index Governance

## Index Committee

The Dow Jones Islamic Market Indices are maintained by the S&P Dow Jones Indices' Global Strategy Indices Index Committee. All committee members are full-time professional members of S&P Dow Jones Indices' staff. The committee meets regularly. At each meeting, the Index Committee may review pending corporate actions that may affect index constituents, statistics comparing the composition of the indices to the market, companies that are being considered as candidates for addition to an index, and any significant market events. In addition, the Index Committee may revise index policy covering rules for selecting companies, treatment of dividends, share counts or other matters.

S&P Dow Jones Indices considers information about changes to its indices and related matters to be potentially market moving and material. Therefore, all Index Committee discussions are confidential.

S&P Dow Jones Indices' Index Committees reserve the right to make exceptions when applying the methodology if the need arises. In any scenario where the treatment differs from the general rules stated in this document or supplemental documents, clients will receive sufficient notice, whenever possible.

In addition to the daily governance of indices and maintenance of index methodologies, at least once within any 12-month period, the Index Committee reviews the methodology to ensure the indices continue to achieve the stated objectives, and that the data and methodology remain effective. In certain instances, S&P Dow Jones Indices may publish a consultation inviting comments from external parties.

*For information on Quality Assurance and Internal Reviews of Methodology, please refer to S&P Dow Jones Indices' Equity Indices Policies & Practices document.*

## Shariah Expertise

S&P Dow Jones Indices has contracted with Ratings Intelligence Partners which is a London/Kuwait based Shariah consultancy. The company was established in 2000 to develop leading-edge solutions for the global Islamic investment market.

## The Shariah Supervisory Board

The Shariah Supervisory Board was established to advise the company on the methodology for screening securities for inclusion in the Dow Jones Islamic Market™ Indices and matters relating to the Shariah compliance of the index constituents. S&P Dow Jones Indices provides quarterly updates on the index constituents to the Shariah Supervisory Board and reviews new Shariah proposals from the board.

All issues relating to business decisions, including index constituent changes, are within the province of the Index Committee. The Shariah Supervisory Board is encouraged to put forth recommendations for changes to the Index Committee which in turn makes the ultimate business decision.

The Shariah Supervisory Board consists of eminent Shariah scholars from around the world. The geographic diversity of the scholars helps to ensure that diverse interpretations of Shariah law are represented.

The members of the Shariah Supervisory Board are:

**Shaykh Nizam Yaquby (Bahrain).** Mr. Yaquby is a member of the Islamic supervisory boards for several Islamic institutions, including the Arab Islamic Bank and the Abu Dhabi Islamic Bank. His work has appeared in the following publications: *Risalah Fi al-Tawbah*, *Qurrat al-'Ainayn fi Fada il Birr al-Walidayn*, *Irshad al-'Uqala'ila Hukum al-Qira'h min al-Mushaf fi al-Salah*, *Tahqia al-Amal fi Ikhraj Zakat al-Fitr bi al-Mal*.

**Shaykh Dr. Mohd Daud Bakar (Malaysia).** Dr. Bakar is currently a member of the Shariah Advisory Council of many financial institutions in Malaysia and around the world, including the Central Bank of Malaysia, Securities Commission of Malaysia, International Islamic Financial Market in Bahrain, Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI) in Bahrain and HSBC (Malaysia).

**Shaykh Dr. Mohamed A. Elgari (Saudi Arabia).** Dr. Elgari is an associate professor of Islamic Economics and the director of the Center for Research in Islamic Economics at King Abdulaziz University in Saudi Arabia. He is an expert at the Islamic Jurisprudence Academy (OIC), Economics. He is also an advisor to several Islamic financial institutions worldwide and the author of many books on Islamic banking.

**Shaykh Yusuf Talal DeLorenzo (United States).** Mr. DeLorenzo is considered a leading Islamic scholar in the United States. He has translated over twenty books from Arabic, Persian, and Urdu for publication in English and has been commissioned to prepare a new translation of the Qur'an. Mr. DeLorenzo compiled the first English translation of legal rulings issued by Shariah supervisory boards on the operations of Islamic banks. Since 1989, Mr. DeLorenzo has served as secretary of the Fiqh Council of North America. He is also a Shariah consultant to several Islamic financial institutions and was an advisor on Islamic education to the government of Pakistan.