Terms of Use for BarakaFI

General Terms and Conditions

Welcome to BarakaFI at BarakaFi.com ("Website"), a DeFi P2P Financing Platform (hereinafter the "Platform"). These Terms of Use ("Terms") govern your access to and use of the Website and any products, materials, and services provided by or on the Website (collectively, the "Services").

1. Acceptance of Terms

By accessing the Website and using the Services, you agree to these Terms and confirm your understanding of the Privacy Policy. If you do not agree to these Terms, you should not use or access the Services and must exit the Website immediately. These Terms form a legally binding agreement between you (also referred to as the "User" or users) and Ekkophones Ltd. (hereinafter the "Platform Provider").

2. Introduction to BarakaFI P2P

BarakaFI P2P Financing Platform operates as a peer-to-peer (P2P) system, distinct from Peer-to-Pool-to-Peer systems. It offers fixed-term, fixed-fee collateralized purchasing and allows sellers to create fixed income funds (FIF's). The Platform employs a P2P matching engine to align purchasers' requests with sellers' fixed income funds (FIF's).

3. System Characteristics

The Platform features a P2P matching engine that matches purchasers' swap requests with the sellers' fixed income funds (FIF's). Sellers create these fixed income funds (FIF's), which are used to fulfill purchasers' collateralized finance requests. This system ensures a streamlined and efficient matching process.

The Platform operates with a 5% liquidation probability for finances, continuously monitored by the positions monitoring system, which alerts users of any changes in the liquidation probability. Importantly, the Platform does not earn revenue from liquidations, unlike some other platforms that generate significant income from this activity. Collateral prices are monitored using Uniswap V2 Oracles to ensure accurate and up-to-date valuations.

4. Process

Sellers of tokens (e.g., USDC) make them available for sale on the platform and specify what tokens they accept as payment (e.g., ISLM). They give the right to the platform to match them with a purchaser and complete the sale on their behalf automatically deducting from their

account when a qualified purchaser makes a request, plus crediting to them the token used to purchase. The seller will create a Fixed Income Fund (FIF's) and deposit funds into this (FIF's).

On the first day of the purchase process, the purchaser specifies the desired token they want to purchase (e.g., USDC) and token they will use to make the purchase (e.g., ISLM), as well as the amount they want to purchase and the term they will purchase back.

Upon specifying these details, the purchaser submits a request for the specified amount of the token they desire (e.g., USDC) and the platform informs them of the needed quantity they need to provide of their selected token they will use to purchase (e.g., ISLM). The P2P matching engine will then match the purchaser's request with the seller's FIF.

The purchaser agrees to the terms set forth by the Platform and enters into a unilateral, legally binding obligation to repurchase the token. This obligation is enforceable and must be honored by the purchaser, except in the event of a valid excuse. Such excuses include the death of the purchaser, where their legal obligations would be suspended or potentially discharged according to applicable law, or an event of force majeure.

Force majeure refers to extraordinary circumstances beyond the control of the purchaser, such as natural disasters, acts of war or terrorism, government actions, pandemics, or any other unforeseen events that prevent the purchaser from fulfilling their obligations under this agreement. In the occurrence of either the purchaser's death or a force majeure event, the financing company may, at its discretion and in accordance with applicable laws, waive the purchaser's obligation to repurchase the token, acknowledging that performance has become impossible or impractical due to these exceptional circumstances.

The purchaser then provides the specified amount of the token they will use to purchase (e.g., ISLM) to the platform, this is deducted from their account and held in escrow smart contract as collateral. Simultaneously, the purchaser's account is credited with the token they requested to purchase (e.g., USDC) from the seller's account. This marks the completion of the purchase.

Within the term agreed to purchase back the token (e.g., 30 days), the purchaser accesses the Platform to execute the repurchase of the token specified (e.g., ISLM) in fulfillment of his Undertaking. The purchaser sends the agreed amount of the token they purchased (e.g., USDC) to the Platform, and in return, the smart contract releases the token they agreed to repurchase (e.g., ISLM). Upon the buyback of the token, the Platform takes a percentage fee for providing this service. The seller receives back the token they sold earlier through the repurchase transaction including an extra amount agreed to part of buy back price, minus the Platform Service Fee percentage shared with the platform. This process ensures that the financing is conducted in a Sharia-compliant manner.

5. Access to Services

You are not permitted to access the Platform if you are a citizen or resident of, or physically located in the United States and countries sanctioned by the United States, and Dubai. You may

not use any software or networking techniques, including the use of a Virtual Private Network (VPN) to modify your internet protocol address or otherwise circumvent or attempt to circumvent this prohibition.

6. Registration on the Platform and Creation of a User Account

Only registered users who have accepted these Terms and Conditions are entitled to use the Services offered by the Platform, including the opportunity to enter into finance agreements with other users acting as either sellers or purchasers.

In order to submit a Registration Application, the User must be eligible, and the User shall confirm that, throughout the use of the Platform, according to the following criteria:

1. The user is a physical person or legal entity in their respective domicile;
2. If the User is an individual the user must be at least 18 years old;
3. No insolvency procedures of the user have been initiated to the best of the User's knowledge;
4. Cryptocurrencies are legal in the user's domicile;
5. Pursuant to a judgment that has taken effect, the user does not have limited legal capacity due to disorders of mental nature.

To activate their account, users must complete a Know Your Customer (KYC) procedure. Failure to provide the necessary information for the KYC policy may result in account termination.

The Platform identifies users by their wallet addresses. If the user is a legal entity, they must provide all required documents via email.
The User's account is private, and only the account owner is authorized to use it. The Platform may provide access to third parties in accordance with applicable law or court rulings.

7. User Identification and Confirmation of Transactions

The Platform identifies users according to the rules of its internal control system and Anti-Money Laundering (AML) policies.
The Platform may request additional documents or information to confirm the user's identity and may introduce changes to the identification process.
All transactions performed on the Platform after login are binding upon the user and the Platform.

8. Currencies and Transfer of Funds

The Platform accepts various digital assets, including cryptocurrencies and tokens, as collateral for financial transactions. Collateral may be issued in stablecoins such as USDT or other cryptocurrencies. The Platform reserves the right to modify the list of accepted digital assets and stablecoins at any time. Any changes will not affect existing financial activities.

The minimum finance amount that can be granted through the Platform is equivalent to 200 USD.

9. Entering into Finance Agreements

Following identification, users can submit finance requests by filling out a relevant form. Finance requests must include necessary information such as the finance amount, repayment date, and collateral details. If a purchaser does not pay, the collateral is liquidated. Remaining funds after liquidation are returned to the purchaser.
The Platform uses an internal credit scoring system via ChainAware.ai to assess the creditworthiness of purchasers.

10. User's Rights and Obligations

Users must not use the Platform for illicit conduct, including fraud and money laundering.
Users must provide accurate information and use secure means of communication.
Users are responsible for any tax obligations arising from their actions on the Platform.
Users must maintain collateral at a sufficient Loan-to-Value (LTV) ratio. If the collateral value drops, the Platform may notify the user to remedy the situation.

11. Scenarios for Collateral Liquidation

In the event of collateral liquidation, the following scenarios are applicable:

1. **Collateral Price Declining**: The purchased to send additional of the token they are repurchasing (e.g., $ISLM) to the seller as a collateral only to cover any actual damage arising from default, such collateral will be returned to the purchaser on the maturity of the financing transaction or prior to that if the market conditions became in favor of the purchaser.
2. **Purchaser is Not fulfilling his undertaking through Paying and Liquidation**: If the purchaser fails to repurchase, the platform will give the seller the option to either receive the tokens directly into their wallet or transfer the tokens intended for repurchase to a liquidator. The seller can choose their preferred option. If the liquidator is selected, they will exchange the provided tokens (e.g., ISLM) for the tokens the seller was offering (e.g., USDC) and deliver them to the seller's wallet.
3. **Liquidation Does Not Cover the Repurchase Price amount** : If the liquidation proceeds do not cover the purchaser's obligations, the Loss Provision Fund will cover the difference to ensure that the seller's exposure is mitigated.

12. Loss Provision Fund

A portion of the Platform Service Fee from every finance request is allocated to the Loss Provision Fund. If the liquidation of collateral does not fully cover the purchaser's obligations, the Loss Provision Fund will cover the shortfall.

13. Fees and Charges

Users are required to pay a platform service fee as described in the process section in these terms of use, which is a percentage of the profit generated from their use of the Platform's services. Some services also incur gas charges, which are beyond the Platform's control.

14. No Broker, Legal, or Fiduciary Relationship

The Platform is not your broker, lawyer, intermediary, agent, or advisor and has no fiduciary relationship or obligation to you regarding any decisions or activities that you affect when using the Platform.

15. Liability

To the fullest extent permitted by applicable law, BarakaFI, its affiliates, and their respective officers, employees, agents, and partners shall not be liable to you or any third party for any direct, indirect, incidental, consequential, special, exemplary, or punitive damages, including, but not limited to, loss of profits, data, use, goodwill, or other intangible losses, arising out of or related to:

1. Your access to, use of, or inability to use the Platform or the Services;
2. Any conduct or content of any third party on the Platform, including any defamatory, offensive, or illegal conduct by other users or third parties;
3. Any information, content, or the Services obtained through the Platform, including any reliance on the accuracy, completeness, reliability, or availability of content provided on the Platform;
4. Unauthorized access to or alteration of your transmissions, account, or data;
5. Losses incurred as a result of unauthorized conduct;
6. Regulatory changes and your incompliance with laws in your jurisdiction;
7. Technical failures, errors, omissions, interruptions, defects, delays in operation or transmission, viruses, or other harmful components associated with the Platform;
8. Any third-party links, resources, or Services accessed via the Platform, for which BarakaFI assumes no responsibility or liability, with all interactions subject to those third-party terms and conditions;
9. Investment-related risks, including market volatility, regulatory changes, and performance-based risks associated with digital asset transactions, for which BarakaFi does not guarantee any profit, return, or yield on contributions.
10. Operation, security, or integrity of the underlying smart contract, including but not limited to vulnerabilities, hacks, or other breaches that may compromise user funds or data.

16. No Warranties
The Services are provided on an "as-is" and "as available" basis. Use of the Services is at your own risk. The Platform disclaims all representations and warranties, express, implied, or

statutory, not expressly set out in these terms, including the implied warranties of merchantability, fitness for a particular purpose, and non-infringement.

16. Your Assumption of Risks

Users acknowledge and accept the inherent risks associated with managing crypto addresses, safeguarding private keys, interacting with the blockchain and smart contracts, and the potential liquidation of collateral. These risks include, but are not limited to, the loss or theft of private keys, vulnerabilities in blockchain technology, hacking, coding errors, technical failures, and the financial consequences of collateral liquidation. By using the Platform, users agree to bear these risks solely and release BarakaFI and its affiliates from any claims for damages or losses, including loss of funds, resulting from such risks. BarakaFI shall not be held liable for any damages arising from these inherent risks. Users are encouraged to exercise caution and diligence when engaging with blockchain-based systems.

17. Termination of the Agreement

The Platform may terminate the user's account and these Terms and Conditions without warning for breaches of these Terms and Conditions, false information, or suspicions of illegal activities.

18. Insolvency of the Platform Provider

In case of the Platform Provider's insolvency, new finance agreements will be halted, and users will be provided with transaction information from the Platform database.

19. Changes to the Terms and Access to the Services

The Platform reserves the right to amend or update these Terms at any time. All changes will be effective immediately when posted on the Website and will apply to your use of and access to the Services from that point onward. Your continued use of the Services following an update signifies acceptance of the revised Terms. It is your responsibility to review these Terms periodically to stay informed about changes.

These Terms and Conditions remain binding until all commitments of the user arising from finance agreements are fully met.

The Services may change from time to time, and the Platform reserves the right to modify, withdraw, or discontinue the Services, in whole or in part, at any time without notice to you. You agree that BarakaFI shall have no liability to you or any third party for any losses or damages caused by the unavailability of the Services, in whole or in part, at any time or for any period.

20. Confidentiality and Privacy

User data collection, use, and protection are managed per the Privacy Policy. By using the Platform, Users consent to data collection and processing as outlined in the Privacy Policy. Users also agree to keep confidential any proprietary or sensitive information obtained through the Platform and not disclose such information to third parties without explicit consent.

21. Indemnification

Users agree to indemnify and hold harmless BarakaFI, its affiliates, officers, and employees from claims, damages, losses, or expenses arising from misuse of the Platform, violations of these Terms, or non-compliance with applicable laws. The Platform reserves the right to assume exclusive defense of any claims subject to indemnification.

22. Dispute Resolution and Governing Law

These Terms, and any disputes arising from them, are governed by the laws of the United Kingdom. Disputes that cannot be resolved amicably will be submitted to binding arbitration under the London Court of International Arbitration (LCIA) rules. By agreeing to these Terms, Users waive the right to participate in class actions and agree to resolve disputes on an individual basis.

23. Intellectual Property Rights

All intellectual property rights in the Platform, including text, design are owned by BarakaFI or its licensors. Users are granted a limited, non-exclusive, revocable license to access the Platform solely for personal, non-commercial purposes. Unauthorized reproduction, distribution, or derivative works from Platform content are strictly prohibited and may result in account suspension or termination.

24. Smart Contract Disclaimer

The smart contract underlying the BarakaFI Platform has been developed by SmartCredit.io, represented by Decentral Autonomous Blatform Ltd (hereinafter the "Technology Provider"). Responsibility for the verification and technical audit of the smart contract lies solely with the Technology Provider. The Platform Provider has neither reviewed nor verified the smart contract or its underlying code.

Contact Information

For questions, concerns, or support, Users may contact BarakaFi at support@barakafi.com.