

**ATLAS AI LABS FZE**

**Virtual Assets  
Standards Policy**

TO **V**IRTUAL **A**SSETS **R**EGULATORY **A**UTHORITY

**OCTOBER  
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# 1. Purpose and Scope

This Policy establishes the governance, control framework, and operational standards governing the issuance, maintenance, and ongoing oversight of **USAF+**, an **Asset-Referenced Virtual Asset (ARVA)** fully backed by ETF units of the *Atlas America Fund*.

It ensures Atlas AI Labs FZE complies with the **Dubai Virtual Assets Regulatory Authority (VARA)** requirements under:

- **Issuance Rulebook,**
- **Market Conduct Rulebook – Rule VIII (Virtual Asset Standards),**
- **Compliance & Risk Management Rulebook,** and
- **Technology & Information Rulebook.**

This Policy applies to:



Atlas AI Labs FZE maintains, and periodically updates, a documented policy (Whitepaper) describing how USAF+ derives and maintains its value, including the type, composition and any permitted changes in the Reference Assets

# 2. Governance and Oversight

## 2.1 Governance Structure

Function	Responsibility
Board of Directors – David Moore (Chairman) <ul style="list-style-type: none"> <li>- David Moore (Chairman)</li> <li>- Terence Culver</li> <li>- Reza Bundy</li> </ul>	Ultimate accountability for approval of this Policy, oversight of USAF+ issuance, reserve sufficiency, and regulatory compliance.

Function	Responsibility
	Responsible for appointing the independent third-party auditor for the Reserve Assets.
Chief Executive Officer (CEO) – Reza Bundy	Day-to-day responsibility for implementation of this Policy and resource allocation.
Chief Compliance Officer (CCO) – Alex Chehade	Ensures full adherence to VARA rules; maintains the Issuance Register and VA Assessment Scorecards; coordinates notifications to VARA.
Money Laundering Reporting Officer (MLRO) – Alex Chehade	Conducts AML/CFT due-diligence reviews on issuance and redemption participants and monitors transactional flows.
Chief Information Security Officer (CISO) – Fawad Mahmood	Oversees smart-contract integrity, Fireblocks custody configuration, and DLT security reviews.
Chief Risk Officer (CRO) – Alex Chehade	Provides independent risk assessment of issuance, liquidity, and market exposures.

## 2.2 Committees and Approvals

- **Issuance Committee:** reviews USAF+ assessment results and approves any parameter changes (e.g, collateral composition).
- **Risk & Compliance Committee:** quarterly review of assessment results, audit findings, and regulatory correspondence.

## 2.3 Segregation of Duties

To mitigate operational risk and conflicts of interest:

- The functions of *issuance approval*, *custody management*, and *reconciliation* will be performed by separate individuals.
- Fireblocks transaction policies enforce multi-signature approval (minimum two authorizations – CO and Finance Officer).

## 2.4 Accountability and Reporting

Atlas AI Labs FZE has appointed an independent third-party auditor to conduct, **at least every six (6) months**, an audit of:

- i) the number and value of USAF+ tokens in public circulation; and
- ii) the composition and value of the Reserve Assets. An annual audit of the financial statements shall also be commissioned.

The Compliance Officer will report **quarterly** to the Board on:

- Adherence to VA Standards;
- Results of ongoing assessments and reconciliations;
- Incidents, trigger events, and VARA notifications; and
- Recommendations for policy enhancement.
- Submit an attestation of the accuracy of the **independent audit** to VARA.

### 3. Virtual Asset Standards Framework

ATLAS AI LABS FZE establishes and applies comprehensive **Virtual Asset Standards (VA Standards)** for USAF+ to ensure continuous compliance with VARA. These standards govern both *pre-issuance assessment* and *ongoing monitoring* of the asset and its underlying reference holdings.

ATLAS AI LABS FZE ensures that the terms and conditions governing USAF+ including valuation methodology, issuance and redemption processes, settlement timelines, and liquidity management reflect, to the extent possible, the operational mechanics, pricing methodology, and settlement practices of the underlying ETF and its reference markets.

The structure of USAF+ is designed to ensure that issuance, redemption, and pricing activities remain consistent with the functioning of the underlying ETF and do not create distortions, inefficiencies, or adverse impacts on the underlying market.

ATLAS AI LABS FZE conducts periodic and event-driven reviews to ensure that USAF+ terms and conditions including valuation methodology, issuance and redemption processes, and settlement mechanisms remain aligned with the evolving operation and practices of the underlying ETF and its reference markets. Such reviews take into account changes in ETF structure, market conditions, liquidity profile, and applicable regulatory or operational developments.

Any misalignment identified through such reviews shall be escalated to the CCO and CRO, with authority to recommend adjustments, suspension, or remediation measures to ensure continued alignment with the underlying ETF market.

#### 3.1 Application of Virtual Assets Standards Criteria

VARA Requirement	Internal Assessment Methodology	Responsibility	Thresholds/Red Flags
Market Capitalisation & Liquidity	Not applicable to self-issued ARVA; instead monitor ETF Net Asset Value (NAV) and daily redemption ratio	CCO	NAV variance > 2% from token supply value for > 24 h

VARA Requirement	Internal Assessment Methodology	Responsibility	Thresholds/Red Flags
Design, Features & Use Cases	Review of smart-contract design and intended use; ensure token represents only ETF units with no embedded leverage or governance rights	CISO	Any non-ETF linkage or smart-contract modification
Compliance Impact (AML/CFT, Sanctions, Securities, IP)	Conduct legal and regulatory analysis prior to launch; MLRO screens issuance/redemption flows, including <b>periodic reassessments</b> and continuous monitoring of transactional flows to identify and report suspicious activities.	CCO/MLRO	Match with sanctioned party list → halt issuance
Regulatory Treatment & Approvals	Confirm VARA classification as ARVA; monitor global regulatory statements quarterly	CCO	Any regulatory prohibition → immediate suspension
Prohibition by Authorities	Continuous watch of VARA and foreign blacklists	CCO	Listing of USAF+ or ETF by authority → delisting
Security & Immutability of DLT	Quarterly Fireblocks and smart-contract security review; external audit annually	CISO	Critical vulnerability unpatched > 48 h.
Future Development (Roadmap)	Maintain product roadmap approved by Board; any change	CCO	Material change to issuance logic without approval

VARA Requirement	Internal Assessment Methodology	Responsibility	Thresholds/Red Flags
	requires Impact Assessment		
Susceptibility to Price Manipulation	Analyse secondary-market data (if listed), ETF liquidity, and potential misalignment between USAF+ and ETF pricing	CRO/CCO	Concentration > 50% held by one entity
Conflicts of Interest	Maintain Conflicts Register; disclose holdings of Atlas Group in ETF assets	CCO	Undisclosed related-party exposure
Issuer Background	Due diligence on Atlas America Fund and its managers	CCO	Adverse regulatory findings
Enforceability of Rights	Legal opinion on ETF custody agreements and redemption mechanics reviewed annually	Legal Counsel	Opinion lapse > 12 months without renewal
Sufficient Assets Available	Daily SoftLedger reconciliation of ETF units vs on-chain tokens	CFO	Discrepancy > 0.1% > 24 h
Correlation to Underlying Market	ETF NAV monitored against market indices and USAF+ pricing to ensure alignment with ETF market behaviour and pricing dynamics; review quarterly	CFO	Divergence > 2% over 7 days
Disclosure of VA Standards	Publish VA Standards on Atlas Labs website (in machine-readable	CCO	Non-updated posting > 5 days after revision

VARA Requirement	Internal Assessment Methodology	Responsibility	Thresholds/Red Flags
	form); update within 5 days of change		
Underlying Market & Avoidance of Adverse Impact	Ensure USAF+ terms (including valuation based on ETF NAV, issuance/redemption mechanics, and settlement processes) are designed in line with ETF market practices. Prior to large issuance or redemption events, conduct impact assessments considering ETF liquidity, trading volumes, and market conditions. Monitor for price dislocation and arbitrage between USAF+ and the ETF	CCO / CRO	Abnormal ETF price movement linked to USAF+ activity; significant deviation between USAF+ price and ETF NAV; issuance/redemption size materially large relative to ETF liquidity without prior assessment
Periodic Review of Alignment with Underlying Market Practices	Conduct quarterly and event-driven reviews to ensure USAF+ terms, valuation (NAV), issuance/redemption, and settlement processes remain aligned with ETF market practices. Event triggers include changes in ETF structure, liquidity conditions, or regulatory developments	CCO / CRO	Misalignment between USAF+ terms and ETF operations; changes in ETF structure not reflected in USAF+; delayed update following material market or regulatory change

## 4. Internal Scoring Methodology (VA Assessment Scorecard – VAAS-01)

### 4.1 Scoring Approach

Each criterion is assigned a **score (1–5)** and **weighting** according to risk impact. The weighted average determines overall adherence to Atlas Labs VA Standards.

- 1 = Low Risk / Strong Adherence
- 3 = Moderate Risk / Requires Monitoring
- 5 = High Risk / Non-Adherent – Trigger Event

### 4.2 Weighing and Thresholds

Category	Weight (%)	Acceptance Criteria
Compliance & Regulatory	25 %	Must score ≤ 2.5
Legal Enforceability	15 %	Must score ≤ 3
Technology Security	20 %	Must score ≤ 2
Market Integrity	15 %	Must score ≤ 3
Reserve Adequacy	25 %	Must score ≤ 2

A final weighted average > 3.0 constitutes a **Trigger Event**, prompting immediate review and possible suspension.

### 4.3 Assessment Workflow

- Initial Assessment:** conducted by CCO and CFO prior to issuance launch.
- Quarterly Review:** repeating scoring with updated data from SoftLedger and Fireblocks logs.
- Event-Driven Review:** initiated upon regulatory change, ETF suspension, security incident, or price volatility > X %.
- Documentation:** results logged in VAAS-01 template (Appendix A) and retained for 8 years.
- Approval:** Issuance Committee / Board approval required for continuation if score > 3.0.

### 4.4 Application of Virtual Asset Standards

Atlas AI Labs FZE applies its Virtual Asset Standards through a structured, documented, and risk-based internal assessment process designed to ensure that each Virtual Asset meets the requirements of the VARA Market Conduct Rulebook prior to issuance and on an ongoing basis.

The standards are operationalized through the **VA Assessment Scorecard (VAAS-01)** and the internal scoring, weighting, and escalation methodology described in Section 4 of this Policy.

The assessment process translates qualitative regulatory criteria into measurable indicators, thresholds, and governance actions, enabling Atlas to:

- evaluate whether a Virtual Asset satisfies regulatory, legal, operational, and risk requirements prior to issuance;
- monitor continued compliance on a periodic and event-driven basis;
- identify trigger events requiring escalation or remediation;
- determine whether issuance may proceed, continue, be suspended, or be discontinued.

Responsibility for assessment, review, and escalation is assigned to designated control functions, including Compliance and Finance, with final oversight exercised by the Issuance Committee or Board, as applicable.

All assessments, decisions, and supporting evidence are documented and retained in accordance with record-keeping requirements and are made available to VARA upon request.

## 5. Token Issuance, Minting and Burning Controls

### 5.1 Issuance Conditions

- Tokens will only be minted following confirmation that ETF units of equivalent value have been credited to Atlas Labs' designated reserve account.
- CFO verifies asset receipt in SoftLedger; CCO authorizes minting via Fireblocks multi-sig.
- Smart contract parameters (pre-audited and VARA-notified) shall define maximum supply and burn functionality.

### 5.2 Burn and Redemption

- Tokens redeemed for ETF units are burned immediately upon completion of redemption settlement.
- Burn transactions are executed under Fireblocks multi-sig policy and logged for audit.

### 5.3 Custody and Key Management

- Fireblocks platform configured with segregated vaults for issuance and operational wallets.
- Key management policies require minimum 2-3 signatures; private keys never stored outside HSM modules.
- Wallet access rights are reviewed **quarterly** by CISO and CCO.

## 5.4 Provisions for Redemption Rights and Direct Claim

- The legal structure governing the ETF reserve assets will ensure that these assets are held in a segregated custodial account, legally separate from ATLAS AI LABS FZE’s operational and treasury accounts, thereby maintaining full bankruptcy remoteness.
- Each USAF+ token holder will have an enforceable, direct legal claim against the underlying ETF reserve assets in the event ATLAS LABS FZE is unable to process redemption or becomes insolvent.
- Custody or trust agreements governing the ETF reserves will explicitly establish token holders as the ultimate **beneficial claimants**, guaranteeing redemption parity at all times.
- The redemption process shall provide token holders the right to redeem USAF+ for an equivalent value denominated in AED, calculated against the corresponding ETF NAV, **without any additional redemption fee** charged by Atlas AI Labs FZE, and only subject to any unavoidable third-party costs (for example, network gas fees) as permitted by VARA.

## 5.5 Redemption Process and Timeline

Atlas AI Labs FZE will ensure that USAF+ holders may, at all times, redeem their tokens either:

- (i) directly against Atlas AI Labs FZE as Issuer, or
- (ii) against the Reserve Assets in the event Atlas AI Labs FZE is unable to process and complete redemption requests.

Redemption requests will be processed and completed within a reasonable period following receipt of a valid request and successful onboarding of the holder, in line with the timelines and mechanics disclosed in the Whitepaper and client documentation.

Detailed redemption procedures, including eligibility, operational steps, and contact channels are documented in the VA Whitepaper.

## 5.6 Reserve Asset Management

ATLAS AI LABS FZE shall, at all times, manage the Reserve Assets effectively and prudently in accordance with Rule III.C of the ARVA Rules, at least by:

- A. maintaining Reserve Assets only with custodians or other entities which are duly authorized, regulated and qualified to hold such assets, in accordance with applicable laws, regulations and VARA requirements. **(BNY MELLON)**.
- B. ensuring that Reserve Assets are at all times held in segregated accounts, legally and operationally separate from Atlas AI Labs FZE’s own funds (including operational and treasury accounts) and from any other client assets, and that such segregation is reflected in all custody, trust and account-opening documentation.
- C. ensuring that any newly added Reserve Assets are transferred to and held in custody with such authorized custodians in accordance with clause 5.6(a) by no later than the time period stipulated by VARA as a condition of Atlas AI Labs FZE’s approval to issue USAF+.

- D. maintaining and implementing written policies and procedures to ensure that Reserve Assets can be promptly accessed, realized and, where applicable, converted into AED as necessary to process and complete redemption requests in accordance with Rule III.E of the ARVA Rules and Sections 5.4 and 5.5 of this Policy, including during stress, suspension or delisting events.
- E. conducting regular, risk-based assessments of the adequacy and composition of the Reserve Assets – including credit quality, liquidity, concentration and market risk – using the VA Standards Framework and VAAS-01 scorecard, at least on a quarterly and event-driven basis, to ensure ongoing compliance with Rule III.C of the ARVA Rules and to identify any Trigger Events requiring escalation, remediation or suspension.

## 6. Implementation, Monitoring, and Control

### 6.1 Ongoing Assessment and Monitoring

ATLAS AI LABS FZE shall regularly and on an ongoing basis assess relevant information to ensure that USAF+ continues to meet the VA Standards. This is achieved through:

#### A. Daily Reconciliation

- SoftLedger reconciles issued USAF+ tokens against ETF holdings.
- Any discrepancy >0.1% triggers immediate escalation to CCO and CFO.

#### B. Automated Monitoring

- Fireblocks logs monitored for unusual transaction patterns, failed authorizations, or unauthorized key access.
- Alerts routed to CCO, CRO, and CISO.

#### C. Scheduled Reviews

- Quarterly formal review of VAAS-01 scores.
- Compliance, Finance, and CISO teams jointly verify scoring, thresholds, and risk classification.
- Assessment of continued alignment between USAF+ terms and conditions and the operational practices of the underlying ETF, including valuation, issuance/redemption mechanics, and settlement processes.

#### D. Trigger-Based Reviews

- Regulatory changes impacting USAF+ or ETF;
- Security incidents, critical vulnerabilities, or suspected DLT exploits;
- Market deviations or redemption issues;
- Material deviations in ETF NAV or reserve holdings.
- Changes in ETF structure, trading conditions, liquidity profile, or market practices that may impact the alignment of USAF+ with the underlying market.

### 6.2 Record Keeping

All assessment records, reconciliation logs, audit reports, and VARA notifications are retained for **eight (8) years**.

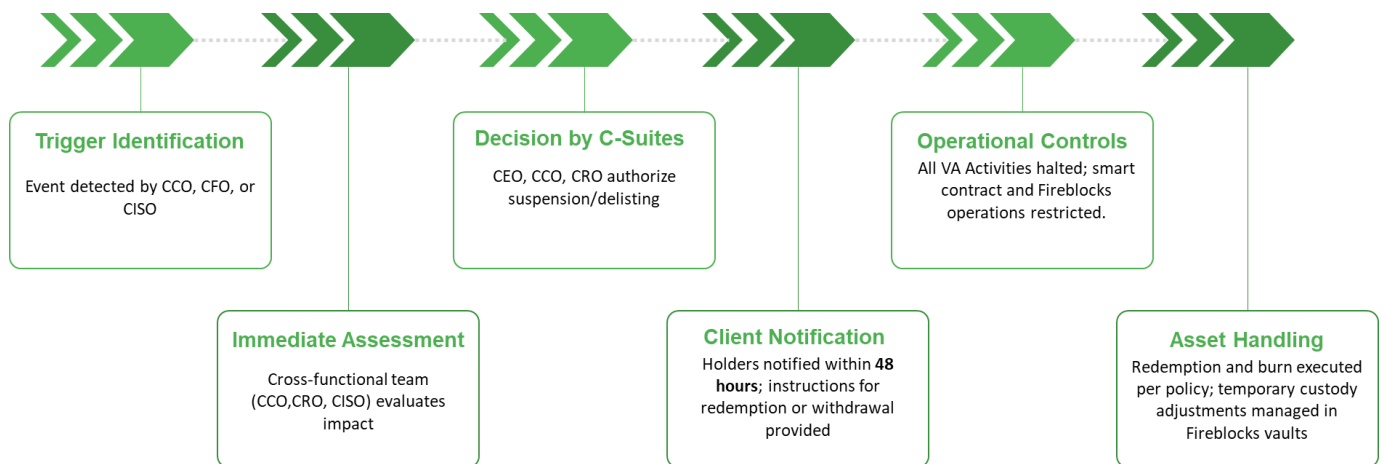
Records stored securely in both digital and backup formats; available for VARA inspection upon request.

### 6.3 Suspension and Delisting Procedures

Conditions for suspension include:

- Trigger events identified in VAAS-01 scoring;
- Regulatory prohibition by VARA;
- Critical security vulnerability;
- Reserve shortfall or ETF operational suspension.
- Evidence that USAF+ issuance or redemption activity may adversely impact the underlying ETF market, including liquidity disruption, abnormal volatility, or material deviation from ETF NAV

Operational Procedure:



When a potential suspension/delisting trigger is identified, ATLAS AI LABS FZE will follow these procedures:

- Trigger Identification & Immediate Assessment** – The responsible team (e.g. Risk, Compliance or Operations) logs the event, confirms it meets one or more suspension conditions, and performs an initial impact assessment (affected clients, systems, Reserve Assets, regulatory obligations).
- Decision by C-Suites** – The event is escalated to the CEO, CCO, CRO and CFO within 24 hours. Senior Management/Issuance Committee decides whether to
  - continue operations with enhanced monitoring,
  - temporarily suspend new issuance or other activities, or
  - initiate delisting.
- Client Notification** – If suspension or delisting is approved, Atlas prepares client communications explaining the reason, impact on USAF+ (including redemptions), and expected next steps, to be issued in coordination with VARA directions (see section 6.4).

**D. Operational Controls & Asset Handling** – Atlas immediately applies technical and operational controls (e.g. pause minting/burning, restrict smart-contract changes), secures and reconciles Reserve Assets, and ensures that token holder rights and redemption processes are protected and can continue in an orderly manner.

## 6.4 VARA Notification

VARA is notified **immediately** after a Trigger Event or discovery that USAF+ no longer meets VA Standards.

ATLAS AI LABS FZE implements any VARA-directed steps to minimize adverse client impact.

## 6.5 Training and Awareness

ATLAS AI LABS FZE is committed to fostering a culture of compliance regarding Virtual Asset Standards.

- The Chief Compliance Officer (CCO) is responsible for ensuring comprehensive training on the obligations outlined in this Policy, the VARA Issuance Rulebook, and all relevant AML/CFT standards.
- **Initial Training:** All Covered Persons will receive initial training promptly after policy approval or upon joining the company, whichever is later.
- **Refresher Training:** Annual refresher sessions will be conducted for all Covered Persons to ensure continued understanding of evolving regulatory requirements and industry standards.
- **Training Log:** The CCO will maintain a detailed log of all training sessions or educational programs conducted, capturing the date, participants, topics covered, and learning objectives for audit purposes.

## 6.6 Policy Adherence Monitoring and Reporting

The Chief Compliance Officer (CCO) is tasked with overseeing the adherence of Covered Persons to the processes and obligations outlined in this Policy.

**Annual Reporting:** At least annually, the CCO will submit a comprehensive report to the Board of Directors and the Risk & Compliance Committee, documenting:

- Any instances of non-compliance with the VA Standards.
- The remedial actions taken to address non-compliance.
- The implementation of new controls and mechanisms to enhance future compliance.

This systematic monitoring ensures the continual alignment of personnel with established policies and fosters a culture of accountability and regulatory compliance.

# 7. Disclosure and Transparency

ATLAS AI LABS FZE maintains transparency in accordance with Rule VIII.A.3:

- A. Website Publication:
  - VA Standards (VAAS-01 methodology, scoring criteria, responsibilities).
  - Smart contract address, audit reports, and Fireblocks custody overview.
  - Redemption terms, ETF reference details, and reserve attestations.
- B. Update Frequency:
  - Updates within **5 business days** following a material change in standards, procedures, or regulatory guidance.
- C. Machine-Readable Data:
  - All public disclosures are in a format allowing automated retrieval by clients and VARA.

Conflicts of interest relating to the constitution or management of Reserve Assets, including any Atlas Group exposure to the ETF, will be publicly disclosed in website disclosures and the Whitepaper

## 8. Recordkeeping and Reporting

Atlas AI Labs FZE maintains a dedicated **Issuance Register** (*Refer to Appendix 4*) as part of its mandatory recordkeeping framework under the VARA Rulebooks. The Register provides a complete, auditable record of all issuance-related activities and controls. It is securely maintained within Atlas AI Labs FZE's compliance systems and subject to regular internal audit review.

The Issuance Register shall record, at a minimum, the following information:

- **Total USAF+ Tokens Issued and Burned:** Detailed logs of each minting and burning transaction, including transaction hash, date, time, and authorised signatories.
- **ETF Reserve Holdings and Reconciliation Results:** Daily reconciliations between on-chain USAF+ supply and off-chain ETF units as verified through SoftLedger, including variance reports and escalation records.
- **VAAS-01 Assessment Scores and Approvals:** Results of all initial and periodic Virtual Asset assessments, including scoring sheets, responsible assessors, and management approvals.
- **Regulatory and Client Communications:** Copies of all notifications, disclosures, and communications to VARA and clients related to issuance, suspension, delisting, or redemption activities.

All records in the Issuance Register shall be retained for a minimum of **eight (8) years** and made available for inspection upon VARA's request.

## 9. Policy Review and Updates

Policy formally reviewed **annually** or upon:

- Regulatory changes by VARA or other competent authorities.
- Material change in USAF+ design, issuance mechanics, or technology platform.

- Any significant incident or trigger event requiring policy amendment.

Updates are approved by the Board and communicated to all relevant personnel.

## Appendix 1 - VA Assessment Scorecard (VAAS-01) Template

#	Assessment Factor (VARA Rule VIII Criteria)	Weighting (%)	Score (1–5)	Comments / Evidence	Assessor Name	Date
1	Governance Structure					
2	Board & Management Oversight					
3	Risk Management Framework					
4	Internal Controls & Audit					
5	Technology & Information Security					
6	Operational Resilience					
7	Custody & Safekeeping of Assets					
8	Client Asset Segregation					
9	AML / CFT Compliance					
10	KYC / Customer Due Diligence					
11	Transparency & Disclosure Requirements					
12	Marketing & Sales Conduct					
13	Conflicts of Interest Management					

#	Assessment Factor (VARA Rule VIII Criteria)	Weighting (%)	Score (1–5)	Comments / Evidence	Assessor Name	Date
14	Incident Reporting & Regulatory Notification					

**Instructions for Use:**

- Weighting (%):** Assign relative importance to each criterion (total should sum to 100%).
- Score (1–5):** Rate each factor using the scoring scale:
  - 1 = Low risk / strong adherence
  - 2 = Low-to-moderate risk / generally adherent
  - 3 = Moderate risk / requires monitoring
  - 4 = Elevated risk / weaknesses identified
  - 5 = High risk / non-adherent – Trigger Event
- Comments / Evidence:** Provide justification for the score, referencing policies, procedures, logs, or other documentation.
- Assessor Name & Date:** Record who performed the assessment and when for audit trail purposes.
- Aggregation:** Weighted scores can be multiplied by the weighting percentage to calculate an overall compliance score.

## Appendix 2 - Escalation and Notification Matrix

Event	Responsible	Notification Timeline	VARA Notification Required	Client Notification Required
Trigger Event (VAAS-01 score >3.0)	CCO/ CRO	24h internal assessment	Yes, immediately	Yes, 48h
Security breach / smart contract vulnerability	CISO	Immediate	Yes	Yes, 48h
Reserve shortfall / ETF operational halt	CFO	24h	Yes	Yes, 48h
Regulatory prohibition	CCO	Immediate	Yes	Yes, 48h

## Appendix 3 - Disclosure Summary Template

Disclosure Item	Notes / Evidence
Smart Contract Address	Ensure address is verified on blockchain explorer or official records.
Issued Token Supply vs ETF Backing	Include details of ETF backing ratio and methodology.
Latest Reconciliation Results	Reference supporting reports or reconciliation logs.
Redemption Terms and Procedures	Include links to official policy or user instructions.
VA Standards Methodology Summary	Reference compliance with VARA or internal standards.
Audit and Security Attestation References	Include dates, auditors, and scope of audit/security review.

## Appendix 4 – Issuance Register Template

Date/Time	Transaction Type	Token Quantity	ETF Units Added/Removed	TRX	Approval Reference	Reconciliation Reference	Responsible Officer	Notes/Comments
DD/MM/YYYY HH:MM	Mint / Burn	X,XXX,XXX	+ / - X ETF Units	0x...	[Approval ID]	[Ledger Record No.]	[Name, Title]	

### Maintenance Requirements:

- Updated **daily** to reflect all issuance and burn events.
- Reconciled **automatically** via SoftLedger, with manual verification by the Compliance Officer.
- Reviewed **monthly** by Finance and Compliance and **quarterly** by internal audit.
- Retained for **eight (8) years** in accordance with recordkeeping rules.
- Any discrepancies or unapproved activity must trigger immediate escalation per the **Escalation and Notification Matrix (Appendix 2)**.