

**WAQF DEED**  
**SALAAM FAMILY TAKAFUL LIMITED**

### **WAQF DEED**

Know all men through these presents that Salaam Family Takaful Limited, an unlisted Public Limited Company, duly incorporated under the Companies Act 2017, on ----- having its registered office at 6th floor, Business Centre, Plot No 19-1-A, Block -6. P.E.C.H.S., Shahrache-Faisal, Karachi Pakistan (hereinafter called the Operator) through its duly authorized attorney, Chief Executive Officer, Mr. Syed Rizwan Hussain, son of Mr. Syed Zahid Hussain, adult, Muslim, holder of Computerized National Identity Card No. 42101-4543398-3 is making this Waqf Deed on -----, the ----- day of ----- 2022 at Karachi.

#### **WHEREAS:**

1. The Operator is competent and legally authorized through its Memorandum & Articles of Association to and is desirous of establishing a Waqf Fund for the purpose of achieving the objectives and functions given herein below.
2. The Operator has decided to and hereby establishes an irrevocable Fund called Salaam Family Takaful Limited Waqf Fund [hereinafter referred to as the Participant Takaful Fund (PTF)] which shall be a separate and independent entity to which assets (both tangible and intangible), liabilities, revenues, and expenses may be clearly attributable, in such a manner that effective beneficial ownership of assets is passed on to the PTF in compliance with the Shariah principles.
3. The property (عقار) having joined ownership and owning 50% in the market value of Flat No 302 Third Floor Plot No 57/A & 58 Sheet No II Mustafa Centre Upper Gizri

Karachi South is hereby declared as Waqf and all the rights vested in the said property as well as the benefits / revenue arising therefrom shall be enjoyed by the beneficiaries (موقوف عليهم) according to the terms and conditions devised by the Waqif(s) considering the spirit of Shariah i.e., rules, regulations and injunctions.

The Waqif Mr. Syed Rizwan Hussain son of Mr. Syed Zahid Hussain dedicated / endowed the above-mentioned property for the sake of Allah (عزوجل) as Sadqa-e-Mauqoofah (صدقه موقوفه) as required by Shariah and its income / revenue shall be used for the benefits of its policy holders (as they are also among the beneficiaries) as per the rules and regulations defined in this waqf deed / (or any additional / supplementary waqf deed if needed) and then lastly it should be spent on the poor as defined by Shariah.

This waqf shall be governed in line with the terms and conditions of Shariah under the supervision of Shariah Advisor of Salaam Family Takaful.

#### **Istibdal (change of property)**

This property is waqf for the sake of Almighty Allah, however, in the light of Sharia, The Management and the Shariah Advisor of Salaam Family Takaful with mutual consent are authorized to replace the existing waqf with any other useful property as and when they find better asset instead of the previous one. And then this new asset will be considered Asl-e-Waqf.

#### **Revenue and Contributions**

The revenue generated by Waqf property or contribution received by Waqf shall be used according to the expenses / requirements / uses of waqf (Masarif e Waqf/ (مصارف وقف).

Details of a few Masarif e Waqf is as following:

- The biggest use of waqf income (revenue) is to spend it on waqf property so that the waqf property shall remain producing the income (revenue) for the well-being of the beneficiaries.

Having utilized the abovementioned category, the remaining / surplus amount of the revenue shall be used for the benefits and facilities and compensations of the beneficiaries as per the terms and conditions of Waqif(s).

However, in case of breach of the commandments of Shariah or in case of conflict with the Shariah, the rulings of Shariah shall supersede on the conditions of Waqif.

- All contributions of the policy holders shall be in the ownership of the said immovable property by the operator.

- The profits generated on Waqf shall be the ownership of the Waqf and can be used to pay benefits to the Participants or defray the Waqf expense.

The Settlor/Operator has also undertaken to accept the responsibility of managing and operating the said Participant Takaful Fund (PTF) on the terms and conditions appearing in this Deed and in the Waqf Rules and in any other Supplementary Deed(s) made hereunder. The property stated above is created as Asl e Waqf for Salaam Takaful Family Waqf and Salaam General Waqf, with a joined ownership and owning 50% share in the market value for each.

4. Whereas Salaam Family Takaful Limited shall be called as the Settlor or Operator or Trustee, which expression shall, unless repugnant to the context or the meaning thereof, mean and include its survivor(s).

**1. Definitions.** – In this Deed, unless there is anything repugnant in the subject or context:

- (i) Accounting Year means financial year of the Operator, that is, the twelve (12) months commencing from January 1 till December 31.
- (ii) Appointed Actuary is the person appointed by the Board of Directors of Salaam Family Takaful Limited in accordance with the relevant provisions of the Ordinance to perform functions and responsibilities thereof defined.
- (iii) WAQF means transferring the ownership of property / valuable thing in the sight of Shariah into the ownership of Almighty Allah by bestowing its usufructs to beneficiaries according to Shariah spirit provided there would be no right of ownership of the endower (Waqif)".
- (iv) Asl e Waqf /Ceding Asset (s) means the asset ceded by the Takaful Operator at the commencement of the Waqf (PTF), Upon dissolution of the Waqf (PTF) the same will have to be transferred to another Waqf formed for a similar or any other purpose with the approval of the Shariah Advisor.
- (v) Beneficiary refers to any person who is entitled to benefit from the PTF and can include the Participant as well as legal heirs of a deceased participant.
- (vi) Mamlook-lil-Waqf (مملوك للوقف) means any amount contributed by the policy holders or any other party or received from Re-takaful. In light of Shariah, these are Mamlook lil Waqf (مملوك للوقف). This shall be governed as per the defined rules of waqf as explained by Shari'ah.

- (vii) Commission means Securities and Exchange Commission of Pakistan.
- (viii) Companies Act means the Companies Act 2017.
- (ix) Contribution means the amount payable by a participant to an operator under a Takaful Fund.
- (x) Deficit means the shortfall in the PTF, that is, excess of payments over receipts/expenditure and after accrual of all expenses and income in accordance with generally accepted accounting principles and applicable law for the time being in force.
- (xi) Operator and Trustee means Salaam Family Takaful Limited working in its capacities of Wakeel and Mudarib, as the case may be, thereby operating the Participant Takaful Fund (PTF). The terms Operator or Trustee may be used interchangeably.
- (xii) Operator sub-fund means a sub-fund of a statutory fund set up by a Family Takaful Operator in which all takaful operator fees shall be credited and from which all expenses relating to the Statutory Fund which are not charged to any Participant Takaful Fund or Participant Investment Fund shall be debited.
- (xiii) Ordinance means the Insurance Ordinance (XXXIX of 2000).
- (xiv) Participant means a person who participates in a Takaful scheme and to whom a Takaful Contract is issued.
- (xv) Participant's Membership Documents (PMD) means the documents detailing the benefits and obligations of the Participant.
- (xvi) Participants Takaful Fund (PTF) means a separate fund set up into which the participant's risk related contributions are paid and from which risk related benefits are paid out. This is interchangeably called Waqf Fund.
- (xvii) Qard-e-Hasan means an interest-free loan to the PTF from the Shareholders' Fund, when the PTF is in deficit and insufficient to meet their current liabilities, or potential deficit.
- (xviii) Re-takaful means an arrangement consistent with sound Takaful principles for Re-takaful of liabilities in respect of risks accepted or to be accepted by the Operator in the course of his carrying on Takaful business and includes ceding risks from Takaful Fund(s) managed by the Operator to one or more

Re-Takaful Fund(s) managed by any other one or more Re-takaful operator(s) in line with Takaful principles.

- (xix) Shariah Advisor means Shariah Advisor of the Operator appointed under Rule 25 of the Takaful Rules 2012.
- (xx) Supplementary Rules means sub-rules or other rules to be made under this Deed as deemed necessary for legal and operational reasons.
- (xxi) Takaful Rules means Takaful Rules 2012 and shall include any modifications of the Takaful Rules 2012 as well as any rules, or any other directions.
- (xxii) Waqf Rules means rules made under this Deed.

Unless the context otherwise requires, words or expressions contained in this Deed shall have the same meaning as in the Companies Act 2017, Insurance Ordinance, 2000 and Takaful Rules 2012; and words importing the singular shall include the plural, and vice versa, and words importing the masculine gender shall include feminine, and words importing persons shall include corporate entities.

## **2. Objectives and Purposes of Participants Takaful Fund (PTF)**

The objects and purposes of the PTF are as follows:

- 2.1 To receive contributions, donations, gifts, charities, subscriptions etc., from the Participants and others; in accordance with takaful rules and Shariah principles.
- 2.2 To provide relief to the Participants against benefits defined as per the PTF Rules, the PMD and any Takaful Supplementary Benefit Document(s).
- 2.3 To give charities in consultation with the Shariah Advisor.
- 2.4 To invest monies of the PTF in and subscribe for, take, acquire, trade or deal in, instruments approved by the Shariah Advisor such as shares, stocks, sukuks, securities or instruments of redeemable capital of any other company, institution, mutual fund, corporation or body corporate or any other manner, with the approval of Shariah Advisor.
- 2.5 To do all such other things/acts/objects as are incidental or conducive to the attainment of the above objects or any of them in accordance with the takaful rules and shariah principles.
- 2.6 The operator shall pay benefits to the members for defined losses / expenses from the PTF specified in Participant membership documents.

### **3. Assets of the Participant Takaful Fund (PTF)**

The Participant Takaful Fund (PTF) shall comprise of any or all of the following:

- 3.1 The cede amount/asset(s) donated from the Shareholders' Fund (SHF) to the Participant Takaful Fund (PTF).
- 3.2 The risk contributions and the Takaful Operator's fee received from the Participants by way of subscriptions, contributions, donations, gifts, etc.
- 3.3 Income or incomes derived from investments etc. made by the PTF except for the ceding amount (referred to as above) all the balance amounts may be utilized for offsetting the PTF's liabilities of payments of benefits to the members of the Fund.
- 3.4 Share of claims and surplus received from Re-Takaful Operator.

### **4. Operator's Obligations**

The following shall be considered as the role of the Operator:

- 4.1 The management of the PTF. The Operator may create further sub-funds within the Waqf Fund after approval from the Shariah Advisor and the Appointed Actuary. The risk contributions and Takaful Operators' fee and the liabilities related to each sub-fund would be transferred to their respective sub-fund.
- 4.2 The Operator shall define the PTF Rules, which shall be in accordance with generally accepted principles; applicable law for the time being in force; norms of the Takaful business and guidelines of its Shariah Advisor.
- 4.3 The Operator shall act as Wakeel of the PTF (other than investments of PTF). For the investment management of the PTF the Operator shall act either as Wakeel or Mudarib after approval from the Shariah Advisor and the Appointed Actuary.
- 4.4 The Operator shall, on the basis of set rules and regulations to be defined in the PTF Rules and in the PMD, pay benefits of the Participants from the same Fund as per its rules.
- 4.5 The Operator shall bear all the administrative and management expenses of the PTF, except those enumerated under clause 6.2 of this Deed, in consideration of defined Takaful Operator's Fee.

- 4.6 At least at the end of each accounting year the Operator shall evaluate the assets and liabilities of the PTF either on an overall basis or for each sub-fund created as per clause 4.1 and determine whether the operations for that particular period had produced a surplus for sharing amongst the Participants under advice of the Appointed Actuary and the Shariah Advisor. The mechanism of surplus determination as well as surplus distribution would be defined in the PTF Rules as well as in the PMD.
- 4.7 In case there is a deficit in any PTF or its sub fund, the Operator may donate an interest-free loan to be called Qard-e-Hasan to make good the shortfall in that Fund. The loan shall be repaid from the future surpluses generated in the PTF without any excess on the actual amount given to the PTF.
- 4.8 The Operator shall invest the available funds in the PTF in the modes and products that adhere to principles established by the Shariah and all such modes and products shall be approved by the Shariah Advisor of the Operator.
- 4.9 Subject to the provisions of the Ordinance, the Operator shall maintain statutory reserves as its Appointed Actuary may require, in the Participant Takaful Fund (PTF).
- 4.10 The Operator shall ensure that the Re-takaful / Re-insurance arrangements are consistent with the sound Takaful principles and are as per the guidelines provided by its Shariah Advisor.
- 4.11 The Operator shall appoint a Shariah Advisor of not less than three members which shall be responsible for the approval of products, documentation, as well as approval of all operational practices and investment of funds.
- 4.12 The Sub-Fund of the PTF, established for any class of business shall, notwithstanding that the Operator at any time ceases to carry on that class of business in Pakistan, continue to be maintained by the Operator so long as it is required to maintain proper books and records for schemes belonging to that class under the law for the time being in force and applicable to the PTF.
- 4.13 The Operator will determine the amount and rate of contribution.
- 4.14 The Operator will determine the benefits to be paid to members.

## **5. Operator's Rights**



The following shall be considered as the obligations of the Operator:

- 5.1 The Operator shall be entitled to receive Takaful Operator's Fee. The Operator shall have the right to make such adjustments in Takaful Operator's Fees as may be appropriate for each Participant with the approval of the shariah advisor. The Operator shall ensure that any adjustment to the Takaful Contributions is made from the Takaful Operator's fees and not from the contribution, which should be appropriate to the risk being put in the PTF. The Takaful Operator may choose to keep different fee for different Takaful Plans and Supplementary Takaful Benefits after approval from the Shariah Advisor and the Appointed Actuary.
- 5.2 The Operator, in the capacity of Mudarib/ Wakeel, shall be entitled to set the profit-sharing ratio/Wakala fee on the investment management / PTF management based on the advice of the Shariah Advisor and the Appointed Actuary. The Operator might choose to keep different profit-sharing ratios for different sub-funds after approval from the Shariah Advisor and the Appointed Actuary.
- 5.3 The Operator shall be entitled to make such Supplementary Waqf Deeds, Waqf Rules or sub-Rules and PTF Policies for sub-fund of the Waqf Fund (PTF) for each class of Takaful business as may be deemed necessary. The same shall be approved by its Shariah Advisor and thereafter be filed with the Commission.
- 5.4 The Operator shall have a first right of return in respect of the amount provided as Qard-e-Hasan to PTF. The exact portion of surplus to be used for the payment of Qard-e-Hasan would be defined by the Appointed Actuary and the Shariah Advisor at the time of surplus in the PTF.
- 5.5 The Operator shall have a right to make deductions from the PTF as are enunciated in the clause 6.2 of this Deed.

Notwithstanding anything contained herein, the Operator shall have such rights as may be deemed necessary, under the applicable laws for the time being in force, in accordance with Shariah guidelines.

## **6. Receipts and Payments from PTF**

- 6.1 The income of the PTF shall consist of the following, but not limited to, namely:
  - a) Risk Contributions received from the Participants and the Takaful Operator's Fee.

- b) Claims received from the Re-takaful Operators.
- c) Surplus share received from the Re-takaful Operators.
- d) Investment profits generated by the investment of funds and other reserves attributable to the Participants in the PTF.
- e) Qard-e-Hasan by the Shareholders' Fund to the PTF (in case of a deficit);
- f) Commission received from Re-takaful Operators.
- g) Any donation made by the Operator; and
- h) Any Surplus distributed by the Re-takaful Operators.

6.2 The outgo from the PTF shall consist of the following, but not limited to, namely:

- a) Claims paid related to risks covered under Waqf Fund (PTF) and expenses directly related to settlement of claims such as investigators fee, etc.
- b) Any third-party costs directly associated with underwriting (specifically medical examination, pre-cover costs or any consulting costs related with assessing or reducing the risks being covered).
- c) Contributions paid to Re-takaful Operator/ Re-insurer.
- d) Return Of Contribution as per PMD.
- e) Takaful Operator's fees.
- f) Takaful Operator's share in investment income of the PTF.
- g) Surplus may be distributed to the Participants.
- h) Return of Qard-e-Hasan to the Operators' Fund.
- i) Any expenses relating to determination of a right to benefit with the permission of the Shariah Advisor.
- j) Any amount given to Charity from surplus.

## **7. Dissolution**

In the event of winding up, the following procedure would be followed:

7.1 The Actuarial Valuation would be carried out as at the date of the winding up of business for the Participant Takaful Fund (PTF). The Valuation would be carried out as per the basis which the Appointed Actuary and Shariah Advisor deem appropriate for this purpose.

- 7.2 If after discharging the entire Participant's liability there is a surplus, it would first be used to repay any remaining payment of Qard-e-Hasan. If the surplus is not sufficient to repay the entire Qard-e-Hasan, it would be repaid to the extent that there is a surplus in the PTF. If there is a surplus even after paying the liabilities and Qard-e-Hasan, it would either be distributed to the Participants or given to the charity as advised by the Shariah Advisor and the Appointed Actuary.
- 7.3 However, in the above clause, if the Operator has created sub-funds, the surplus (before Qard-e-Hasan) in any sub-fund would first be used to offset deficit in any other sub-fund, if any.
- 7.4 If the Actuarial Valuation shows that the PTF is not sufficient to pay the Participants' liabilities, the deficit would be funded by the Operator from the deposit made by the Operator under Rule 21 of the Takaful Rules. In case the deficit is still there, the remaining amount would be funded by the Takaful Operator from the Paid-up Capital.
- 7.5 The cede amount/asset would be transferred, with the approval of the Shariah Advisor, to another PTF, formed for similar or any other purpose. However, the shareholders of the Operator shall not be entitled to any of the aforesaid amounts.

## **8. General**

- 8.1 This Deed shall be governed by the laws in Pakistan applicable from time to time on the Operator and the Waqf Fund.
- 8.2 Notwithstanding anything contained herein, the Operator shall ensure due compliance with all applicable laws for the time being in force and Shariah Principles. In the case of any conflict, the law of Pakistan shall prevail.
- 8.3 This Deed shall be irrevocable and shall not be altered or amended in any manner, whatsoever.
- 8.4 Notwithstanding the irrevocability of this Deed, the Operator shall be empowered to execute such number of Supplementary Deed as may be deemed necessary for legal and operational reasons. However, all such deeds shall be executed with the approval of the Shariah Advisor.

**IN WITNESS HEREOF** the Waqf Deed is executed hereunto respectively the day and year first here-in-above written. For and on behalf of Salaam Family Takaful Limited (the Operator).

For and on behalf of

**Salaam Family Takaful Limited** (the Operator).

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**Syed Rizwan Hussain (Waqif)**

Managing Director & CEO

Witness 1: Name & Address:

Signature: \_\_\_\_\_

Witness 2: Name & Address:

Signature: \_\_\_\_\_