



**NOTICE OF THE 10th EXTRAORDINARY GENERAL MEETING
OF MEMBERS OF
SALAAM TAKAFUL LIMITED**

Notice is hereby given that the 10th Extraordinary General Meeting of the members of Salaam Takaful Limited ('the Company') shall be held on Tuesday , 24th January 2023 at 11:00 AM via Zoom Videoconferencing to transact the following business:

Ordinary Business:

- 1) To confirm minutes of 9th Extraordinary General Meeting held on 20th May 2022.
- 2) To transact such other ordinary business as may be placed before the meeting with the permission of the Chair.

Special Business:

- 3) To consider and, if thought fit, pass the following Special Resolutions, with or without modifications, to approve the Further Issuance of Shares by Way of Other Than Rights and at discount @ Rs. 6.65 per share being breakup value per share based on latest available Audited Financial Statements for the year ended 31st December 2021.

“RESOLVED THAT, subject to compliance with the provisions of all applicable laws and requisite regulatory approvals, permissions and sanctions, including the approvals of the Securities and Exchange Commission of Pakistan (“SECP”) as required under Section 82 and Section 83(1)(b) of the Companies Act, 2017, approval be and is hereby accorded to the proposal of the board of directors as presented to the shareholders to increase the paid-up capital of the Company for Rs. 300 million by issuance of additional 45,112,782 ordinary shares at a discounted price of Rs. 6.65/- (A discount of Rs. 3.35 per share) by way of otherwise than right for cash consideration under Section 82 and Section 83(1)(b) of the Act to the following shareholders of the Company as follows:

House Building Finance Company Limited	2,406,666
Al Baraka Bank (Pakistan) Limited	4,262,718
Sitara Chemical Industries Limited	829,794
Mal Al Khaleej Investment LLC	2,131,777
Mr. Salim Habib Godil	8,765,868
Mr. Syed Rizwan Hussain	9,181,873
Mr. Shahzad Salim Godil	8,765,867
Mr. Syed Salman Hussain	8,765,867
Total	45,112,782

FURTHER RESOLVED THAT, subject to approval of the SECP and the shareholders of the Company through Special Resolution in terms of Section 82 of the Act approval be and is hereby accorded to issue additional 45,112,782 shares at a price of Rs.6.65/- each (Discount Rs.3.35 per share), the aforesaid price not being less than the breakup value per share based on assets (revalued not later than three years) as required by Section 82 (1)(e)(ii) of the Act and certified by the Statutory Auditor of the Company.

FURTHER RESOLVED THAT, the proposed new shares shall rank *pari passu* in all respects with the existing ordinary shares of the Company.

FURTHER RESOLVED THAT, the Chief Executive Officer and/or the Chief Financial Officer and/or the Company Secretary of the Company (**'Authorized Persons'**) be and are hereby authorized singly to enter into and execute such documents as may be required in relation to the further issue of shares otherwise than right shares at discount and to take all steps necessary, ancillary and incidental for the same including but not limited to obtaining all requisite regulatory approvals, preparation and circulation of the notice of General Meeting along with resolutions to be placed before the General Meeting, engaging legal advisors and consultants for the purposes of the aforesaid and filing of the requisite applications, statutory forms under applicable laws as may be required to be filed with the SECP for its approval.

Other Business:

4) To transact any other business with the permission of the Chair.

A statement of material facts under Section 134(3) of the Companies Act, 2017, in respect of the aforesaid Special Business to be considered at the Extraordinary General Meeting, is being sent to the shareholders along with this Notice.

By Order of the Board



Rana Mustansir
Company Secretary

Dated: 3rd January 2023

Place: Karachi

Notes:**1. Closure of Share Transfer Book:**

The Share Transfer Book of the Company will remain closed from 18th January, 2023 till 24th January, 2023 (both days inclusive). Transfers received at our Registrars, Messrs. Central Depository Company Limited. CDC House, 99-B, Block 'B' S.M.C.H.S. Main Shahra-e-Faisal, Karachi – 7400, Pakistan, at the close of business on 18th January, 2023 will be treated in time.

2. Change in Address:

Members of the Company are requested to immediately notify the change in address if any, and ask for the consolidation of folio number, provided the member holds more than one folio, to our Registrar, Messrs. Central Depository Company Limited. CDC House, 99B, Block 'B' S.M.C.H.S. Main Shahra-e-Faisal, Karachi – 7400, Pakistan.

3. Participation in General Meeting:

- a) A Member entitled to attend and vote at the General Meeting is entitled to appoint a proxy to attend and vote for him/her. No person shall act as proxy, who is not a member of the Company except that Government of Pakistan/Corporate entity may appoint a person who is not a member of the Company. If the member is corporate entity (other than Government of Pakistan) its common seal should be affixed on the instrument.
- b) The instrument appointing a proxy (enclosed herewith) duly completed, together with Board of Directors' resolution/power of attorney, if any, with specimen signature of the nominee together with the original proxy form duly filled in must be deposited with the Company Secretary, Salaam Takaful Limited, Plot 19-A-1, Business Centre, Block 6, P.E.C.H.S, Shahrah-e-Faisal, Karachi. not less than 48 hours before the time of holding the meeting.

4. Special arrangement for attending the EOGM through Zoom video link:

Shareholders/Proxyholders interested in attending the EOGM through Zoom video link are requested to use these login credentials to participate in the EOGM proceedings through your smartphones / computer devices.

Salaam Takaful Limited is inviting you to a scheduled Zoom meeting.

Topic: 10th Extraordinary General Meeting of Salaam Takaful Limited

Time: 24th January, 2023 11:00 AM Islamabad, Karachi, Tashkent

Join Zoom Meeting

<https://us02web.zoom.us/j/86171966727?pwd=eURJRzRMUFI2SHIRaUFNdFk4NzA1Zz09>

Meeting ID: 861 7196 6727

Passcode: 263776

6. Inspection of Documents:

The Memorandum and Articles of Association of the Company and any other related information of the Company may be inspected/procured during the business hours on any working day at 6th Floor, Business Centre, 19-1/A, Block-6, PECHS, Shahrah-e-Faisal, Karachi from the date of publication of this notice till the conclusion of the Extraordinary General Meeting.

7. Placement of EOGM Notice on the Company's website

Notice of 10th Extraordinary General Meeting has also been made available on the Company's website www.salaamtakaful.com

Ecl:

- (1) Proxy Form
- (2) The Statement of Material Facts under section 134(3) of the Companies Act, 2017.

STATEMENT UNDER SECTION 134 (3) OF THE COMPANIES ACT, 2017 REGARDING THE SPECIAL BUSINESS:

This statement sets out the material facts concerning the special business to be transacted at the 10th Extraordinary General Meeting of Salaam Takaful Limited to be held on 24th January 2023.

Agenda Item #3 of the Special Business - To consider and, if thought fit, pass the following Special Resolutions, with or without modifications, to approve the Further Issuance of Shares by Way of Other Than Rights @ Rs. 6.65/- per share (at discount of Rs. 3.35/- per share) being breakup value per share based on latest Audited Financial Statements for the year ended 31st December 2021.

The Board of Directors in their 104th Meeting held on 28th December 2022, recorded their intension for further capital injection by way of other than rights following which the Board of Directors passed a resolution in their 104th meeting to inject capital up to Rs. 300,000,000/- (Rupees Three Hundred Million Only) (based on the final consent of the participating shareholders) by way of other than rights and at discount

The Board has also recommended for authorizing the Chief Executive Officer, the Chief Financial Officer and the Company Secretary of the Company ("**Authorized Persons**") to enter into and execute such documents as may be required in relation to the further issue of shares otherwise than right shares and to complete all necessary corporate, regulatory and legal formalities including execution of necessary documents, approval from the shareholders of the Company, lenders approvals and the SECP. The Chief Executive Officer is also authorized to delegate his powers to any person he may deem appropriate.

The issue of further shares held by the Sponsors and Directors shall not increase as consequence of allotment against further issue of shares otherwise than rights.

All shareholders are equally entitled to avail the option to put the subscription money on prorata basis according to their shareholding percentage in the Company. The new shareholding structure and financing required for each of the existing shareholders in proportion to each shareholder's present shareholding percentage.

Justification for the Issue of Shares Otherwise than Right Shares

Board of Directors in its 104th Meeting held on 28th December 2022 deliberated and intended to resolve the further issuance of shares and increase in/injection of Company's Paid-Up Capital by way of "other than Rights" for Rs.300 million.

Following is the present Shareholding structure with number of shares and percentages against each subscriber (after approval of SECP of last capital injection of Rs.331 million which is about to be received):

Present Shareholding Structure:

Shareholder's Name	Existing/Present Holding	
	No. of Shares	% holding
House Building Finance Company Limited	8,699,500	5.33%
Al Baraka Bank (Pakistan) Limited	15,408,663	9.45%
Sitara Chemical Industries Limited	2,999,500	1.84%
Mal Al Khaleej Investment LLC	7,705,843	4.73%
Mr. Salim Habib Godil	31,686,431	19.43%
Syed Rizwan Hussain	33,190,187	20.35%
Mr. Shahzad Salim Godil	31,686,428	19.43%
Syed Salman Hussain	31,686,428	19.43%
Others	8,500	0.01%
Total	163,071,480	100%

Following are the facts which should be considered by the Board of Directors in its upcoming Board meeting for deciding few important matters:

1. Board of Directors will resolve to issue shares by way of "other than rights" in proportion to each shareholder's present shareholding percentage.
2. Approval of the Notice of EOGM shall be made to approve share issuance.
3. Fresh injection of Capital in the Company will be up to Rs.300 million.
4. Fresh capital injection will be by way of "**OTHER THAN BY WAY OF RIGHTS**".

5. Fresh issuance of shares by way of **“OTHER THAN RIGHTS”** will be @ Rs. 6.65 per share being breakup value per share based on latest available Audited Financial Statements for the year ended December 31, 2021 (***Issuance price on discount will be decided and resolved in this Board meeting***)
6. All shareholders will be equally entitled to avail the option to put the subscription money on prorata basis according to their shareholding percentage in the Company.
7. After the EOGM, all shareholders are required to confirm their intention to participate in the aforesaid issuance to the Company Secretary within fifteen (15) days of the date of EOGM.
8. The Shareholders who decide to invest in the company will confirm their intention to Company Secretary within fifteen (15) days of the date of EOGM along with the instrument containing their part of the proceeds.
(Quantity and value pertaining to each shareholder for fresh issue is tabulated in point No.11)
9. The shareholders who opt to invest may consider, through mutual discussion amongst themselves, whether to acquire the renounced shares of the current capital issue. The renounced shares shall be distributed amongst the opting shareholders @ Rs. 6.65 per share in the ratio that will be arrived at and exist only amongst the opting shareholders after acquiring their respective shares of the current issue.
10. The business case for the aforesaid further issuance of shares and increase in paid up capital is in the interest of the Company as follows:
 - a) Salaam Takaful has registered tremendous growth in terms of financial, operations, products and human resources ever since the new sponsors have taken over the Company. Keeping in view the future growth and its annexed expansion plans, Company will need fund to invest in various new products, innovative ideas, emerging line of business.
 - b) Company will use the enhanced equity for capturing the best retakaful treaties for meeting the requirement of growth in business and future launching of new products and lines of business.
 - c) Company’s credit rating will further improve and upgrade due to good equity level thereby said credit rating will be strengthened to acquire and capture the new huge business growth and opportunities from Islamic banks, other government and nongovernment institutions.
11. Following will be the new Shareholding structure after capital injection and finance required from each shareholder:

SHARE HOLDING STRUCTURE AFTER INJECTION OF CAPITAL OF RS. 300.00 MILLION							
IF ALL OPTED							
Total Number of Existing Shares	113,202,019	(As at 31st December 2021 based on latest available Audited Financial Statements)					
Amount of Capital Injection	300,000,000						
Equity/Net Assets as per Audited FS 2021	752,868,163	(As at 31st December 2021 based on latest available Audited Financial Statements)					
Breakup Value per share as per audited FS 2021	6.65	(As at 31st December 2021 based on latest available Audited Financial Statements)					
Issuance of further shares	45,112,782						
Share holding Structure	Existing Position after issuance of last capital injection of Rs. 331m		New issue of Rs. 300.00 million		Revised Holding after issuance		Capital Injection required
	Existing Shares	% holding	Further Shares	% holding	Revised Shares	% holding	
House Building Finance Company Limited	8,699,500	5.33%	2,406,666	5.33%	11,106,166	5.33%	16,004,331
Al Baraka Bank (Pakistan) Limited	15,408,663	9.45%	4,262,718	9.45%	19,671,381	9.45%	28,347,072
Sitara Chemical Industries Limited	2,999,500	1.84%	829,794	1.84%	3,829,294	1.84%	5,518,132
Mal Al Khaleej Investment LLC	7,705,843	4.73%	2,131,777	4.73%	9,837,619	4.73%	14,176,316
Mr. Salim Habib Godil	31,686,431	19.43%	8,765,868	19.43%	40,452,299	19.43%	58,293,021
Syed Rizwan Hussain	33,190,187	20.35%	9,181,873	20.35%	42,372,061	20.35%	61,059,458
Mr. Shahzad Salim Godil	31,686,428	19.43%	8,765,867	19.43%	40,452,295	19.43%	58,293,016
Syed Salman Hussain	31,686,428	19.43%	8,765,867	19.43%	40,452,295	19.43%	58,293,016
Others	8,500	0.01%	2,352	0.01%	10,852	0.01%	15,638
Total	163,071,480	100%	45,112,782	100%	208,184,262	100%	300,000,000

12. Board of Directors in its 104th meeting to be held on 28th December 2022 will discuss and resolve the further issuance of 45,112,782 shares at discount for Rs. 300.00 million at issuance price of Rs. 6.65 per share (based on latest Available Audited Financial Statements for the year ended December 2021) at discount of Rs. 3.35 per share other than by way of rights.

13. Those shareholders who renounce their right within 15 days from the date of resolution passed in EOGM, will automatically dilute their holdings by giving their rights to those shareholders who opt to avail their right. The shares so renounced will be given to opting shareholders in proportion.

14. Since this is the issuance by way of "Other than Rights" issue size will be decided on the basis of number of shares to be derived at after opting shareholders will have decided, while renounced shares will not be part of the issue size.