



TERMS OF REFERENCE

Shari'ah Board of Hazana Maldives Limited

Introduction

Shari'ah Board of Hazana Maldives Limited consists of 3 members. It is the responsibility of the Shari'ah Board to ensure that all the activities of the company are carried out according to the tenets of Shari'ah, and to rectify any activity of the company which is not in compliance with any tenet of Sharia'h. It's also a duty of the Shari'ah Board to ensure that Hazana Maldives is run based on Islamic finance principles.

Prerequisites of Shari'ah Board Members

- 1- Must be a Muslim and a follower of a Sunni school of thought;
- 2- Must have reached the age of puberty;
- 3- Must be of sound mind;
- 4- Must not have been convicted of any offence punishable by a Hadd as per Shari'ah;
- 5- Must observe high standards of integrity and character in the society and must refrain from such behavior that may deter the integrity and character of that person.
- 6- Citizens of Maldives, must be registered as a Shari'ah Advisor at the Capital Market Development Authority (CMDA) of the Maldives and foreign citizens must be registered as a Shari'ah Advisor at the respective authority of that country.
- 7- Must have pursued higher studies in Sharia and Law or Islamic Finance and Economics and should have at least one-year experience in Islamic Finance related field.

Composition of the Shari'ah Board

The Shari'ah Board of Hazana Maldives Limited will comprise of members who have education and experience in the areas of Sharia'h and Law, and Islamic Finance and Economics. It should be taken care to compose the Board such that each member from the 3 members in the Board has experience in one of the above areas.



Establishment of the Shari’ah Board

The Shari’ah Board members will be appointed by the Board of Directors. Management must propose the names of candidates who meet the criteria for membership of the Shari’ah Board, to the Board of Directors for their endorsement.

Meetings of the Shari’ah Board

Meetings of the Shari’ah Board will generally be held on the request for advice from the Board of Directors or the company . In addition, Chairman of the Sharia’h Board has the discretion to hold meetings necessary to fulfill the responsibilities of the Sharia’h Board.

If a member of the Board is unable to be physically present at the meeting due to not being in Male’, he must be given the opportunity to participate in the meeting via audio or video conferencing.

Quorum of the Sharia’h Board

The quorum of the Shari’ah Board will be met when the majority of the members of the Board are present in the meeting.

Reporting

All decisions of the Shari’ah Board must be reported to the Board of Directors.

Resignation and Replacement of Members

If a member of the Shari’ah Board wishes to resign, his/her resignation will be effective from the date he sends a letter addressed to the Chairman of the Shari’ah Board informing of the resignation.

In the event of a vacancy in the Shari’ah Board, the company should send a name to the Board of Directors to nominate a new Shari’ah Board member within a maximum of three (3) months.

Remuneration

Remuneration will be paid to each member of the Shari’ah Board for each meeting of the Board in which he participates, in accordance with set policy.

Duties and Responsibilities of the Shari’ah Board of Hazana Maldives Limited

In addition to the responsibilities required to be undertaken under the ‘Regulation on Registration of Shari’ah Advisors’, every member of the Shari’ah Board of Hazana Maldives Limited must undertake , the following duties and responsibilities.

- 1- Advise the Board and management of the company on Shari’ah issues related to the business of the company and to ensure that all business activities that are carried out by the company Shari’ah compliant.
- 2- Review all policies and procedures prepared by the company for Shari’ah compliance, and ensure that such policies and procedures do not contain any element which is not Shari’ah compliant.
- 3- To ensure that all services of the company are Shari’ah compliant. In this regard, the following must be undertaken to ensure that the company’s services are in compliance with Shari’ah :
 - i. To review the terms and conditions contained in the forms, agreements or any other documentation used in respect of the services of the company for validity, and approve those documents;
 - ii. To review and approve the service manuals, materials used for marketing and advertising, sales illustrations and brochures and leaflets describing the services.
- 4- To review and ensure the work carried out in the Shari’ah Review and Shari’ah Audit are in compliance with Shari’ah . The Shari’ah Board must provide a statement on their



assessment of the Shari’ah Review and Shari’ah Audit to be incorporated in the Company’s annual report.

- 5- Provide opinion of the Shari’ah Board on all matters requested by various departments of the company.
- 6- To ensure that all activities of the company are in line with Shari’ah principles, and in circumstances where instructions need to be given, to provide instructions with guidelines to implement such instructions.
- 7- In cases where a decision taken by a department of the Company consist of a disputed Shari’ah matter, , to determine the action the Company will take on the issue.
- 8- Review the company’s financial reports and if such reports contain any Shari’ah issues to provide opinion to the Board of Directors on the same.
- 9- Provide assistance in training of the company staff.
- 10- Upon the request of the Company, represent the Company at meetings or events held by Islamic financial institutions and State authorities regarding issues relating to Shari’ah
- 11- To keep and maintain the Company’s confidential information in utmost secrecy, and not disclose confidential information of the Company unless such disclosure is required by law.
- 12- To ensure that all decisions of the Shari’ah Board do not contravene any tenet of Islam and to maintain consistency in the decisions made by the Board.

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