

HAILE
Licence # 84
Amina Mariyam Manzil Kara Bhai Karimjee Road,
Flat # 18-B, Block G-48, Nawabad, Karachi.

SR. NO. 67615 DATE 15 JUN 2015
ISSUED TO WITH ADDRESS MR. MUHAMMAD NAEEM
THROUGH WITH ADDRESS MR. ADVOCATE HC 326
PURPOSE
MALLER NO. ATTACHED
STAMP VENDOR SIGNATURE

DE SUPERINTENDENT
IN CHARGE, City Court
Karachi

15 JUN 2015

WAFQ DEED

1. Know all men through these presents that IGI Life Insurance Limited, a listed Public Limited Company, duly incorporated under the Companies Ordinance, 1984, on October 09th, 1994 having its registered office at 13th Floor, Dolmen Executive Tower, Marine Drive, Clifton Block-4, Karachi-75600 intend to open Window Takaful Operations as per Takaful Rules-2012 (hereinafter called the Operator) through its duly authorized attorney, Deputy Chief Executive Officer, Mr. Muhammad Aminuddin son of Muhammad Salahuddin, adult, Muslim, holder of Computerized National Identity Card No.42201-9984955-5 is making this Waqf Deed on 20th day of June 2015 at Karachi.

WHEREAS:

2. 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;
3. The Operator has decided to and hereby establishes an irrevocable Fund called IGI Life Insurance Limited, Window Takaful Operations Waqf Fund [hereinafter referred to as the Participant Takaful Fund (PTF)] which shall be a separate and independent sub fund of the statutory fund of the Operator (as described in the Takaful Rules, 2012) constituting of assets whether in the form of moneys, movable and immovable properties, and/or in any other tangible or intangible form as may be legally possible and permissible subject to compliance with the Shariah Principles/Guidelines;
4. The Operator has set apart Rupees Five hundred thousand only (Rs. 500,000) and hereby cede the same to the PTF being the Waqf money; and



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5. The Operator has also undertaken to accept the responsibility of managing and operating the said PTF on the terms and conditions appearing in this Deed and in the PTF Policies and in any other Supplementary Deed(s) made hereunder, on the basis of a predefined fee (the "Takaful Operator's fee").

IGI Life Insurance Limited, Window Takaful Operations shall be called as Takaful Operator, Window Takaful Operator or Operator, as the case may be, 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** means the actuary appointed pursuant to the provisions of section 26 of Insurance Ordinance 2000.
- (iii) **Commission** means the Securities and Exchange Commission of Pakistan established under section 3 of the Securities & Exchange Commission of Pakistan Act, 1997 (XLII of 1997);
- (iv) **Contribution** means the amount payable by a participant to an operator under Takaful Contract;
- (v) **Companies Ordinance** means the Companies Ordinance, 1984;
- (vi) **Conventional Insurance** means life or non-life insurance under the Ordinance, including reinsurance, which is not Takaful as defined in clause (ixiv) of section 2 of the Ordinance and Re-Takaful;
- (vii) **Deficit** means the shortfall in the PTF, that is, excess of payments (outgo) over receipts (income) and after accrual of all expenses and income in accordance with generally accepted accounting principles and applicable law for the time being in force;
- (viii) **Family Takaful** means Takaful for the benefit of individuals, groups of individuals and their families, as provided under sub-section (2) of section 3 of the Ordinance;
- (ix) **Ordinance** means the Insurance Ordinance, of 2000;
- (x) **Operator** means IGI Life Insurance Limited, Window Takaful Operator authorised under Takaful Rules 2012;



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- (xi) **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 (as described in the Takaful Rules, 2012) shall be debited
- (xii) **Participant** means a person who participates in a Takaful scheme and to whom a Takaful Contract is issued;
- (xiii) **Participant Investment Fund** means a separate group of assets forming a sub-fund of a statutory fund of a Family Takaful Operator which is to be used as a basis for determination of the benefits payable under a Family Takaful contract;
- (xiv) **Participant Takaful Fund (PTF)** means a separate sub-fund of the statutory fund of the Operator set up into which the Participant's risk related component of Participant's Contributions are paid and from which risk related benefits are paid out; .
- (xv) **Participant's Membership Documents (PMD)** means the documents detailing the benefits and obligations of the Participant and Takaful Operator under a Takaful Contract;
- (xvi) **Qard-e-Hasna** means In case if, at any point in time a Statutory Fund is not solvent as per the provisions of the Ordinance, the deficit shall be funded by way of actual transfer of funds as qard-e-hasna (interest free loan) from the Shareholders' Fund to that Statutory Fund.
- (xvii) **Re-takaful** means an arrangement for Re-takaful of liabilities in respect of risks accepted or to be accepted by the Operator in the course of carrying on Takaful business and includes ceding risks from Participants Takaful Fund(s) to re-Takaful Operator(s).;
- (xviii) **Surplus;** means the excess in the PTF, that is, excess of receipts (income) over payments (outgo) and after accrual of all expenses and income in accordance with generally accepted accounting principles and applicable law for the time being in force;
- (xix) **Shariah Advisor** means a person appointed by an Operator under Rule 26 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.



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- (xxii) **Takaful Contribution** means the risk component of the Regular Contributions and the Contributions in respect of the Takaful Supplementary Benefit(s) (TSBs), if any, payable by the participant after the deduction of Takaful Operator's fee as stated in the endorsement attached to the PMD. Takaful Contributions are payable into the Individual PTF as Tabarru (Donation).
- (xxiii) **Takaful Benefit** any benefit, whether pecuniary or otherwise, which is secured by a Takaful Contract.
- (xxiv) **Takaful Contract** means any contract of Family Takaful.
- (xxv) **Wakala based contract** means a Takaful Contract based on the principle of Wakala (agency)
- (xxvi) **PTF Policies** means rules or policies made under this Deed.
- (xxvii) **Window Takaful Operator** means a Registered insurer authorised under Takaful Rules 2012 to carry on Takaful business as window operation in addition to Conventional Insurance business i.e. IGI Life-Window Takaful Operations.

Unless the context otherwise requires, words or expressions contained in this Deed shall have the same meaning as in the Companies Ordinance, 1984, 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

The objects and purposes of the PTF are as follows:

- 2.1 To receive risk related component of the Participant's Contributions, donations, gifts, subscriptions etc., from the Participants and others;
- 2.2 To provide relief to the Participants against benefits defined as per the PTF Policies, the PMD and any Takaful Supplementary Benefit Documents;
- 2.3 To give charities in as proposed by the Takaful Operator and approved by the Shariah Advisor;
- 2.4 To invest monies of the PTF in and subscribe for, take, acquire, trade or deal in Shariah compliant securities and 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; subject to compliance with applicable law.



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- 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.

3. Assets of the PTF

The PTF shall comprise of any or all of the following:

- 3.1 The cede amount donated from the Shareholders' Fund to the PTF;
- 3.2 The risk related component of the contributions received from the Participants by way of subscriptions, contributions, share of claims, commission or surplus received from retakaful, donations, gifts, etc.; and
- 3.3 Income or incomes derived from investments etc. made by the PTF except for the ceding amount (referred to above) all the balance amounts may be utilized for offsetting the PTF's liabilities of payments of benefits to the Participants.

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 PTF after approval from the Shariah Advisor and the Appointed Actuary. The risk related component of the Participant's Contributions and Takaful Operators' fee and the liabilities related to each sub-fund shall be transferred to their respective sub-fund. PTF and PTF sub-fund may be used interchangeably.
- 4.2 The Operator shall define the PTF Policies, 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 for matters other than investments of PTF. For the investment management of the PTF the Operator shall act either as Wakeel or Modarib 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 Policies 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 the close of each accounting year the Operator shall evaluate the assets and liabilities of the PTF 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 shall be defined in the PTF Policies as well as in the PMD.



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- 4.7 In case there is a deficit in any PTF sub fund, the Operator shall advance Qard-e-Hasna to make good the shortfall in that sub-Fund. The Qard-e-Hasna shall be repaid from the future surpluses generated in the PTF sub-fund without any excess on the actual amount given to the PTF sub-fund.
- 4.8 The Operator shall, subject to Clause 2.4 and applicable law, 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/contingency reserves as its Appointed Actuary may require, in the 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 who shall be responsible for the approval of products, documentation, as well as approval of all operational practices and investment of funds.
- 4.12 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.

5. Operator's Rights

- 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. The Operator shall ensure that any adjustment to the Takaful Contributions is made from the Takaful Operator's fees and not from the risk contribution, which should be appropriate to the risk being put in the PTF.
- 5.2 The Operator, in the capacity of Mudarib or Wakeel, shall be entitled to set the profit sharing ratio on the investment management of the PTF 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 of PTF after approval from the Shariah Advisor and the Appointed Actuary.
- 5.3 The Operator shall be entitled to make such Supplementary Rules or Sub-Rules 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-Hasna to any PTF or sub fund of PTF.



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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.

5.6 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. The income of and outgo from the PTF shall be according to Takaful Rules 2012 and subject to any change by SECP in future;

6.1 The income of the PTF shall consist of the following, but not limited to, namely:-

- (i) Risk Contributions from the Participants ;
- (ii) Claims from the Re-takaful Operators;
- (iii) Surplus share form the Re-takaful Operators;
- (iv) Investment profits generated by the investment of funds and other reserves attributable to the Participants in the PTF;
- (v) Qard-e-Hasna by the Shareholders' Fund to the PTF (in case of a deficit);
- (vi) Commission from Re-takaful Operators; and
- (vii) Any donation by the Operator.

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

- (i) Claims Incurred and related cost;
- (ii) Contributions to Re-takaful Operator/ Re-insurer;
- (iii) Refund of Contribution,
- (iv) Share of Investment profit of Mudarib or Wakalah fees for investment management or any other combination thereof approved by the Appointed Actuary and Shariah Advisor.
- (v) Any third party cost directly associated with underwriting if it has been earlier credited to the PTF.
- (vi) Surplus to the Participants; and
- (vii) Return of Qard-e-Hasna to the Shareholders' Fund.



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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 PTF. The Valuation would be carried out as per the basis which the Appointed Actuary 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-Hasna. If the surplus is not sufficient to repay the entire Qard-e-Hasna, 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-Hasna, 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 If the Actuarial Valuation shows that the PTF is not sufficient to pay the Participants' liabilities, the deficit would be funded first from the cede money deposited by the Operator (Rs. 500, 000) and if in case the deficit is still there, the remaining amount would be funded by the Takaful Operator from its Paid-up Capital.
- 7.4 The cede amount would be transferred, with the approval of the Shariah Advisor, to another PTF, formed for similar or any other purpose or for Charity purpose as proposed by Takaful Operator and approved by Shariah Advisor. 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.



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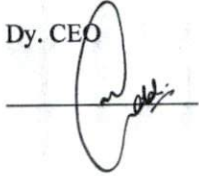
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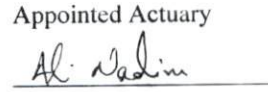
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IN WITNESS HEREOF the Waqf Deed is executed here unto respectively the on this 20th day of June 2015 here-in-above written.

For and on behalf of
IGI Life Insurance Limited, Window Takaful Operations

Dy. CEO


Shariah Advisor


Appointed Actuary


Witness 1: Name & Address: DR BILAL TALAL SHAIKH.
H.O.T IGI LIFE-WTO.

Signature: 

Witness 2: Name & Address: SHAHID SIDDIQUI
Operations Consultant

Signature: 



ATTESTED

Muhammad Shafi
Advocate
NOTARY PUBLIC
KARACHI-PAKISTAN



22 JUN 2015

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