

HAIDER ALI STAMP VENDOR

Licence # 84

Amina Mariyam Manzil Kara Bhai Karimjee Road,
Plot # 48-B, Block G-48, Nawabad, Karachi.ISSUED TO WITH ADDRESS MR. **MUHAMMAD NAEEM**THROUGH WITH ADDRESS MR. **Advocate HC 326**

PURPOSE _____

VALUE RS. _____ ATTACHED _____

STAMP VENDOR SIGNATURE _____

PTF POLICIES

1. **Short title.** – These shall be called PTF Policies of IGI Life-Window Takaful Opearitions
2. **Definitions.** – In these Rules, unless there is anything repugnant in the subject or context,
 - (i) **Accounting Year** means financial year of the Operator, i.e., 12 months commencing from January 1 till December 31.
 - (ii) **Appointed Actuary** means the Actuary appointed pursuant to the provisions of the section 26 of the Insurance Ordinance 2000.
 - (iii) **Commission** means 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 a 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 over receipts 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) **Distributable Surplus** means the portion of amount to be distributed after the necessary evaluation of the assets and liabilities of Participant Takaful Fund(s) determined by the Operator after the consultation with Shariah Advisor and Appointed Actuary at the end of every fiscal year.



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- (ix) **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;
- (x) **Mudaraba Based Contract** means Takaful Contract based on the principle of Mudaraba.
- (xi) **Ordinance** means the Insurance Ordinance (XXXIX of 2000);
- (xii) **Operator** means IGI Life Insurance Ltd-Window Takaful Operations. ;
- (xiii) **Operator sub-fund** means a sub-fund of a statutory fund set up by a Family Takaful Operator in which all Takaful Operators 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.
- (xiv) **Participant** means a person who participates in a Takaful scheme and to whom a Takaful Contract is issued;
- (xv) **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 of determination of the benefits payable under a family takaful contract
- Participant Membership Documents (PMD)** means the documents detailing the benefits and obligations of the Participant and Operator under Takaful Contract.
- (xvi) **Qard-e-Hasna** means an interest-free loan to the PTF from the Shareholders' Fund or Operator sub-Fund. 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 or Operator sub-Fund to that Statutory Fund.
- (xvii) **Participant Takaful Fund (PTF)** means a sub-fund of a statutory fund into which the participant's risk related contributions are paid and from which risk related benefits are paid out.
- (xviii) **Re-takaful** means an arrangement for re-takaful of liabilities in respect of risks accepted by the operator in the course of carrying on Takaful business and includes ceding risks from Participant Takaful Funds to Re-takaful Operator(s).
- (xix) **Registered Insurer** means an insurer registered with the Commission under section 7 of the Ordinance to transact life or non-life business.
- (xx) **Shariah Advisor** means a person appointed by an Operator under Rule 26 of the Takaful Rules.
- (xxi) **Supplementary Rules** means sub-rules or other rules made under the Waqf Settlement Deed.
- (xxii) **Surplus** means the excess in the PTF, that is excess of receipts over payments and after accrual of all expenses and income in accordance with generally accepted accounting principles and applicable law for the time being in force;
- (xxiii) **Takaful Benefit** means any benefit whether pecuniary or otherwise which is secured by a Takaful Contract.



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(xxiv) **Takaful Contract** means any contract of Family Takaful.

(xxv) **Takaful Operator** means IGI Life-Window takaful Operations

(xxvi) **Takaful Rules** means Takaful Rules, 2012.

(xxvii) **Takaful Contribution** means the risk component of the Regular Contributions and the Contributions in respect of the Takaful Supplementary Benefits (TSBs), if any, payable by the participant after the deduction of Takaful Operator's fees as stated in the endorsement attached to the PMD. Takaful Contributions are payable into the Individual PTF as Tabarru (Donation).

(xxviii) **Wakala based contract** means a Takaful contract based on the principle of Wakala (agency)

(xxix) **Waqf Fund** means fund established by the Operator in accordance with the requirements of Takaful Rules, 2012. Waqf Fund or Participant Takaful Fund may be used interchangeably.

(xxx) **Waqf Deed** means Waqf Settlement Deed made by the Operator to establish Waqf Fund.

(xxxi) **Window Takaful Operator** means a Registered insurer authorised under these rules to carry on Takaful Business as window operations in addition to Conventional Insurance business i.e. IGI Life-Window Takaful Operator.

Unless the context otherwise requires, words or expressions contained in these rules shall have the same meaning as in the Companies Ordinance, 1984, Insurance Ordinance, 2000, Takaful Rules, 2012 and Waqf Deed; 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 bodies corporate.

3. Operator's Obligations

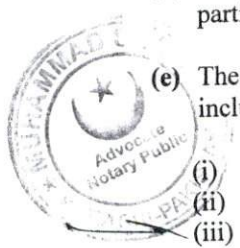
(a) There shall be paid into the PTF all receipts of the Operator attributable to the business to which the PTF relates (including the income of the PTF), and the assets accumulated in the PTF shall be applicable only to meet such part of the PTF's liabilities and expenses as is attributable.

(b) The risk related component of contributions shall be credited to the PTF designated bank account and from where benefits shall be paid out.

(c) The Operator shall assess, classify, and determine risk prudently in accordance with sound Actuarial Guidelines and Shariah Principles.

(d) The Operator shall be entitled to appoint intermediaries for soliciting subscribers or participants or members and to perform such functions necessary and incidental thereto.

(e) The Operator shall perform all functions necessary for the operations of the PTF, including but not limited to:

- 
- (i) Receiving contributions from the Participants;
 - (ii) Utilizing these contributions for the benefits of all the Participants;
 - (iii) Acting as Modarib and/or Wakeel in order to manage the funds in the best interest of the PTF;
 - (iv) The Operator shall define, design, implement, manage, administer, run, control, govern, modify Takaful Schemes for the benefits of all the Participants, whether existing or prospective, with the approval of Shariah Advisor and the Appointed Actuary;

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(f) The Takaful Operator shall be required to 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 . The following guidelines shall be followed for investments of the funds in the PTF, namely:-

(a) Investment in Shariah compliant Government securities.-Any Shariah compliant Government instrument such as Islamic bonds (Sukuks) and securities.

(b) Investments in immovable property.-The Operator shall be allowed to invest in immovable property subject to the following conditions, namely:-

(i) the use and intended use of the property should be in compliance with the Islamic principles; and

(ii) return on rented property may be in the form of fixed rent but in case of delayed payments penalty may be charged and the penalty amount shall be given to charity.

(c) Investment in Joint Stock Companies.-The Operator may invest its funds in joint stock companies. However, investments in non-Shariah compliant preferred stocks, debentures and interest based redeemable capital securities are not allowed. For investments in the common stocks of joint stock companies, the following guidelines should be followed in consultation with the Shariah Advisor , namely:-

(i) The main business of the investee company must not violate Shariah. Therefore, it is not permissible to acquire the shares, debentures or certificates of the companies providing financial services like conventional banks or the companies involved in business prohibited by Shariah like alcohol production, gambling or night club activities, etc;-

(ii) The Shariah Advisor of the Operator shall take into consideration factors such as the proportion of income of the investee company from interest bearing accounts or non-Shariah based activities, the debt to equity ratio and cash or cash equivalents of the investee company; and

(iii) The investment decision shall be based on fundamental value of the companies instead of short-term speculations.

(d) Investments in redeemable capital.- The Operator may also make its portfolio investments through various mutual funds operating under the Shariah principles and approved by the Commission. Before making any investment therein, the Operator shall have the procedures and practices being followed by such funds scrutinized by its Shariah Advisor .

(e) Investments in redeemable capital.-The Operator may invest their funds in Shariah compliant instruments like Musharika Certificates, Term Finance Certificates (TFCs), Participation Term Certificates (PTCs) etc. provided that , in case of investment in redeemable capital it shall be necessary that the certificates are issued in compliance with the Islamic injunctions and the scheme of their issue be examined by the Shariah Advisor of the Takaful Operator. The basic conditions as laid down earlier for investments in the common stock of joint stock companies should also be followed.

(f) Placement of excess funds with banks and Islamic financial institutions.- The Operator may invest a portion of their funds in liquid or short notice deposits schemes of Islamic banks and their branches or other Islamic financial institutions, placements in PLS saving accounts of Islamic banks and placement in current accounts of traditional banks without any return thereon.

(g) Financing under Islamic modes through the Islamic banks and financial institutions.- The Operators may make arrangements with the Islamic banks operating in Pakistan to directly finance under musharika, murabaha, ijara (lease), salam, istisna contracts approved by the Commission.



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- (h) Takaful Operator shall appoint a Shariah Compliance Auditor who will conduct its audit for each accounting period, which shall be conducted before the close of accounts and annual audit to make the adjustments advised by the Shariah compliance auditor.
- (i) The Operator shall not accept any risk in respect of any takaful benefit unless and until the contribution payable is received by the Takaful operator or is guaranteed to be paid by such person.
- (j) Provided further, any benefit, which may become due to a participant on account of the cancellation of a Membership or alteration in its terms and conditions or for any other reason shall be paid by the Operator, from the PTF, directly to the participant and a proper receipt shall be obtained by the Operator from the participant and such payment shall under no circumstances be paid or credited to any other person, including a Takaful broker.
- (k) Atleast at the end of each accounting year the Operator shall evaluate the assets and liabilities of the PTF and determine whether the operation for that particular period had produced a surplus for sharing amongst the participants.

The Takaful Operator would periodically perform surplus calculation for the PTF, under advice from the Appointed Actuary as it considers appropriate. Atleast at the end of each accounting year the Takaful Operator shall evaluate the assets and liabilities of the PTF and determine whether the operation for that particular period had produced a surplus for sharing amongst the participants. (l) The surplus/ (deficit) for each period would be calculated in the following manner provided income is more than outgo :

The Inflow of the PTF shall consist of the following but not limited to, namely;

Balance in Fund brought forward from previous year,

- Add: Risk Contributions from the Participant,
 Add: Claims from the Retakaful Operators,
 Add: Surplus share or Selection commission from Retakaful Operators,
 Add: Investment profits generated by the investment of funds and other reserves attributable to the Participants in the PTF,
 Add: Any Qard-e-Hasna by the shareholder's fund to the PTF, in case of a deficit,
 Add: Any donation by the Takaful Operator.

The Outgo from the PTF shall consist of the following but not limited to, namely;

- : Incurred Claims and related cost,
 Add: Repayment of Qard-e-Hasna (if any),
 Add: Contributions to Retakaful Operator,
 Add: Refund of Contribution,
 Add: Share of Investment profit of the Mudarib or Wakalah fees for investment management or any other combination thereof approved by the Appointed Actuary and Shariah Advisor,
 Add: Any third party costs directly associated with underwriting if it has been earlier credited to the PTF;
 Add: Reserves required by actuarial valuation to be carried forward,
 Add: Surplus to the Participants, if any.

- (m) The Takaful Operator may hold a portion of the surplus as a contingency reserve. The basis of this would be defined and reviewed by the Appointed Actuary each year in consultation with the Shariah Advisor. The rest of the surplus would be called the 'Distributable Surplus'.



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(n) The Distributable Surplus shall be expressed as a single rate (being referred to as the 'Distributable Surplus rate') being computed as the total Distributable Surplus generated in the PTF during the period per unit total net contributions received during the same period or any other mechanism proposed by Appointed Actuary and approved by Sharia Advisor.

(o) The net contribution to surplus for each Participant would be calculated by Appointed Actuary and approved by Sharia Advisor.

(p) In case the net contribution for the Participant is negative, no surplus would be paid to that Participant in this Scheme. The losses on any Scheme in one Scheme year shall not be carried forward.

(q) In case there is a deficit in the PTF, the Takaful Operator shall advance Qard-e-Hasna to make good the shortfall in the fund. The same shall be repaid from the future surpluses generated in the PTF without any excess on the actual amount given to the PTF.

(r) Takaful operator may require such technical/contingency reserves to be setup in the PTF, as may be deemed appropriate by Appointed Actuary and approved by Shariah Advisor.

4. General

4.1. These Rules shall be governed by the laws in Pakistan applicable from time to time on the Operator and the Waqf Fund.

4.2 The Operator shall have the right to modify / change in, add to, subtract from these, as may be deemed necessary, with due consultation of Shariah Advisor.

5. Classes of Business

Following Classes of Family Takaful to be transacted:-

- (i). Ordinary Life (Family Takaful)
- (ii) Accident & Health

6. Statutory Fund

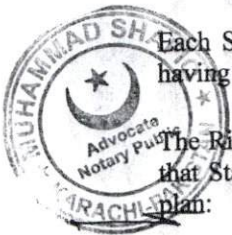
As mentioned earlier, IGI Life – Window Takaful Operator (IGI Life – WTO) will have 5 Statutory Funds. The Takaful plans that will be written will be referable to the Statutory Fund depending on the type of the plan.

Each Statutory Fund will have 2 sub-funds, namely PTF and Operator's sub-fund. For plans having savings features, there will be an additional Participant's Investment Fund.

The Risk Component of the Takaful plans net of Operator's Fees will be credited to the PTF of that Statutory Fund to which the Takaful plan is referable as described below for each type of plan:

Unit Linked Plans (referable to the Individual Family Unit Linked Takaful Statutory Fund):

The Risk Component will be deducted from the PIA every month and will be credited to the related Individual Family Unit Linked PTF after the deduction of the Takaful Operator's Fee. The expenses so deducted will be credited to the Individual Family Unit Linked Operator's sub-fund. Wakala Fee deducted from the PIA will be credited to the Operator's Sub Fund.



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Supplementary Takaful Benefits attached to Unit Linked Plans:

The contributions in respect of the attached supplementary benefits will be deducted from the PIA every month and split between its Risk Component and Operator's Fees. The Operator's Fees will be credited to the Unit Linked Operator's sub-fund. The Risk Component will be credited to the Individual Family Unit Linked PTF after the deduction of the Takaful Operator's Fee. The expenses so deducted will be credited to the respective Individual Family Operator's sub-fund.

Protection Plans without savings features (referable to the Individual Family Protection Statutory Fund):

The participant's contribution received will be split between its Risk Component and Operator's Fees. The Fees will be credited to the respective Protection Operator's sub-fund.

The Risk Component will be credited to the Individual Protection PTF after the deduction of expenses related to underwriting, administration and general management. The expenses so deducted will be credited to the Protection Operator's sub-fund.

Supplementary Takaful Benefits attached to Protection Plans (without savings features):

The participant's contribution in respect of the supplementary benefit will be split between its Risk Component and Operator's Fees. The Fees will be credited to the Protection Operator's sub-fund.

The Risk Component will be credited to the Individual Family Protection PTF after deduction of the Takaful Operator's Fee. The expenses so deducted will be credited to the Protection Operator's sub-fund.

Group Family Plans (referable to the Group Family Statutory Fund):

The participant's contribution received will be split between its Risk Component and Operator's Fees. The Fees will be credited to the Group Family Operator's sub-fund.

The Risk Component will be credited to the Group Family PTF after the deduction of the Takaful Operator's Fee, which will be credited to the Group Family Operator's sub-fund.

Supplementary Takaful Benefits attached to Group Family Plans:

The participant's contribution in respect of the supplementary benefit will be split between its Risk Component and Operator's Fees. The Fees will be credited to the Group Family Operator's sub-fund.

The Risk Component will be credited to the Group Family PTF after deduction of the Takaful Operator's Fee, which will be credited to the Group Family Operator's sub-fund.

Group Accident & Health Plans (referable to the Group Accident & Health Statutory Fund):

The participant's contribution received will be split between its Risk Component and Operator's Fees. The Fees will be credited to the Group Accident & Health Operator's sub-fund.

The Risk Component will be credited to the Group Accident & Health PTF after the deduction of the Takaful Operator's Fee, which will be credited to the Group Accident & Health Operator's sub-fund.

Supplementary Takaful Benefits attached to Group Accident & Health Plans:

The participant's contribution in respect of the supplementary benefit will be split between its Risk Component and Operator's Fees. The Fees will be credited to the Group Accident & Health Operator's sub-fund.

The Risk Component will be credited to the Group Accident & Health PTF after deduction of the Takaful Operator's Fee, which will be credited to the Group Accident & Health Operator's sub-fund.



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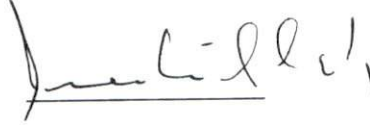
IN WITNESS HEREOF these Rules are executed hereunto on Saturday, the 20th day of June 2015 at Karachi.

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

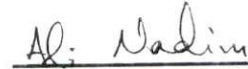
Deputy CEO



Shariah Advisor



Appointed Actuary



Witness 1: Name & Address:

DR. BAKHT JAMAL SHAHID.
H.O.T - IGI LIFE-WTO.

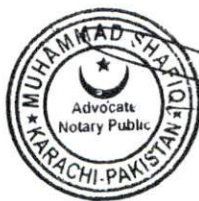
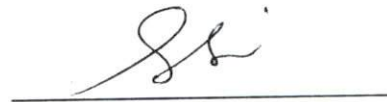
Signature:



Witness 2: Name & Address:

SHAHID SIDDIQUI
Operations Consultant

Signature:



ATTESTED

Muhammad Shafiq
Advocate
NOTARY PUBLIC
KARACHI-PAKISTAN

22 JUN 2015