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MOHAMMAD UMER STAMP VENDOR
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 22 APR 2015
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PARTICIPANT TAKAFUL FUND DEED
(WAQF DEED)

Know all men through these presents that EFU General Insurance Ltd a listed public limited company, duly incorporated under Companies Ordinance 1984, having its registered office at Kamran Centre, 1st Floor, 85, East Jinnah Avenue, (Blue Area), Islamabad (hereinafter called the Settlor) through its duly authorized attorney, Mr. Hasanali Abdullah, Managing Director & Chief Executive, adult, Muslim, holder of NIC No 42301-3783300-7 are making this Waqf Settlement Deed today this 6th day of May 2015 - 16th day of Rajab 1436 at Karachi.

WHEREAS:

1. The Settlor is competent and legally authorized through its Memorandum 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 Settlor has decided to and hereby establishes an irrevocable Waqf called as EFU Windows Takaful Waqf (hereinafter referred to as the Participant Takaful Fund(PTF)) that is a Waqf Fund which shall be a separate and independent entity being capable of having title to ownership of, and possession of assets whether in the form of moneys, movable and immovable properties, and/or in any other tangible or intangible form legally possible and permissible along with the compliance with the Shariah Principles;
3. The Settlor has set apart Rs 500,000 (Rupees Five Hundred Thousand only) and hereby cede the said money to the PTF being the PTF / Waqf money for the purpose of achieving the objectives and functions given herein below; and
4. The above said EFU General Insurance Ltd 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 any other Supplementary Deed(s) made hereunder, on the basis of a predefined fee (Takaful Operator's fee).
5. Whereas EFU General shall be called as Settlor or Operator or Trustee, which expression shall, unless repugnant to the context or the meaning thereof, mean and include its survivor(s).

NOW, THEREFORE THIS DEED OF TRUST WITNESSETH as under:

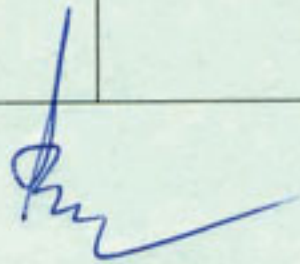
1. DEFINITIONS:

Following are the definitions of the terminologies used in various clauses of the PTF Deed / Waqf Deed.

1.1	Accounting Year	means financial year of the Operator.
1.2	Board of Directors	means board of directors of EFU General Insurance Limited.
1.3	Beneficiary	refers to any person who is entitled to benefits from the PTF and can include the Participant as well as legal heirs of a deceased Participant
1.4	Commission	means the Securities and Exchange Commission of Pakistan(SECP).
1.5	Contribution	means the amount payable by a Participant to the PTF under a Takaful Contract
1.6	Companies Ordinance	means the Companies Ordinance, 1984
1.7.	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.
1.8	Member	means a person who fills in the proposal form and subscribes for the membership of the Fund 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.



1.9	Ordinance	means the Insurance Ordinance 2000.
1.10	Operator	means a Window Takaful Operator authorized under Takaful Rules, 2012 here in this case EFU General Insurance Limited (Window Takaful Operations) working in its capacity as a Wakeel thereby operating the PTF.
1.11	Participant	means a person who participates in a Takaful scheme and to whom a Takaful Contract is issued
1.12	Participant Membership Documents (PMD)	means the documents detailing the benefits and obligations of the Participant under a Takaful Contract.
1.13	Participant 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 here in this case it is EFU General Insurance Limited (Window Takaful Operations) - Participant Takaful Fund established under the PTF / Waqf Deed.
1.14	Qard-e-Hasna	means an interest-free loan to the PTF from the Operator's Fund, when the PTF is in deficit and insufficient to meet their all liabilities.
1.15	Re-Takaful	means arrangement for re-Takaful of liabilities in respect of risks accepted by the Operator on behalf of the PTF in the course of carrying on Takaful business and includes ceding risks from Participant Takaful Funds to Re-Takaful Operator(s).
1.16	Settlor	means EFU General Insurance Limited (Window Takaful Operations) in its capacity as Settlor of the PTF / Waqf Fund and / or Waqif of PTF/Waqf money through initial ceding. The term Settlor or Operator may be used interchangeably.



1.17	Shariah Advisor	means Shariah Advisor of the Operator or a committee or Board comprising more than one Shariah Advisors working in such capacity appointed by the EFU General Insurance Limited (Window Takaful Operations) under Rule 26 of the Takaful Rules, 2012.
1.18	Window Takaful Operator's Fund	means the Fund pertaining to operator / shareholders being maintained by the Window Takaful Operations as per the requirements and shall consist of the undistributed profits payable to the Shareholders earned by the Window Takaful Operations.
1.19	Supplementary Deeds	means any Supplementary Deed of the PTF/Waqf Deed created under clause 21 of this Deed.
1.20	Takaful Rules	means Takaful Rules, 2012, issued by SECP (or any successor for the time being in force).
1.21	Waqf Fund	see Participant Takaful Fund.
1.22	Waqif	see Settlor.

2. OBJECTIVES OF THE PARTICIPANT 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;
- 2.2 To provide relief to the Participants/Beneficiaries against benefits defined as per the PTF Policies, 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, bonds, securities or instruments of redeemable capital of any other company, institution, mutual fund, corporation or body corporate or any other manner;
- 2.5 To issue guarantee in favor of Participants in accordance with Shariah principles of Waqf
- 2.6 To do all such other things/acts/objects as are incidental or conducive to the attainment of the above objects or any of them with the due approval of Shariah Advisor in so far these are not repugnant to any of the provisions of the Takaful Rules.

3. CEDING AMOUNT

The ceded amount will be considered as PTF / Waqf which will always remain invested in Shariah compliant instruments. The Profits on the ceding amount will be the ownership of the PTF and can be used to pay benefits to the Participants or defray the PTF expenses.

4. FUNCTIONS OF PARTICIPANTS TAKAFUL FUND

- 4.1 The PTF will receive donations, gifts, charities, contributions, etc. from the Members.
- 4.2 The PTF shall operate through a Trustee hereinafter referred to as the Operator.
- 4.3 The Operator shall manage the PTF and its assets prudently and efficiently under Shariah guidelines.
- 4.4 Investment of the PTF shall be made in Shariah Compliant modes keeping in view both the short term and long term requirements of funding

5. ASSETS OF PARTICIPANTS TAKAFUL FUND

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

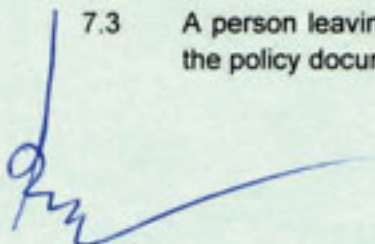
- 5.1 The cede amount donated from the Operator's fund to the PTF;
- 5.2 The contributions received from the participants by way of donations, contributions, gifts, etc and
- 5.3 Income or incomes derived from investments etc, made by the PTF except for the ceding amount (referred to as above) all the balance amounts may be utilized for offsetting the PTF's liabilities of payments of benefits to the members of the fund.
- 5.4 Except for the ceding amount (referred to as above) all the balance amounts may be utilized for offsetting the PTF's liabilities including liabilities in respect of payments of benefits to the participants of the Fund.

6. ELIGIBILITY FOR THE BENEFITS

All members paying the Contribution as determined by the Takaful Operator or guaranteeing it, completing the proposal form and subscribing to the policy document shall be eligible for benefits specified in PMD.

7. BENEFITS FROM THE PARTICIPANTS TAKAFUL FUND

- 7.1 The operator shall arrange to pay benefits only to members for defined losses specified in participants membership documents and other Supplementary Documents..
- 7.2 A person who is a member for the period during which surplus is calculated may be eligible to receive a share in the surplus as may be determined on some reasonable basis by the Operator.
- 7.3 A person leaving the PTF may be given by the operator as much amount as mentioned in the policy documents.



8. OPERATOR'S OBLIGATIONS

- 8.1 The Operator shall perform all functions necessary for the operations of the PTF, including, but not limited to;
- (a) Receiving contributions from participants.
 - (b) Utilizing these contributions for the benefits of all the Participants who are the beneficiaries.
 - (c) Acting, as an Operator in order to manage, use and invest the funds in the best interests of the PTF.
 - (d) Operator will determine the amount and rate of contribution.
 - (e) The operator will determine the benefits to be paid to members.
- 8.2 The Operator agrees to operate the PTF as Wakeel of the PTF (for other than the investments of PTF) in consideration of a 'Wakala' fee. The said fee shall be a reasonable sum to be determined in consultation with the Shariah Advisor. For the Investment management of the PTF the Operator shall act either as Wakeel or Mudarib after approval from the Shariah Advisor.
- 8.3 Underwriting will be done prudently and in accordance with the Shariah guidelines as may be provided from time to time. In case any loss is incurred in the PTF due to deliberate default or misconduct on the part of the operator, the PTF shall be entitled to compensation from the Operator.
- 8.4 The Operator shall be entitled to appoint intermediaries for business acquisition and perform any or all functions related thereto.
- 8.5 The Operator shall incur expenses for the administration of the PTF, including;
- (a) General and administrative expenses;
 - (b) The cost related to the procurement of subscription.
 - (c) Other costs incurred for the Takaful operations and management of investments.
- 8.6 The operator shall arrange infrastructure and other facilities for the Takaful operations and therefore acquire fixed and other asset and incur such other expenditures.
- 8.7 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 operations and guidelines of its Shariah Advisor.
- 8.8 The management of the PTF: The Operator may create further sub-funds within the Participant Takaful Fund (PTF) after approval from the Shariah Advisor but these will not be treated as separate PTF or Waqf. The contributions and Takaful Operators' fee and the liabilities related to each sub-fund may be attracted to their respective sub-fund and surplus / deficit may be determined at that level.
- 8.9 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 and determine whether the operations for that particular period had produced a surplus for sharing amongst the Participants under advice of 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 and in other documents.
- 8.10 Subject to the provisions of the Ordinance, the Operator shall maintain statutory reserves in the PTF and any additional reserves as may be maintained under the PTF Policies with the approval of the Shariah Advisor, subject however, to the conditions that any such measure should not be maintained in contravention of the Takaful Rules.

- 8.11 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.
- 8.12 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 the class under the law for the time being in force and applicable to the PTF.

9. OPERATOR'S RIGHTS

- 9.1 The Operator shall be entitled to receive a stipulated proportion of the gross contributions to the PTF by way of Operator Fee. The Operator shall have the right to make such adjustments in the Takaful Operator Fee as may be appropriate. This right shall be subject to a presumption that the Operator shall never utilize such right knowingly, in a manner that the decision made becomes detrimental to the interest of the PTF or its Participants.
- 9.2 PTF will pay above mentioned fees to the operator from its assets, the amount of which will be determined mutually from time to time by the Trust and the operator under consultation with the Shariah Advisor. This fee may either be in the form of fixed and defined lump sum amount or a fixed percentage of contributions received by the PTF. The Operator can deduct its remuneration up-front.
- 9.3 In addition to the relation of an operator with the PTF, the operator also has a relation of a mudarib or Wakeel i.e. the excess funds of the PTF are invested and the operator charges a fixed/share for the managing those investments. In addition the operator while working as a mudarib shall also invest the amount kept in reserves created out of PTF and the profit derived therein.
- 9.4 The Operator shall have a first right of return in respect of the amount provided as Qard-e-Hasna to the PTF and the same shall be returned to the Operator as soon as the available funds in the PTF may permit.
- 9.5 Notwithstanding anything contained above the operator shall have all such other rights as may be deemed necessary, under the applicable laws for the time being in force, in the light of Shariah Guidelines.

10. DISSOLUTION OF THE PTF

- 10.1 In the event of Dissolution of the Participant Takaful Fund (PTF), the PTF would be transferred to the Participant Takaful Fund/ Waqf Fund of other authorized Takaful Operator under the Takaful Rules, 2012. However if PTF/Waqf Fund of any other Takaful Operator is not available at that time, then said PTF/Waqf Fund would be transferred to any other Waqf
- 10.2 If PTF is transferred to the PTF/Waqf Fund of another authorized Operator or any other Waqf, then balance of all the assets and liabilities shall be transferred.
- 10.3 If in case it is required to discharge all the existing liabilities before the transfer of such fund than these liabilities would be paid out from the PTF other than the Cede Amount. In this case PTF firstly shall pay the entire Participant's liability and then if there is a surplus, it would 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 paid into charity in the manner as advised by the SA.
- 10.4 However, in the above clause, if the Operator has created sub-funds, the surplus (before Qard-e-Hasna) in any sub-fund would first be used to offset deficit in any other sub-fund, if any.

- 10.5 If it shows that the PTF is not sufficient to pay its liabilities, the deficit may be funded by the Operator from the deposit made by the Operator in form of a donation.
- 10.6 The cede amount would be transferred, with the approval of the Shariah Advisor, to another PTF/Waqf, formed for similar or any other purpose. However, the shareholders of the Operator shall not be entitled to any of the aforesaid amounts.
- 10.7 Subject to the Shariah Principles of Waqf, the EFU.General Insurance Limited (Window Takaful Operations) shall comply with the requirement that may be prescribed by the Commission for the purpose of dissolution of the PTF.

11. INCOME AND OUTGO OF THE FUND

11.1 The income of the PTF shall include but not be limited to the following;

- a) Contributions received from the Participants ;
- b) Claims received from the re-Takaful Operators
- c) Investment profits generated by the investment of funds and other reserves attributable to the Participants in the PTF;
- d) Salvages and recoveries;
- e) Qard-e-Hasna by the Operator's Fund to the PTF (in case of 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.

11.2 The outgo from the PTF shall include but not be limited to the following:

- a) claims paid related to risks covered under the Participant Takaful Fund and expenses related to settlement of claims such as surveyors' and investigators' fees, etc;
- b) Any third party costs directly associated with underwriting (specifically medical examination, pre-cover inspection/surveys, costs of installing tracking systems or any consulting costs related with assessing or reducing the risks being covered), if it has been earlier credited to the Participant Takaful Fund;
- c) Contributions paid to re-Takaful Operator;
- d) Takaful Operator's fees;
- e) Takaful Operator's share in investment income of the PTF approved by the Shariah Advisor;
- f) Refund of any Contribution due to the participants as settlement benefit;
- g) Surplus distributed to the Participants; and
- h) Return of Qard-e-Hasna to the Operators' Fund.

12. RE-TAKAFUL

- 12.1 The Operator shall make arrangement consistent with sound Takaful principles for retakaful of liabilities in respect of risk accepted or to be accepted in the course of this carrying on Takaful business.
- 12.2 The Operator will from time to time decide the amount to be given to the retakaful Operator based on the individual risk in the best interest of the PTF.
- 12.3 All these arrangements will be made by the operator and accordingly it would do all acts on behalf of the PTF to finalize the agreements in accordance with Shariah Guidelines as approved by its Shariah Advisor.

13. INVESTMENTS

- 13.1 The operator will invest the ceded amount of shareholders and the contributions received from the participants seeking Takaful protection and reserves for investment. The profits earned would again be deposited into the same fund
- 13.2 The Operator would make appropriate arrangement to identify instruments that are strictly Shariah compliant. These investments would be made in avenues specified in the Takaful Rules such as:
 - (a) Deposit in Profit accounts of various approved Islamic financial institutions.
 - (b) Placements in approved Islamic financial institutions in various maturity periods
 - (c) Investment in Shariah compliant securities in stock exchange estate
 - (d) Investment in real estate
 - (e) Investment through Islamic Banks
 - (f) Other Investments in consultation with the Shariah Advisor

14. SHARIAH ADVISOR

- 14.1 The Operator shall appoint a Shariah Advisor eligible to be appointed as such under the Takaful rules to supervise the activities of the PTF in accordance with the Shariah principles. The Shariah Advisor shall have the power to review the records of the Operator to ensure compliance.
- 14.2 The Shariah Advisor shall be responsible for the approval of product, documentation as well as approval of all operational practices and investments of Funds of PTF.

15. QARDE-HASANA

- 15.1 If there is a deficit of admissible assets over its liabilities in the PTF, the operator from the Operator's fund may provide Qard-e-Hasana to the PTF so that the PTF may become solvent as per Takaful Rules 2012.
- 15.1 Operator would be allowed to recover this qard from the PTF over any period without charging any interest.

16. SURPLUS

- 16.1 Surplus for distribution may be determined on the following basis:
- (a) A part of it may be kept as reserve to mitigate the future losses;
 - (b) A portion of it may be distributed amongst the participants;
- 16.2 The proportion of each of these heads will be determined in the light of Shariah guidelines
- 16.3 The computation of surplus will be made on the basis of accounting policies and rules approved by the Shariah Advisor
- 16.4 The amount ceded to create this endowment shall remain in the PTF as its capital, therefore it would also not be available for distribution.

17. RESERVES

- 17.1 Subject to the provisions of the Ordinance, technical reserves required to be setup in the PTF shall consist of the following reserves or any one of the them, or any combination of two or more of them or such reserves as the Takaful operator may require to be provided, namely:
- (a) Unearned contribution reserve
 - (b) Loss incurred but not reported reserve
 - (c) Deficiency reserve
 - (d) Contingency reserves
 - (e) Reserve for Qard-e-Hasana to be returned in future
 - (f) Surplus Equalization reserve
- 17.2 In addition to the above, PTF would be allowed to form a reserve fund for further situation from the contribution received and the profit earned on the investment. These funds would also be the assets of the PTF and the profit received on it would also be treated as an asset of PTF.

18. POWER TO MAKE PTF POLICIES

- 18.1 The operator shall be and is hereby empowered to make PTF Policies to effectuate the implementation of this PTF / Waqf Deed and the Objects of the PTF within the framework of this Deed in consultation with Shariah Advisor.

19. INTERPRETATIONS

- 19.1 This Deed shall be governed by the laws of Pakistan and in case of any difference in interpretation between and among different parties to it including the Members courts in the civil jurisdiction of Karachi shall be the proper jurisdiction vested with resolving the disputes and deciding the issues arising from this Deed.

20. COMPLIANCE WITH STATUTORY PROVISIONS

- 20.1 Notwithstanding anything or provision contained herein the operator shall ensure due compliance with such mandatory provision provisions of the laws and the statutory regulations as made applicable to the PTF / Waqf from time to time.



21. FUTURE AMENDMENTS

Notwithstanding the irrevocability of this PTF / Waqf, the Settlor shall be empowered to execute supplementary deeds deemed necessary for legal and operational reasons. However, all such deeds shall be executed with the approval of the Shariah Advisor.


The Settlor / operator declare that this Deed and each PTF/ Waqf created hereunder shall be construed under and regulated by Pakistan's laws, and that the validity and effect of this deed shall be determined in accordance with the Pakistani laws.

IN WITNESS WHEREOF, the deed is executed as of the day and year first above written.




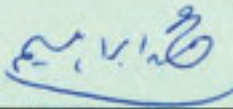
Hasanali Abdullah
Managing Director & Chief Executive

Witness 1:

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Witness 2:

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KARACHI.


Mufti Ibrahim Essa
Shariah Advisor
EFU General Insurance Ltd
Window Takaful Operations