

RS 500/- 62
6/12

URGENT

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CERTIFICATE

Confirmed under Section 32 of the Stamp Act, 1899 that this instrument

requires Stamp duty of Rs. 500/-
(Rs. Five hundred only)

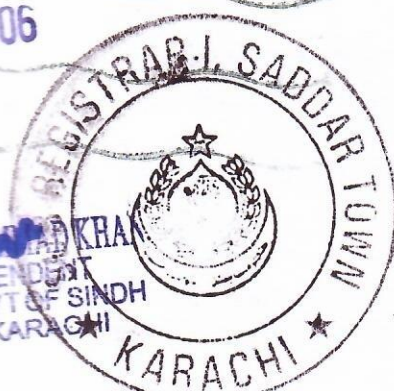
Deputy Chief Inspector of Stamps
Assistant Collector Grade-I
Board of Revenue, Sindh

R. No: 212
Sub-Registrar-I
Saddar Town, Karachi

7/12



ANDRAN MUHAMMAD KHAN
OFFICE SUPERINTENDENT
STAMP OFFICE GOVT OF SINDH
CITY COURTS, KARACHI



WAQF DEED

Know all men through these presents that we the Takaful Pakistan Limited an unlisted Public Limited Company, duly incorporated under Companies Ordinance, 1984 on June 02, 2006, having its registered office at 503 Beaumont Plaza, Beaumont Road, Civil lines, Karachi (hereinafter called the Settlor) having been authorized by the shareholders of the Company in this regard are making this Trust Settlement Deed on behalf of the shareholders today the 22ND day of JANUARY 2007 at Karachi through its duly authorized attorney and Managing Director Captain M. Jamil Akhtar Khan Son of Lt. Col. (Late) Muhammad Akhtar Khan, adult, Muslim, holder of NIC No. 32303-0763311-7

WHEREAS:

1. The Settlor is competent and legally authorized through its Memorandum of Association and through the specific authority granted by its shareholders in this regard to establish trusts and wakfs 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 Takaful Pakistan Waqf (hereinafter referred to interchangeably as the Participant Takaful Fund or Waqf Fund and for brevity as PTF) 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;
3. The Settlor has set apart Rs. 10,000 (Rupees Ten thousand only) and hereby cedes the said money to the said PTF being the Waqf money; and
4. The above said Takaful Pakistan Limited has also undertaken to accept the responsibility of managing and operating the said PTF on the terms and conditions appearing hereunder.



NOW, THEREFORE THIS DEED OF TRUST WITNESSETH as under

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1. DEFINITIONS:

Unless repugnant to the context or expressly mentioned to be meant differently, the following terms and expressions would mean as follows:

- 1.1 **Contribution** means the payment of an amount by way of 'Tabbaru' by the Members.
- 1.2 **Deficit** means the shortfall arising in the Fund after making all payments permissible under the Takaful Rules, 2005 and under this Waqf Deed.
- 1.3 **Member** means a person who fills in the proposal form and/or subscribes for the membership of the Fund.
- 1.4 **Operator** means Company operating the Fund, which in this case is Takaful Pakistan Limited.
- 1.5 **Participant** means a Member of the Fund.
- 1.6 **Participants' Membership Document** means the policy/policies to the members, which shall, in addition to other matters, define its rights and obligations, and shall include this Waqf Deed.
- 1.7 **Subscriber and Subscription** means member and membership.

2. OBJECTIVES OF THE PARTICIPANT TAKAFUL FUND (PTF)

The PTF shall work to achieve the following aims and objectives:

- 2.1 To extend financial assistance to its members in the event of losses defined in Participant's Membership Document (PMD).
- 2.2 To extend benefits to its members strictly in accordance with this Deed.
- 2.3 To donate to charities approved by the Shariah Supervisory Board in cases specified in this document.

3. CEDING AMOUNT

The ceded amount will be considered as 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 ceded amount from the shareholders' fund referred above transferred 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 ceded 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.

6. ELIGIBILITY FOR THE BENEFITS

- 6.1 All members completing the proposal forms and/or subscribing to the policy documents shall be eligible for benefits specified in PMD.

7. BENEFITS FROM THE PARTICIPANTS' TAKAFUL FUND

- 7.1 The operator shall pay benefits only to the members for defined losses specified in Participants' membership documents.
- 7.2 A person who is a member for the period during which surplus is calculated will be eligible to receive a share in the surplus as may be determined on some reasonable basis by the Operator.

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- 73 A person leaving the PTF may be given by the operator such amount as may be mentioned in the policy documents or otherwise deemed reasonable by the Operator.

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 the members.
- 8.2 The Operator agrees to operate the PTF in consideration of a 'Wakala' fee. The said fee shall be a reasonable sum to be determined in consultation with the Shariah Board.
- 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 to 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 assets and incur such other expenditures.



9. OPERATOR'S RIGHTS

- 9.1 The Operator will have a right to receive Wakala Fee in consideration of the management of the operations of the PTF.
- 9.2 PTF will pay above mentioned fees to the operator from the contributions it receives, the amount of which will be determined mutually from time to time by the Trust and the operator in consultation with the Shariah Board. This fee may either be in the form of a 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 i.e. the excess funds of the PTF are invested and the operator charges a fixed fee/share for managing those investments called Mudarib's Share. In addition the operator while working as a Mudarib shall also invest the amount kept in reserves created out of PTF and the profits derived therein.
- 9.4 Notwithstanding anything contained above, the operator shall have all such other rights as may be deemed necessary in the light of Shariah guidelines.

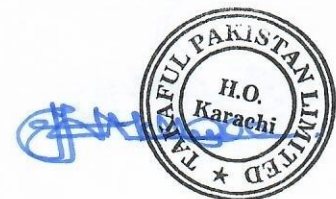
10. DISSOLUTION OF THE PTF

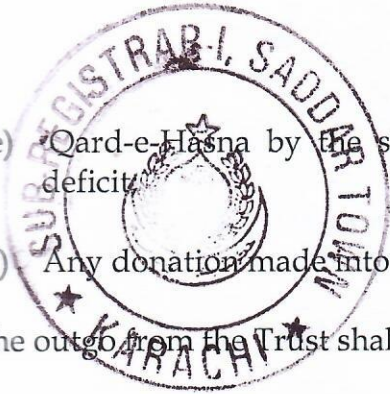
In the event of dissolution of the PTF, the surplus, the contributions, and the reserves in the PTF shall be given, after discharging all liabilities, into charity by the operator. The ceded amount of the Waqf may be transferred with the approval of Shariah Supervisory Board to another PTF formed for similar or any other charitable purpose. However, the shareholders of the Company will not be entitled to any of the aforesaid amounts.

11. INCOME AND OUTGO OF THE FUND

11.1 The income of the PTF shall include the following:

- (a) Contributions received from participants;
- (b) Claims or other benefits received from Re-Takaful operator;
- (c) Investment profits generated by the investment of funds and other reserves;
- (d) Salvages and recoveries;

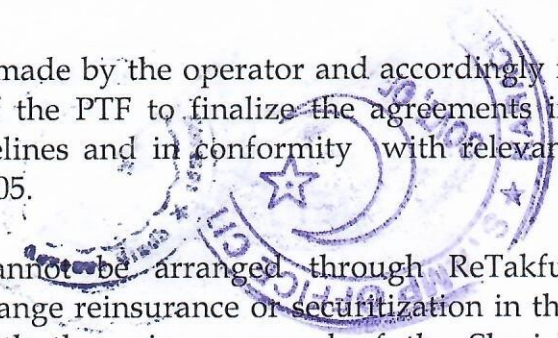


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- (e) Qard-e-Hasna by the shareholders fund to the PTF in case of deficit;
 - (f) Any donation made into the PTF.

11.2 The outgo from the Trust shall include the following:

- (a) Claims and claims costs;
- (b) Re-Takaful and re-insurance costs;
- (c) Takaful operator's fees, which shall not be determined with reference to the surplus in the PTF;
- (d) A share/fee of the investment profits of the PTF as Mudarib's share, or a percentage of the funds as Wakala fees for investment management or any other combination thereof; approved by the Shariah Board of the Takaful Operator;
- (e) Surplus distributed to participants;
- (f) Return of Qard-e-Hasna to the shareholders; and
- (g) Remuneration by the way of commission/ over-riders paid to the intermediaries, if not prohibited otherwise.

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 his carrying on Takaful business and includes ceding risk from Takaful pools managed by one or more retakaful operator(s) in line with the Takaful principles.
- 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 and in conformity with relevant provisions of Takaful Rules - 2005.
- 12.4 In case adequate capacity cannot be arranged through ReTakful operators, the operator may arrange reinsurance or securitization in the best interests of the Fund with the prior approval of the Shariah Supervisory Board.
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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, less the Mudarib's share due to the Operator.

13.2 The Operator would make appropriate arrangements to identify instruments that are strictly Shariah-compliant. These investments would be made in avenues specified in the Takaful Rules such as:

- (a) Deposits in Profit accounts of various approved financial institutions.
- (b) Placements in approved financial institutions for various maturity periods.
- (c) Investment in Shariah compliant securities in Stock exchange(s).
- (d) Investment in real estate.
- (e) Investments through Islamic Banks.
- (f) Other Investments in consultation with the Shariah Board.

13.3 The operator may invest the PTF together with the Shareholders investments. The returns in such case will be distributed proportionately.

14. SHARIAH BOARD

14.1 The Operator shall appoint a Shariah Board comprising of not less than three members 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 Board shall have the power to review the records of the Operator to ensure compliance.

14.2 The Shariah Board shall be responsible for the approval of product, documentation as well as approval of all operational practices and investments of PTF.

14.3 The Shariah Board may appoint any independent person to audit the transactions entered into during a given period.

14.4 The Operator may appoint an in-house Shariah Executive to consult on the Shariah matters.



15. QARD-E-HASNA

- 15.1 The Operator has promised that if the PTF goes in deficit that cannot be met even with the help of ReTakaful, then in this case, the Operator, from the shareholders fund, would provide Qard-e-Hasna to the PTF, so that the PTF may be able to continue performing its responsibilities.
- 15.2 The Operator would be allowed to recover this Qard-e-Hasna from the PTF over any period without charging any interest. The Operator may also make arrangement of Qard-e-Hasna from any other person.

16. PROMOTING

The PTF will perform relevant promoting activities in order to promote the concept of Takaful. For this it will incur marketing costs including advertising and hiring of promoting agents and paying them commissions. Proper strategies will be devised to make marketing an effective tool for creating awareness and promoting Takaful as an Islamic product.

17. SURPLUS

- 17.1 Surplus for distribution will be determined on the following three basis:
- (a) A part of it shall be kept as reserve to mitigate the future losses;
 - (b) A portion of it shall be distributed amongst the participants;
 - (c) A portion shall be utilized for charitable purposes every year.
- 17.2 The proportion of each of these heads will be determined in the light of Shariah guidelines.
- 17.3 The computation of surplus will be made on the basis of accounting policies and rules approved by the Shariah Supervisory Board.
- 17.4 The amount ceded to create this endowment shall not be taken into the income of the participants and shall remain in the PTF as its capital; therefore it would also not be available for distribution.

18. RESERVES

- 18.1 Subject to the provisions of the Ordinance, technical reserves required to be set-up in the Trust shall consist of the following reserves or any one of 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





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- (d) contingency reserve
- (e) reserve for the Qay-e-Hasna to be returned in future
- (f) surplus Equalization reserve

18.2 In addition to the above, PTF would be allowed to from a reserve fund for future 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 assets of PTF.

19. POWER TO MAKE RULES

The Operator shall be and is hereby empowered to make Rules to effectuate the implementation of this Waqf Deed and the objects of the PTF within the framework of this Deed in consultation with Shariah Supervisory Board.

20. INTERPRETATIONS

This Deed shall be governed by the laws of the Islamic Republic of Pakistan and in case of any difference in interpretation between and among different parties to it, including the Members, only the 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.

21. COMPLIANCE WITH STATUTORY PROVISIONS

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

21.2 In case of conflict between the provisions of this Deed and the law governing the Waqf and its activities, the statutory provisions shall prevail to the extent of such conflict.

22. FUTURE AMENDMENTS

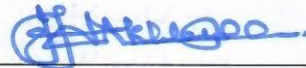
Notwithstanding the irrevocability of this Waqf, the Settlor shall be empowered to execute supplementary deeds deemed necessary for legal and operational reasons. However, all such deed(s) shall be executed with the approval of the Shariah Board.

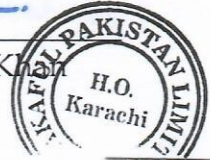
The Settlor hereby declares this Deed to be irrevocable and reserve no right to alter or amend the same in any respect.



The Settlor/operator declares that this Deed and each Waqf created hereunder, as well as the validity and effect of this deed, shall be construed under and regulated by the prevailing laws of the Islamic Republic of Pakistan.

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

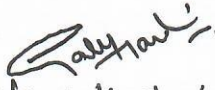

Captain M Jamil Akhtar Khan
Settlor



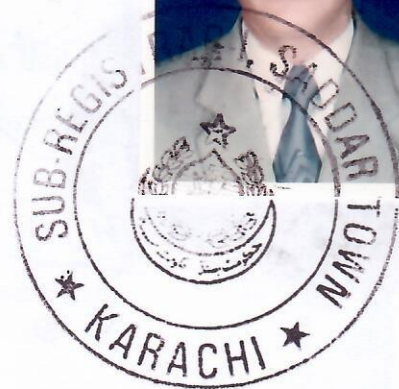
Witness 1:
Name: Muhammad Ali
Father's Name: Reyaz Ahmed
CNIC No.: 42201-6819749-3
Address: D-30 Block 8
Gulshan-e-Iqbal Karachi



Witness 2:
Name: Salman Shafiq Hashmi
Father's Name: Wajid Ahmed Hashmi
CNIC No.: 42201-0634742-1
Address: 363/A RCHS Ltd,
Maler Halt, Karachi.



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Sub-Registrar-1
Saddar Town, Karachi



S. No: 214
Presented in the office of
Sub-Registrar Office-1
Saddar Town on: 22 JAN 2007
Between: Hrs. 11 to 12





Sub-Registrar-1
Saddar Town, Karachi
M.H. BALUCH