



MUHAMMAD ASHRAF Gujar STAMP VENDOR

27 JAN 2015

License No. 57, House No. 1088, Street No. 1

Commercial Address: House No. 2, Mehmoodabad 6, Karachi

1896 ANIS AHMED Advocate

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Participant Takaful Fund Policies

The Participant Takaful Fund Policies are being made on 2nd February 2015 at Karachi by EFU LIFE ASSURANCE LTD, under Rule 13(1) of the Takaful Rules, in its capacity as Operator and Trustee of the EFU Family Takaful Waqf Fund under the powers granted to it by Clause 8 of the Waqf Deed dated 2nd February 2015.

1. **Short title.** – These shall be called the Participant Takaful Fund Policies; hereinafter referred to as either Policies or PTF Policies;
2. **Definitions.** – Unless there is anything repugnant in the subject or context, terms defined in the Waqf Deed shall have the same meaning in these Policies. In addition
 - (i) **Board of Directors** means board of directors of EFU Life Assurance Ltd;
 - (ii) **Waqf Deed** means Waqf Settlement Deed made by the Settlor to establish Waqf Fund.
3. Unless the context otherwise requires, words or expressions contained in these Policies 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.

4. Sub-Funds and Risks Covered

4.1 The EFU Family Takaful Waqf Fund (PTF) shall be divided into the following sub-funds:

- a) The Individual Family Participants Takaful Fund (IFPTF),
- b) The Group Family Participants Takaful Fund (GFPTF)

4.2 The PTF and each of the sub-funds shall cover the following risks:

- a) Death due to any cause
- b) Death due to accident
- c) Natural disability

- d) Accidental disability
- e) Illness

4.3. The method of determining whether an event on which benefits are payable has occurred or not and that of determining the amount payable shall be specified in the Participant Membership Documents (PMD).

4.4. All assets, liabilities, income and expenditure of the above funds shall be separately identified in the books of accounts of the Operator. For the accounting purpose, the seed money donated by the Settlor shall be credited to the sub-funds based on the advice of the Appointed Actuary and Shariah Advisor.

4.5. The Participant Membership Documents (PMD) pertaining to any Takaful Scheme shall clearly specify the sub-fund to which any Takaful Donations relate and from which benefits will be paid.

5. Operator's Obligations

Principal Obligations

5.1. 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.

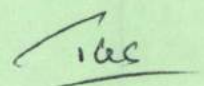
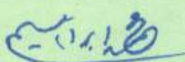
5.2. The Operator shall ensure, when designing Takaful Schemes, that the Participant Membership Documents clearly set out the basis on which any risks will be accepted in the PTF/sub-fund; the benefits which will be payable under specific conditions (including guidance on the process of determining whether such conditions exist); and the method (including the actual amount of any tariffs) for determination of Takaful Donations due to the PTF/sub-fund and when exactly these will be payable.

5.3. The Operator shall perform all functions necessary for the operations of the PTF/sub-funds, including but not limited to:

- (ii) Receiving contributions from the Participants;
- (iii) Determining the amount of Takaful Donations which are to be credited to the PTF/sub-funds and passing appropriate accounting entries to reflect these amounts.
- (iv) Determining and paying to Participants benefits under Takaful Schemes from the PTF/sub-funds;
- (v) Acting as Modarib, Wakeel or Mustabzi in order to manage/invest the funds in the best interest of the PTF;
- (vi) Maintaining administrative and financial records required to administer the Takaful Schemes and manage the PTF/sub-funds;

5.4. The Operator shall endeavour to promote Takaful Schemes so as to maximize the number of Participants. The Operator shall be entitled to appoint intermediaries for soliciting subscribers or participants or members and to perform such functions necessary and incidental thereto.

5.5. The Operator shall assess, classify, and determine risk prudently in accordance with sound Actuarial and Underwriting Guidelines and Shariah Principles, and shall endeavour to maintain, as much as is practically possible, equity between different Participants in terms of its assessment of the risks being accepted and the Takaful Donation being charged. The Operator shall also set up and operate appropriate risk management strategies, policies and procedures, which shall include but not be limited to:



- a) Entering into, with the approval of the Shariah Advisor and Appointed Actuary, suitable arrangements with Retakaful operators;
- b) Assessing each risk being accepted, with an emphasis on being satisfied about the suitability of the Participants' state of health and occupation, imposing suitable additional conditions or limit the amount of benefits if the Participant is subject to unusual risks, so that the financial health of the PTF/sub-fund is safeguarded.

5.6. The Operator shall not accept any risk in respect of any business unless and until the contribution payable is received by the Takaful operator or is guaranteed/ committed to be paid by such person. Provided, where the contribution payable, as aforesaid is received by any person, including a Takaful agent, on behalf of the Operator, such receipt shall be deemed to be receipt by the Takaful operator for the purposes aforesaid.

Accounting and Investments

5.7. The seed money received in each sub-fund shall be credited to a separate account within the accounting records of each sub-fund, which account shall not be used for any purpose other than recording these amounts. The asset created by the transfer of seed money shall be separately identified and shall not be used for any purpose without the written permission of the Shariah Advisor.

5.8. There shall be paid into the PTF/sub-fund all receipts of the Operator properly attributable to the business to which the PTF/sub-fund relates (including investment income).

5.9. Payments from the PTF/sub-fund shall only be made against such part of the PTF's liabilities and expenses as is properly so attributable.

5.10. The Operator shall invest any liquid funds available in the PTF/sub-fund as per the Investment Policy designed by the management of the Operator and approved by the Appointed Actuary and Shariah Advisor. All assets invested in (including bank accounts) shall clearly specify the sub-fund for the benefit of which the investment is being made.

5.11. Any amount due to a sub-fund from any other sub-fund or any other fund of the Operator shall be settled within a maximum period of five working days from the time the amount was due. Where any amount due resulted from the receipt of a contribution the date on which it was due to the sub-fund shall be determined as the date on which the proceeds relating to the contribution were actually realized (i.e., a cheque was cleared or a transfer credited by the bank to the relevant account).

5.12. The Takaful Operator shall appoint a Shariah Compliance Auditor who will conduct the Shariah Audit of the company's Window Takaful Operations for each annual accounting period. The audit shall be conducted before the close of accounts.

5.13. At least at the end of each accounting year the Operator shall, under advice from the Appointed Actuary, evaluate the assets and liabilities of the PTF and each sub-fund determine whether the operation for that particular period had produced a surplus. The surplus determination and distribution methodology for each sub-fund will be as specified in Clause 6 of these Policies.

5.14. In case there is a deficit in the PTF, the Takaful Operator may donate an interest-free loan to be called Qard-e-Hasna to make good the shortfall in the fund. The loan shall be repaid from the future surpluses generated in the PTF without any excess on the actual amount given to the PTF.

5.15. The Takaful operator may require such technical reserves to be setup in the PTF, as may be deemed appropriate by the Appointed Actuary with the approval of the Shariah Advisor.

6. Surplus Determination and Distribution

Surplus in the Individual Family Participants Takaful Fund (IFPTF)

6.1. The calculation of surplus/ deficit would be carried out in the following manner:

Balance in the IFPTF brought forward

Add: Takaful Donations received in the IFPTF
Add: Investment income earned by investment of the IFPTF itself
Add: Receipts from Retakaful pools as their share of any claims paid out or as shares of surplus earned on Retakaful arrangements
Add: Reserves required by preceding year's Actuarial Valuation to be brought forward
Add: Any donation made by the WTO

Less: Incurred Claims
Less: Takaful Operator's Fees
Less: Takaful Operator's share in Investment income earned by investment of the IFPTF itself
Less: Repayment of Qard-e-Hasna
Less: Amounts paid out to Retakaful pools as Retakaful Contributions
Less: Any donation paid by the IFPTF on the advice of the Shariah Advisor
Less: Any share of surplus distributed to Participants
Less: Reserves required by Actuarial Valuation to be carried forward
Less: Any applicable taxes imposed by the Government

6.2. The surplus, if any, shall be owned by the IFPTF/PTF and may be held as contingency reserves. However, a portion of surplus, as advised by the Appointed Actuary, may be distributed among the Participants which will be called as Distributable Surplus.

6.3. The surplus distribution mechanism will be as follows:

- Frequency: The Distributable Surplus will be distributed at least annually;
- Entitlement Condition(s): Distributable Surplus will be distributed to all Participants who have in-force Memberships at the time of distribution;
- Basis: The share of each Participant in the Distributable Surplus will be in proportion to his/her Takaful Donations paid during the year;
- Form of Surplus Distribution: The Distributable Surplus will be distributed:
 - For Takaful plans which are unit linked, in the form of additional Units in the Participant's Investment Account;
 - For Takaful plans which are purely protection, either as a cash payment or as a credit against the next contribution due.

Surplus in the Group Family Participants Takaful Fund (GFPTF)

6.4. The surplus for each period would be calculated in the following manner:

Balance in GFPTF brought forward

Add: Takaful Contributions received in the GFPTF
Add: Investment income earned by investment of the GFPTF itself
Add: Receipts from Retakaful pools as their share of any claims paid out or as shares of surplus earned on Retakaful arrangements
Add: Reserves required by preceding year's Actuarial Valuation to be brought forward

Add: Any donation made by the Takaful Operator

Less: Incurred Claims

Less: Takaful Operator's Fees

Less: Takaful Operator's share in Investment income earned by investment of the GFPTF itself

Less: Amounts paid out to Retakaful pools as Retakaful contributions

Less: Any donation paid by the GFPTF on the advice of the Shariah Advisor

Less: Any share of surplus distributed to Participants

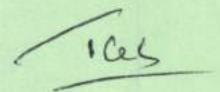
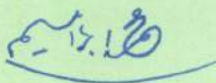
Less: Reserves required by actuarial valuation to be carried forward

Less: Any applicable taxes imposed by the Government

6.5. The surplus, if any, shall be owned by the GFPTF/PTF and may be held as contingency reserves. However, a portion of surplus, as advised by the Appointed Actuary, may be distributed among the Participants which will be called as Distributable Surplus.

6.6. The surplus distribution mechanism will be as follows:

- Frequency: The Distributable Surplus will be distributed at least annually;
- Method: The Distributable Surplus for each Participant would be calculated at the Scheme anniversary by multiplying the most recent Distributable Surplus rate (which is computed as the total Distributable Surplus generated in the GFPTF during the inter-valuation period per unit total net contributions received during the same inter-valuation period) to the net contributions paid by the Participant. The losses on any Scheme in one Scheme year shall not be carried forward. For Participants terminating the Scheme at any date before the Scheme anniversary, their entitlement to Distributable Surplus would be determined by multiplying their net contributions from the Scheme commencement date to the Scheme termination date with the most recent Distributable Surplus rate;
- Basis: The share of each Participant on the Distributable Surplus will be in proportion to his/her net Contributions paid;
- Form of Surplus Distribution: The Takaful Operator may distribute surplus either in cash or adjust against future Contributions. However, in the case that a member does not wish to continue as a Participant in the GFPTF, it shall be necessary to pay surplus, in cash, to such Participant based on his entitlement.

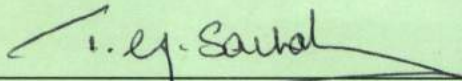


7. General

- 7.1. These Policies shall be governed by the laws in Pakistan applicable from time to time on the Operator.
- 7.2 Subject to the Waqf rulings of Shariah, the Operator shall have the right to modify / change in, add to, subtract from these Policies, as may be deemed necessary, with due consultation and approval of the Shariah Advisor.

IN WITNESS HEREOF these Policies are executed hereunto respectively on the day and year first here-in-above written.

For and on behalf of
EFU LIFE ASSURANCE LTD (the Settlor)



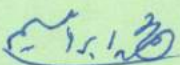
Mr. Taher G. Sachak
MD & CEO

Witness 1
Name: _____
Address: _____

Signature: _____

Witness 2
Name: _____
Address: _____

Signature: _____





M. MUDASSER STAMP VENDOR

Licence No. 61, Seat No. 3, Shop No. 25,
Hussain Square, Block 11, F-7/2, Mabad, Karachi.

S. NO:

DATE: 14 MAR 2024

ISSUED TO WITH ADDRESS

ISSUED TO WITH ADDRESS

PLEASE

NOT FOR CREDIT UNDER CURRENT ACCOUNTS
VENDOR NOT RESPONSIBLE ANYTIME FOR DOCUMENTATION

045744

IRFAN AHI SHAIKH

Advocate

Leg # 445 KBA

ADDENDUM

PARTICIPANTS' TAKAFUL FUNDS (PTF)

1. INTRODUCTION

This addendum outlines the terms and conditions of the consolidation of the Participants' Takaful Funds (PTF) after the dissolution of Allianz EFU Health Insurance Ltd (Window Takaful Operations) and merging into EFU LIFE- WTO. Now The EFU LIFE-WTO will be deemed as "Operator" whole and sole after this merger.

2. MERGER TERMS

- i. **Consolidation of PTFs:** The PTFs of the Acquirer and the Target Company now shall be consolidated into a single PTF.
- ii. **Asset and Liability Transfer:** All assets and liabilities of the Target Company's PTF shall be transferred to the Acquirer's PTF.
- iii. **Participant Interests and Rights:** The rights and interests of participants in the Target Company's PTF shall be transferred to the Acquirer's PTF.

3. FINANCIAL ARRANGEMENTS

3.1 Combining of Funds: EFU LIFE- WTO's PTF shall be combined with the Allianz EFU Health Insurance Ltd (Window Takaful Operations)'s PTF (initially established with 0.5 million PKR).

3.2 Distribution of Assets and Liabilities: The assets and liabilities of the combined PTF shall be distributed among participants in proportion to their contributions.

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4. Sub Funds and Risks Covered

4.1 The EFU Family Takaful consolidated Participants Takaful Fund now shall be divided into following sub funds:

- a) The Individual Family Participants Takaful Fund (IFPTF)
- b) The Group Family Participants Takaful Fund (GFPTF)
- c) The Family Participants Takaful Fund for Accident and Health (FPTFAH)

4.2 Total contribution for FPTFAH shall be credited to the PTF and from which the benefits and Operator's fee shall be paid out

4.3 the amount/waqf benefits payable under the FPTFAH shall be strictly determined under the laws, terms and conditions agreed with Participants and according to Shariah principles.

4.4 Any benefit, which may be due to a participant on account of the cancellation of a policy or alterations in its terms and conditions or for any other reason shall be paid as a benefit by the Operator, from the PTF, directly to the participant.

5. Surplus Determination and Distribution

5.1 The calculation of surplus /deficit for FPTFAH and distribution will be carried out in the same manner as GFPTF.

5.2 The net contribution for each FPTFAH participant will be calculated as follows:

Takaful contribution credited in the PTF
Less: Change in technical reserves
Less: operators fees
less: incurred claims

5.3 In case the net contribution for the FPTFAH participant is negative, no surplus would be paid to the participant in this scheme. The losses on any scheme in one scheme year shall not be carried forward.

6. LEGAL AND REGULATORY COMPLIANCE

The Merger shall be subject to all applicable laws and regulations, including those related to Takaful operations.

7. EFFECTIVE DATE

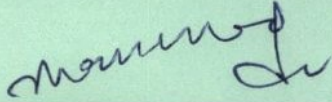
The Merger shall become effective on 1st May 2024.

8. SIGNATURES AND ACCEPTANCE

The Merger Document has been executed by the authorized representatives of the Acquirer and the Target Company

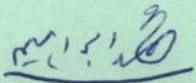


For and on behalf of EFU Life Assurance Ltd. – Window Takaful Operations (the Settlor)



Mohammed Ali Ahmed
Managing Director & Chief Executive Officer

Shariah Approval:



Mufti Ibrahim Essa
Shariah Advisor – EFU Life Assurance Ltd. – Window Takaful Operations