

KAMID A. STAKOOR STAMP - VENDOR
Licence No. 18 Seat No. 8 SHED A
City Court Karachi (Pakistan)

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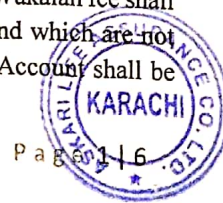
02 MAR 2019
Shahid Qureshi
Advocate
No. 2543 KDA

STAMPED ONLY

PARTICIPANT TAKAFUL FUND

The Participant takaful Fund Policies are made on March 1st, 2019 by Askari Life Assurance Co. Ltd. under Rule 13(1) of the Takaful Rules, in capacity as Operator of Askari Life Family Takaful Waqf Fund under the powers granted to it by Clause 8 of the Waqf Deed dated March 1st, 2019.

1. **Short title** – These shall be called Participant Takaful Fund Policies.
2. **Definitions** – In these PTF Policies, unless there is anything repugnant in the subject or context:
 - I. **'Accounting Year'** means financial year of the Operator;
 - II. **'Appointed Actuary'** is the person appointed by the Board of Directors of Askari Life Assurance Company Limited, in accordance with the relevant provisions of the Ordinance to perform functions and responsibilities thereof defined;
 - III. **'Commission'** means the Securities and Exchange Commission of Pakistan (SECP);
 - IV. **'Companies Act'** means the Companies Act, 2017;
 - V. **'Contribution'** means the amount payable by a Participant to an Operator under a Family Takaful Contract;
 - VI. **'Deficit'** means the shortfall in the PTF, that is, where the admissible assets are not sufficient to cover its all liabilities;
 - VII. **'Operators Fund'** means a sub-fund of the statutory fund set up by the Window Takaful Operator as per statutory requirements. The Operators Fund shall consist of the amount allocated by the company for Window Takaful Operations and undistributed profits to the Shareholders entirely consistent with the policies of the Board of Directors of Askari Life Assurance Company Limited. All Wakalah fee shall be credited to this fund and all expenses relating to the statutory fund which are not charged to any Participant Takaful Fund or Participant Investment Account shall be debited to this fund;



- VIII. **'Ordinance'** means the Insurance Ordinance 2000 and all affiliated laws, rules and regulations that have or may be enacted from time to time;
- IX. **'Participant'** means a person who participates in a Family Takaful plan and to whom a Family Takaful Contract is issued;
- X. **'Participant Investment Account'** means, where applicable, the investment account of the Participant under the membership of a Family Takaful Plan. The investment component of the Contribution, if any, is credited to the Participant Investment Account;
- XI. **'Participant's Membership Documents (PMD)'** means the documents detailing the benefits, limitations, rights and obligations of the Window Takaful Operator and the Participant under a Family Takaful Plan;
- XII. **'Qard-e-Hasna'** means an interest-free loan to the PTF from the Operator's Fund to meet any existing or potential Deficit;
- XIII. **'Re-takaful'** means arrangement for Re-takaful of liabilities in respect of risks accepted by the Window Takaful Operator in the course of carrying on Family Takaful business and includes ceding risks Takaful pool(s) managed by the Window Takaful Operator to one or more Re-takaful pool(s) managed by any other one or more Re-takaful Operator(s) or Reinsurer(s) having Takaful Pool in line with the Family Takaful principles;
- XIV. **'Shariah Advisor'** means Shariah Advisor of the Window Takaful Operator appointed in accordance to the requirements of rule 26 of the Takaful Rules, 2012;
- XV. **'Sum at Risk'** means Sum at Risk as defined in the Participant Membership Document (PMD) or Supplementary Takaful benefit Documents, which are an essential part of these Supplementary Rules;
- XVI. **'Supplementary Takaful Benefit'** means additional product designed and distributed by Askari Life Assurance Company Limited for the purpose of Window Takaful Operations in accordance with Shariah principles, which may be attached to and provided as part of a Family Takaful scheme and as such embodies certain benefits, limitations, rights and obligations as evidenced by the Supplementary Takaful Benefit Document(s);
- XVII. **'Supplementary Takaful Benefit Document(s)'** means the documents(s)/contract(s) detailing with the benefits, limitations, rights and obligations of the Operator and the Participant under a Supplementary Takaful Benefit;
- XVIII. **'Supplementary Waqf Deed'** means a deed rendered in writing to establish a sub-fund under the Waqf Fund (PTF) as deemed necessary for legal and operational reasons;
- XIX. **'Surplus'** means the excess assets over liabilities of the PTF.
- XX. **'Takaful Contribution'** means the Contribution from participants, net of any amounts credited directly to Participants Investment Account or the Operator's Fund;
- XXI. **'Family Takaful Plan'** means a product designed and distributed by Askari Life Assurance Company Limited as Window Takaful Operator in accordance with Shariah principles which embodies certain benefits, limitations, rights and obligations as evidenced by the PMD.
- XXII. **'Takaful Rules'** means Takaful Rules, 2012;
- XXIII. **'Valuation Date'** means the date on which PTF is valued for its assets and liabilities;
- XXIV. **'Wakalah Fee'** means Window Takaful Operator's fees;
- XXV. **'Waqf Deed'** means Waqf deed made by the Window Takaful Operator to establish PTF;
- XXVI. **'Waqf Fund / Participant Takaful Fund (PTF)'** means:
- i. A fund established by the Window Takaful Operator under the Waqf Deed in accordance with the requirements of Takaful Rules, 2012,
 - ii. The PTF may comprise of one or more sub-fund(s) each of which will be sub-fund of given Statutory Fund.



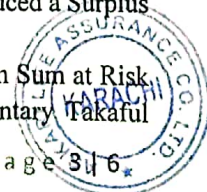
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- iii. Each sub-fund of the PTF shall be governed by the provisions of the Ordinance, Takaful Rules 2012, the Waqf Deed and Supplementary Deed, and
 - iv. Unless the context otherwise requires in this Deed, words importing PTF shall include the sub-fund(s) of PTF;
- XXVII. 'Waqf Money'** means the amount ceded by the Window Takaful Operator at the commencement of the PTF from its Operator's Fund. Upon dissolution of the PTF the same will have to be transferred to another PTF formed for similar or any other purpose with approval of the Shariah Advisor;
- XXVIII. 'Window Takaful Operator'** means Askari Life Assurance company Limited working in the capacity of Wakeel and Mudharib, as the case may be, thereby operating the PTF.

Unless the context otherwise requires, words or expressions contained in this PTF Policies shall have the same meaning as in the Companies Act, 2017, Insurance Ordinance, 2000 and 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 corporate entities. However, in the event of ambiguity and/or conflict between the provisions of the PTF Policies or the Waqf Deed and or its Supplementary Deeds, the provisions of the Waqf Deed and subsequently the Supplementary Deed(s) (as applicable) in its entirety shall prevail.

3. Operations:

- a. The Window Takaful Operator shall assess, classify, and determine risk prudently in accordance with sound underwriting guidelines and Shariah principles.
- b. The Operator shall perform all functions necessary for the operations of the PTF, including but not limited to:
 - i. Receiving Takaful Contributions from the Participants,
 - ii. Utilizing these Takaful Contributions for the benefits of all the Participants,
 - iii. Acting as Mudharib or Wakeel, or both, in order to manage the funds in the best interest of the PTF,
 - iv. The Window Takaful Operator shall define, design, implement, manage, administer, run, control, govern, modify Family Takaful schemes or Supplementary Takaful Benefit for the benefits of all the Participants, whether existing or prospective, with the approval of Shariah Advisor (SA) and the Appointed Actuary, and
 - v. The Window Takaful Operator shall invest funds available in the PTF in the modes and products as may be permissible from time to time.
- c. Contributions under Family Takaful Plans, net of any government levy, shall be segregated into Wakalah Fee, the investment component and Takaful Contribution.
- d. The Takaful Contribution shall be credited to Waqf Fund (PTF).
- e. The determination of each component shall be in accordance with provisions of each Family Takaful Plan.
- f. All Takaful Contributions credited to PTF shall be deposited in bank accounts designated as belonging to PTF or paid across to such account within seven days of receipt.
- g. All income received on assets of a PTF and receipts from Re-takaful Operators relating to the PTF shall be deposited in bank account designated as belonging to the PTF or be paid across within seven days of receipt.
- h. The Window Takaful Operator would periodically perform surplus calculation for the PTF, under advice from the Appointed Actuary. At least at the end of each Accounting Year the Window Takaful Operator shall evaluate the assets and liabilities of the PTF and determine whether the operation for that particular period had produced a Surplus or a Deficit.
- i. Takaful Contributions received by the PTF are based on the application Sum at Risk under the membership of a Family Takaful Plan and any Supplementary Takaful



Benefits attached to the PTF. Takaful Contributions are dependent on certain factors such as age attained, sex, residence, health, occupation, nationality, smoker/non-smoker-status, Wakalah Fee and such other factors for the duration of the membership. Takaful Contributions are paid into the PTF either by deduction of Units from the respective Participant Investment Fund (PIF) or by directly allocating a proportion of the Contribution received by the Participant to the PTF.

- j. The Takaful Contributions would be deposited as donation by the Participant into the PTF. Wakalah Fee expressed as a percentage of the Takaful Contribution would be taken out by the Window Takaful Operator in form of Wakalah Fee from the PTF for underwriting, administration and general management of the PTF. As Mudharib, the Window Takaful Operator will also be entitled to a share in the investment income earned by the PTF.
- k. The Window Takaful Operator needs to be satisfied about the suitability of the applicant's state of health and occupation and may impose suitable additional conditions or limit the amount of benefits applied for, if the proposed Life Covered is subject to unusual risks at the Commencement Date or Reinstatement Date, whichever is later, as per the authority granted to the Window Takaful Operator in these PTF Policies.
- l. Ant payments made by the Window Takaful Operator from the PTF on account of benefits covered under a Family Takaful Plan Supplementary Takaful Benefits will be in accordance with the terms and conditions of PMD and Supplementary Takaful Benefit documents attached to the PTF.

4. Surplus Determination and Distribution

- a. At least at the end of each Accounting Year the Window Takaful Operator shall evaluate the assets and liabilities of the PTF. The Window Takaful Operator shall:
 - i. Determine whether the PTF has a Surplus or a Deficit at the end of the period,
 - ii. Evaluate the requirement of Qard-e-Hasna at the end of the period, and
 - iii. Distribute the Surplus of the PTF among the participants, if any.
- b. The Surplus/Deficit at the end of the period will be:
 - Surplus/Deficit at the beginning of the period

Add:

- Takaful Contributions credited to the PTF
- Investment income earned by investment of the PTF itself
- Receipts from Re-takaful pools as their share of any claims paid out or as shares of surplus earned on Re-takaful arrangements
- Rebate/Commission from Re-takaful Operators
- Reserves required by preceding year's Actuarial valuation to be brought forward
- Any donation made by the Operator to the PTF

Less:

- Incurred Claims
- Wakalah Fee
- Repayment of Qard-e-Hasna
- Window Takaful Operator's share in Investment income earned by investment of the PTF itself
- Amounts paid out to Re-takaful pools as Re-takaful contributions
- Any third-party costs directly associated with underwriting (for high net worth participants) and claims investigation, both
- Reservation required by Actuarial valuation to be carried forward

For the purpose of determining the reserves required by Actuarial valuation, the Window Takaful Operator may require at least such technical reserves and solvency margins to be setup in the PTF, as may be prescribed by the commission. In case the

Commission does not prescribe such technical reserves and solvency requirements, the Window Takaful Operator may require such technical reserves and solvency margins as may be deemed appropriate, which may include, but not limited to:

- i. Unearned Contributions reserves,
 - ii. Incurred but not reported claims reserves,
 - iii. Deficiency reserves,
 - iv. Reserve for Qard-e-Hasna to be returned in future,
 - v. Surplus equalization reserves,
 - vi. Death benefit reserves,
 - vii. Outstanding claims reserves,
 - viii. Solvency Margins for PTF, and
 - ix. Any other reserve as may be specified by the Appointed Actuary.
- c. In case of Deficit in the PTF at the end of the period, the Window Takaful Operator would ensure that there is adequate Qard-e-Hasna in PTF to fully meet the Deficit.
- d. In case of a Surplus in the PTF at the end of the period, the Window Takaful Operator will determine the extent of repayment of Qard-e-Hasna if any, from the PTF as advised by the Appointed Actuary, prior to distributing any Surplus.

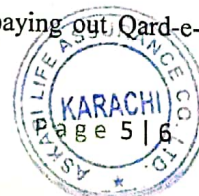
5. Surplus Distribution

- a. Participants are entitled to any Surplus in the PTF at the end of the period subject to condition 5(d).
- b. The basis of the Surplus allocation amongst participants would be recommended by the Appointed Actuary in consultation with the Shariah Advisor. It shall:
- i. Ensure fair and equitable treatment of the Participants of the PTF,
 - ii. Be in line with the prescribed regulations of the Commission,
 - iii. Be in line with the generally acceptable actuarial principles,
 - iv. Be in line with the terms and conditions of the PMD's, and
 - v. Be in line with the Net Contribution of each Participant under a membership.
- c. Surplus may be distributed in the form of:
- i. Allocation of units to the PIA,
 - ii. Payment of cash to the participants, and
 - iii. Any other method as advised by the Appointed Actuary and the Shariah Advisor and approved by the Commission
- d. The mechanism and frequency of Surplus distribution amongst Participants would be as approved by the Appointed Actuary and the Shariah Advisor.
- e. A Participant may donate its surplus for social or charitable purposes and may request the Window Takaful Operator to arrange for the transfer of the donation.

6. Dissolution

In the event of the dissolution of PTF, following would be carried forward:

- a. The PTF would be transferred to any other authorized Takaful Operator's Participant Takaful Fund / Waqf Fund under Takaful Rules, 2012. In case the Participant Takaful Fund / Waqf Fund of any other Takaful Operator is not present, the said PTF would be transferred to any other Waqf.
- b. In case the PTF is transferred to any other Operator's PTF, the balance of all assets and liabilities would be transferred.
- c. If the existing liabilities are supposed to be paid off before the transfer, the liabilities, except for the cede money, would be paid out of PTF. First the Participants' liabilities would be paid out. If there still is a surplus, the amount would be used to pay any remaining Qard-e-Hasna to the extent of the PTF surplus. In case there still is remaining surplus, the amount would either be distributed to the Participants or any charity as advised by the Shariah Advisor.
- d. If the Operator has created any sub-funds, the surplus, before paying out Qard-e-Hasna, would be used to off-set the deficit in any other sub-fund.



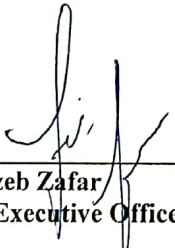
- e. In the case where PTF doesn't have enough funds to pay its liabilities, the deficit may be funded by the Operator from the deposit made by the Operator in form of a donation.
- f. The cede money would be transferred to any other PTF/Waqf Fund with the approval of Shariah Advisor. The shareholders of the Operator are not entitled to any amount.
- g. Subject to the Shariah Principles of Waqf, Askari Life Assurance Co. Ltd. shall comply with the requirement that may be prescribed by the Commission for the purpose of the dissolution of PTF.

7. General

- a. These PTF Policies shall be governed by the Waqf Deed and the laws in Pakistan, subject to Shariah guidelines, for the time being in force and are applicable on the Window Takaful Operator.
- b. The PMD and Supplementary Takaful Benefit Document(s) for Family Takaful Participant Fund would be an integral part of these PTF Policies.
- c. The Window Takaful Operator shall have the right to modify/change in, add to, subtract from these PTF Policies, as may be deemed necessary, with due consultation and approval of Shariah Advisor.

For and on behalf of


Askari Life Assurance Co. Ltd. (the Operator)



Jehanzeb Zafar
Chief Executive Officer




Dr. Muhammad Zubair Usmani
Shariah Advisor

Witnesses:


Name: Talha Noor
CNIC No: 42401-3053008-9


Name: AZFAR KHAN
CNIC No: 42501-0354757-7