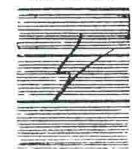



MINUTES OF 175TH MEETING OF THE BOARD OF DIRECTORS

DIRECTORS	HELD AT	ON	TIME												
MINUTE BOOK	ISLAMABAD	12 TH FEBRUARY' 2004													
<p style="text-align: center;"><u>CONFIDENTIAL AND RESTRICTED</u></p> <p>The one hundred and seventy fifth (175th) Meeting of the Board of Directors of State Life Insurance Corporation of Pakistan was held on 12th February' 2004 at 10:00 a.m., in the Conference Room, Hotel Holiday Inn, Islamabad.</p> <p><u>PRESENT:</u></p> <table style="width: 100%; border: none;"> <tr> <td style="width: 50%;">1. Mr. Rasool Bakhsh Baloch</td> <td style="width: 50%;">Chairman</td> </tr> <tr> <td>2. Mr. Nessar Ahmed</td> <td>Director</td> </tr> <tr> <td>3. Mr. Muhammad Sharif Ijaz Ghauri</td> <td>Director</td> </tr> <tr> <td>4. Mrs. Spenta Kandawalla</td> <td>Director</td> </tr> <tr> <td>5. Ch. Javaid Hussain</td> <td>Director</td> </tr> <tr> <td>6. Mr. Shahid Aziz Khan</td> <td>Board Secretary</td> </tr> </table> <p>2. Mr. Muhammad Javed Khan, Executive Director (PHS/RE/INV.), Mr. Zafar Mahmood, Executive Director (Marketing/G&P/Int'l/CD) and Mr. Zahid Murad, Executive Director (P&GS/Law/B&A), attended the meeting by special invitation.</p> <p>3. The meeting started with recitation from the Holy Quran and the Board Secretary was provided the honour of recitation.</p> <p>4. Air Marshal (Retd.) Sharbat A. Changazi, Mr. Bashir Ahmed and Mr. Umar Ata Bandial, Directors, have requested for leave of absences. The Board granted them leave.</p> <p>5. The Board of Directors appreciated the remarkable services of Mr. Muhammad Latif Executive Director (B&A / Inv.) who has been retired from the Corporation on 10th February' 2004 after completing his age of superannuation. The Board of Directors appreciated for his dedicated services and wished him prosperity, success and good health.</p> <p>ITEM (1) <u>CONFIRMATION OF MINUTES OF 174TH MEETING OF THE BOARD OF DIRECTORS HELD ON 24TH JANUARY' 2004.</u></p> <p>6. The minutes of the 174th Meeting of the Board of Directors held on 24th January' 2004 were placed before the Board. During the course of discussion Mrs. Spenta Kandawalla pointed out that in para 39 at line 6 & 7 the correct sentence was "whether State Life had earmarked advertisement budget for advertisement in magazines, brochures, pamphlets etc. of charitable institutions", instead of "whether from the advertisement budget donation would be possible". The board agreed and approved the correction in para 39 line 6 & 7 at page 2332 of minutes of 174th meeting of Board held on 24th January' 2004.</p> <p>7. Mrs. Spenta Kandawalla proposed and Mr. Nessar Ahmed seconded that the minutes be confirmed with above correction.</p>				1. Mr. Rasool Bakhsh Baloch	Chairman	2. Mr. Nessar Ahmed	Director	3. Mr. Muhammad Sharif Ijaz Ghauri	Director	4. Mrs. Spenta Kandawalla	Director	5. Ch. Javaid Hussain	Director	6. Mr. Shahid Aziz Khan	Board Secretary
1. Mr. Rasool Bakhsh Baloch	Chairman														
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CHAIRMAN'S
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MINUTES OF 175TH MEETING OF THE BOARD OF DIRECTORS

DIRECTORS	HELD AT	ON	TIME	
MINUTE BOOK	ISLAMABAD	12 TH FEBRUARY' 2004		
<p>Action: Board Secretary</p> <p>Action: Board Secretary</p>	<p>Accordingly, it was resolved as under;</p> <p><u>RESOLVED:</u> "that the Minutes of the 174th Meeting of the Board of Directors held on 24th January' 2004 be and were hereby confirmed with the above correction."</p> <p><u>ITEM (2) IMPLEMENTATION REPORT ON DECISIONS TAKEN IN THE PREVIOUS BOARD MEETINGS.</u></p> <p>8. The Board Secretary reported that due to shortage of time in between 174th & 175th meetings of the Board the action on decisions made in 174th meeting could not be implemented. The Board appreciated the practical difficulty and advised the Board Secretary to submit the implementation report of 174th meeting alongwith the implementation report of 175th meeting of the Board in its next meeting</p> <p><u>ITEM (3) CONSIDER/APPROVE – UP-GRADATION OF PRINCIPAL OFFICE AND POLICY HOLDERS' SERVICE COUNTERS.</u></p> <p>9. Mr. Muhammad Javed Khan, Executive Director (RED/PHS/INV.) presented before the Board the following memorandum.</p> <p>10. The Board of Directors in its 171st meeting held on May 17, 2003 decided that the matter of service counters be referred to the Executive Committee for their detailed consideration and thereafter may be referred with their recommendation to the Board.</p> <p>11. In compliance to the decision of the Board of Directors, the matter was placed before the Executive Committee in September' 2003.</p> <p>12. The Executive committee in its 271st meeting held on October 04, 2003 suggested that a Consultant be hired to up-grade all State Life buildings to give them Corporate look, distinct identity / image and recognition. This uniformity should also be maintained in service counters and interiors. Executive Committee decided that documents be invited from Architects / Interior Decorators firms through advertisement for their pre-qualification.</p> <p>13. An Advertisement was released for pre-qualification of Architects / Interior Decorators for the up-gradation of Principal Office on October 26, 2003. As the job of Counters was also of the same nature therefore it was felt feasible to use the documents received for this purpose also.</p> <p>14. In response to this advertisement, documents were received from 24 Architectural / Interior designing firms out of which 9 firms were pre-qualified for this job.</p> <p>15. In a meeting held with the Chairman and Executive Directors of State Life on January 13, 2004, it was suggested by ED (Marketing), that the issue of the counters be dealt separately as the work on up-gradation of Principal Office would take a longer time. It was also decided that all the firms who have attained 50 points or above in the pre-qualification process be invited to submit their conceptual design for the policy holders service counters within 15 days to the Real Estate Division and then make presentations before the Management Committee immediately thereafter.</p>			<p>CHAIRMAN INITIALS</p> 

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16. In compliance to this decision, letters have been issued to 09 firms to submit their conceptual designs latest by January 27, 2004. These designs would be presented before the Management committee. It was therefore proposed that the Board may authorize the Management Committee for selection of one or more best suited designs according to the requirement of the zone.

17. As proposed in the earlier Board Memo, submitted in the 171st Board meeting, estimated cost/budget for the policy holders' counters for 15 Zones located in State Life owned buildings was Rs.30 million which may also be approved. (Copy of Memo was placed at Annex-I)

18. The case of up-gradation of Principal Office was being dealt separately. The final three proposal would be placed before the Board after process through Management Committee.

19. The matter was discussed at length. Mr. Muhammad Sharif Ijaz Ghauri pointed out that complete details of expenses be given for detailed discussion. Ch. Javaid Hussain seconded the opinion given by Mr. Muhammad Sharif Ijaz Ghauri. Mr. Zafar Mehmood, Executive Director (Marketing) also briefed the Board on the subject and suggested that the matter for construction of cash counters be given priority and further suggested for segregation from rest of the project. Mrs. Spenta Kandawalla opined for promotion of corporate culture in the construction of cash counters in State Life Buildings. Mr. Nessar Ahmed also agreed with Mrs. Spenta Kandawalla and stressed for promotion of corporate culture. Mr. Zafar Mehmood, Executive Director (Marketing) requested the Board to give the approval of item-3 in principle. However, the Board after thorough discussion resolved as under:-

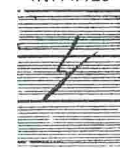
RESOLVED:

- i) "that the matter for the construction of policy holders service counters was allowed to be segregated, be and was hereby approved."
- ii) "that the Management Committee was authorized to select the best architect's firm for designing the Policy Holders Service Counters, be and was hereby approved."
- iii) "that the best selected architect's firm would make presentation before the Board for final approval of the design and estimated cost, be and was hereby approved."

ITEM (4) CONSIDER / APPROVE - PROPOSAL TO AUTHORIZE MANAGEMENT COMMITTEE TO TAKE DECISIONS IN SUCH CASES ON THEIR MERIT, FOR OBTAINING MEDICAL TREATMENT IN AN EMERGENCY SITUATION WITHOUT INTIMATION, FROM HOSPITAL, WHERE THE PATIENT WAS NOT AUTHORIZED TO TAKE TREATMENT.

20. Mr. Zahid Murad, Executive Director (P&GS) presented this memorandum before the Board.

CHAIRMAN'S
INITIALS



Action:
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MINUTES OF 175TH MEETING OF THE BOARD OF DIRECTORS

DIRECTORS	HELD AT	ON	TIME
MINUTE BOOK	ISLAMABAD	12 TH FEBRUARY' 2004	
<p>21. State Life Insurance Corporation (Medical) regulations do not allow reimbursement of medical expenses incurred in case where medical treatment is obtained without prior approval/intimation at places other than the place of posting of the employee.</p> <p>22. The gazette of Pakistan 1973 Reproduced (Annexure/A) as below:-</p> <p style="padding-left: 40px;">"The facilities under these regulations shall be admissible at the station of posting of the employee only. Provided that in special circumstances, which shall be recorded in writing, these facilities may also be availed of at other station where there is an authorized medical attendant "</p> <p>23. The issue of post-facto approvals was decided by the Board of Directors in its 137th meeting held on 5th & 6th Feb. 1998 (Annexure/B) and later circulated vide G.M(P&GS) circular dated 12.03.1998.</p> <p style="padding-left: 40px;">"That no post-facto approval, and no special approvals/recommendations for incurring expenses beyond the medical rules would be granted "</p> <p>24. Although it was appropriate that proper permission may be obtained to receive medical services at a place other than place of posting or at unapproved panel service provider however, in some exceptional cases and under special circumstances, especially in an emergency such instruction may be impossible to follow.</p> <p>25. To consider such cases there is a need to create a sub-committee or committee of senior officers where fresh cases may be decided on the basis of compelling circumstances which may have forced the patient to obtain the medical treatment in an emergency situation without intimation from hospital where he was not authorized to take treatment.</p> <p>26. It was accordingly proposed that the Management Committee may be authorized to take decisions in such cases on their merit.</p> <p>After thorough discussion, the Board resolved as under:-</p> <p>RESOLVED:</p> <p>i) "that the Management Committee was authorized to lay down procedure / guidelines, for examining and processing cases and to take decision, on merit of each case, be and was hereby approved."</p> <p>ITEM(5) <u>CONSIDER/APPROVE – TRANSFER OF AREA MANAGERS FROM MARKETING TO OFFICE SIDE.</u></p> <p>27. Mr. Zahid Murad, Executive Director (P&GS) presented the memorandum before the Board. In the 173rd meeting of Board of Directors held on 19th December' 2003 at Karachi; a memorandum was put up regarding decision about change of cadre</p>			

Action:
ED (P&GS)

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<p>of Area Managers to office side (copy of the Memorandum attached as Flag/A). The Board unanimously resolved as under:</p> <p style="padding-left: 40px;">“that no such cases of absorption of Area Managers in office side would be entertained or considered, be and was hereby approved.” (Copy attached as Flag/E).</p> <p>28. A Letter was received on January 1, 2004 from the Ministry of Commerce (Copy attached as Flag/B), reply to which was sent in light of the Board's decision with the request to bring the same to the knowledge of the Honorable Minister of Commerce (Copy attached as Flag/C).</p> <p>29. In the 174th meeting of the Board held on January 24, 2004 Mr. Muhammad Sharif Ijaz Ghauri, Member of the Board, expressed his reservations in connection with Item No. 13 of 173rd Meeting of the Board which dealt with the request for change of cadre of Mr. Abdul Waheed, Area Manager from Marketing to office side on medical/humanitarian grounds. The Board agreed to reconsider the matter if placed in the form of a memorandum in any future meeting.</p> <p>30. In the meantime another letter was received from Ministry of Commerce on 28th January' 2004 regarding consideration of change of cadre of Mr. Abdul Waheed as a special case (Copy attached as Flag/D).</p> <p>31. The Corporation has two distinct cadres of Officers having specific job assignments, i.e., Office Side and marketing. The Officers on the Office Side are recruited in terms of Regulation 10 of State Life Employees (Service) Regulations 1973 on the basis of qualifications, experience and age which has been prescribed under Regulation 14. A copy of the approved criteria in pursuance thereof was attached at Flag/K. It may be noticed that minimum academic qualification required in case of an Officer is graduation. However technical graduates and post-graduates are given preference.</p> <p>32. On Marketing Side, the Area Managers are appointed from amongst Sales Managers who have completed prescribed business quota. The minimum academic qualification for an Area Manager is Matriculation. The business quota of the Area Manager is prescribed by the Board of Directors from time to time in terms of Regulation 4 ii (c) (1) of State Life Employees (Service) Regulations 1973. The current quota was approved by the Board in its 167th meeting held on July 13, 2002 at Peshawar (copy of criteria attached as Flag/J). According to the approved criteria the Sales Managers are promoted to the position of Area Manager based upon extra ordinary business performance for three consecutive years. The business performance includes First Year Premium, Second Year Premium, Renewal Premium and Fresh Recruitment of Sales Representatives. The Area Manager is supposed to give reasonable increase every year over FYP of preceding year. An Area Manager is provided with office facilities, staff salaries, petrol etc. depending upon his business performance (Copy of Board's approved Package for Area Managers attached as Flag/F).</p>			

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DIRECTORS	HELD AT	ON	TIME										
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	<p>33. A brief account of the particulars of Mr. Abdul Waheed was as under:</p> <table> <tr> <td>Date of appointment</td> <td>July 01, 1996</td> </tr> <tr> <td>Appointed as</td> <td>Area Manager Category 'C'</td> </tr> <tr> <td>Length of service</td> <td>7 ½ Years</td> </tr> <tr> <td>Education</td> <td>F.A.</td> </tr> <tr> <td>Medical status</td> <td>Suffering from Hepatitis 'C' since last four years. Medical advice for light duty.</td> </tr> </table> <p>(Copy of his appointment letter was attached as Flag/I, copy of proof of Education was attached as Flag/G.)</p> <p>34. Three other identical requests made by Area Managers on more or less similar grounds were regretted in 2003. Their requests along-with regret letters were attached as Flag/H. Their particulars were as under:</p> <ol style="list-style-type: none"> Sh. Fazal-ur-Rehman Area Manager, Lahore Central Zone on ground of paralysis attack (request addressed to Chairman). Mr. Asif Jehangir Area Manager, Gujrat Zone (application received through C.M. Sectt. Punjab). Mr. Nazar M. Khokhar Area Manager, Larkana Zone on ground of domestic problem (request received through Ministry of Commerce). <p>35. Mr. Zahid Murad, Executive Director (P&GS) briefed the Board on the salient features of memorandum. The Chairman also briefed to highlight the difference between the two categories of employees on the basis of their respective criteria including education, experience and business targets. Mr. Nessar Ahmed gave his view point and suggested that Corporation should have a properly devised system or criteria for transfer of Area Manager from Marketing to office side on humanitarian ground but on special and on very limited basis. Mrs. Spenta Kandawalla opined that such proposed transfer be linked with education criteria. Mr. Nessar Ahmed suggested that experience and education be linked together and a criteria be made purely on humanitarian grounds after taking into consideration all safeguards in the interest of the Corporation. The members of Board after detailed discussion resolved as under:-</p> <p>RESOLVED:</p> <p>“that the Management was advised to re-examine the matter and to device a comprehensive and detailed criteria with all possible safeguards in the interest of Corporation, be placed before the Board, in proper form of the memorandum for consideration, be and was hereby approved.”</p> <p>ITEM (6)-I <u>ANY OTHER ITEM WITH THE PERMISSION OF THE CHAIR.</u> <u>CONSIDER/APPROVE – ENHANCEMENT OF DIRECTOR'S FEE</u> <u>AND UPGRADATION OF AIR TRAVEL FACILITY</u></p> <p>36. It was pointed out that State Life was paying Rs.1000/- as Director's fee for attending meetings of Board / Committees and providing economy class Air Ticket,</p>			Date of appointment	July 01, 1996	Appointed as	Area Manager Category 'C'	Length of service	7 ½ Years	Education	F.A.	Medical status	Suffering from Hepatitis 'C' since last four years. Medical advice for light duty.
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Action:
ED (P&GS)

Action:
ED (P&GS)

CHAIRMAN'S
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whereas other companies like National Insurance Company Limited and Pakistan Reinsurance Company Limited are paying Director's fee at higher rate and providing business class/economy plus Air Travel facility. It was therefore suggested that the case be referred to the Ministry of Commerce for bringing Director's fee and entitlement of Air Travel of Directors at par with these companies.

After detailed discussions, the Board resolved as under:

RESOLVED:

"that the State Life Management would confirm the rate of Director's fee and air travel entitlement of Directors from Pakistan Reinsurance Company Limited/National Insurance Company Limited and recommend the case to the Ministry of Commerce for bringing the Director's fee and entitlement of air travel of Directors of State Life's Board at par, with these companies, be and was hereby approved."

Action:
ED (P&GS)

37. The meeting ended with mutual vote of thanks.


CHAIRMAN

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