





MINUTES OF 197TH MEETING OF THE BOARD OF DIRECTORS

| DIRECTORS MINUTE BOOK | HELD AT KARACHI | ON 3 RD NOVEMBER' 2008 | TIME | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|---|---|--------------------------------------|--|----|---------------------|----------|--|----|--------------------------|----------|--|----|------------------------|----------|--|----|---------------------|----------|--|----|-----------------------|----------|--|----|---------------------|----------|--|----|------------------------|----------|--|----|----------------------|-----------------|--|
| <u>CONFIDENTIAL AND RESTRICTED</u> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <p>The 197th Meeting of the Board of Directors of State Life Insurance Corporation of Pakistan was held on 3rd November' 2008 at 10.00 a.m. in the Board Room, State Life Building No.9, Dr. Ziauddin Ahmed Road, Karachi.</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <u>PRESENT:</u> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <table style="width: 100%; border: none;"> <tr> <td style="width: 5%;">1.</td> <td style="width: 40%;">Shahid Aziz Siddiqi</td> <td style="width: 35%;">Chairman</td> <td style="width: 20%;"></td> </tr> <tr> <td>2.</td> <td>Mr. Qamar Zaman Chaudhry</td> <td>Director</td> <td></td> </tr> <tr> <td>3.</td> <td>Mrs. Spenta Kandawalla</td> <td>Director</td> <td></td> </tr> <tr> <td>4.</td> <td>Mr. Amin Qasim Dada</td> <td>Director</td> <td></td> </tr> <tr> <td>5.</td> <td>Mr. Rasheed Y. Chinoy</td> <td>Director</td> <td></td> </tr> <tr> <td>6.</td> <td>Syed A. Wahab Mehdi</td> <td>Director</td> <td></td> </tr> <tr> <td>7.</td> <td>Syed Hur Riahi Gardezi</td> <td>Director</td> <td></td> </tr> <tr> <td>8.</td> <td>Mr. Akbarali Hussain</td> <td>Board Secretary</td> <td></td> </tr> </table> | | | | 1. | Shahid Aziz Siddiqi | Chairman | | 2. | Mr. Qamar Zaman Chaudhry | Director | | 3. | Mrs. Spenta Kandawalla | Director | | 4. | Mr. Amin Qasim Dada | Director | | 5. | Mr. Rasheed Y. Chinoy | Director | | 6. | Syed A. Wahab Mehdi | Director | | 7. | Syed Hur Riahi Gardezi | Director | | 8. | Mr. Akbarali Hussain | Board Secretary | |
| 1. | Shahid Aziz Siddiqi | Chairman | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2. | Mr. Qamar Zaman Chaudhry | Director | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 3. | Mrs. Spenta Kandawalla | Director | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 4. | Mr. Amin Qasim Dada | Director | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 5. | Mr. Rasheed Y. Chinoy | Director | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 6. | Syed A. Wahab Mehdi | Director | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 7. | Syed Hur Riahi Gardezi | Director | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 8. | Mr. Akbarali Hussain | Board Secretary | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2. The meeting started with recitation of verses from the Holy Quran by the Chairman. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 3. The Chairman welcomed Mr. Qamar Zaman Chaudhry and Syed A. Wahab Mehdi, Director to the Board and appreciated their public spiritedness in agreeing to serve on the Board and look forward to smooth and productive working relationship between the members of the Corporation and the policyholders its serve. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 4. Mr. Aslam Faruque requested for leave of absence which was allowed by the Board. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 5. All Executive Directors attended the meeting by invitation. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <u>ITEM 1(i) CONFIRMATION OF MINUTES OF 195TH AND 196TH MEETINGS OF THE BOARD.</u> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 6. The minutes of the 195 th and 196 th meetings of the Board of Directors held on 28 th May, 2008 and 28 th October' 2008 were placed before the Board. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Action: ED(Inv) | 7. Syed Hur Riahi Gardezi, Director pointed out that the Investment Division be asked to submit upto date progress report on Pakistan Emerging Venture and Venture Capital Management Fund and State Life Asset Management Company (SAMCO). | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Action: ED(RE) | 8. Syed Hur Riahi Gardezi, Director directed ED(RE) to submit progress report to the Real Estate Committee regarding purchase of plot at Quetta and regarding Yohanabad and Malir properties. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Action: ED(P&GS) ED(CD) | 9. Syed Hur Riahi Gardezi, Director requested for progress report on the suggestion of the Board for arranging of fire proof cabinets and keeping of back up records in safe custody. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | |  CHAIRMAN'S INITIALS  | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

MINUTES OF 197TH MEETING OF THE BOARD OF DIRECTORS

| DIRECTORS | HELD AT | ON | TIME | | | | | | | | | | | | | | | | |
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| MINUTE BOOK | KARACHI | 3 RD NOVEMBER' 2008 | | | | | | | | | | | | | | | | | |
| <u>CONFIDENTIAL AND RESTRICTED</u> | | | | | | | | | | | | | | | | | | | |
| <p>The 197th Meeting of the Board of Directors of State Life Insurance Corporation of Pakistan was held on 3rd November' 2008 at 10.00 a.m. in the Board Room, State Life Building No.9, Dr. Ziauddin Ahmed Road, Karachi.</p> | | | | | | | | | | | | | | | | | | | |
| <u>PRESENT:</u> | | | | | | | | | | | | | | | | | | | |
| <table> <tr> <td>1. Shahid Aziz Siddiqi</td> <td>Chairman</td> </tr> <tr> <td>2. Mr. Qamar Zaman Chaudhry</td> <td>Director</td> </tr> <tr> <td>3. Mrs. Spenta Kandawalla</td> <td>Director</td> </tr> <tr> <td>4. Mr. Amin Qasim Dada</td> <td>Director</td> </tr> <tr> <td>5. Mr. Rasheed Y. Chinoy</td> <td>Director</td> </tr> <tr> <td>6. Syed A. Wahab Mehdi</td> <td>Director</td> </tr> <tr> <td>7. Syed Hur Riahi Gardezi</td> <td>Director</td> </tr> <tr> <td>8. Mr. Akbarali Hussain</td> <td>Board Secretary</td> </tr> </table> | | | | 1. Shahid Aziz Siddiqi | Chairman | 2. Mr. Qamar Zaman Chaudhry | Director | 3. Mrs. Spenta Kandawalla | Director | 4. Mr. Amin Qasim Dada | Director | 5. Mr. Rasheed Y. Chinoy | Director | 6. Syed A. Wahab Mehdi | Director | 7. Syed Hur Riahi Gardezi | Director | 8. Mr. Akbarali Hussain | Board Secretary |
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| 7. Syed Hur Riahi Gardezi | Director | | | | | | | | | | | | | | | | | | |
| 8. Mr. Akbarali Hussain | Board Secretary | | | | | | | | | | | | | | | | | | |
| <p>2. The meeting started with recitation of verses from the Holy Quran by the Chairman.</p> | | | | | | | | | | | | | | | | | | | |
| <p>3. The Chairman welcomed Mr. Qamar Zaman Chaudhry and Syed A. Wahab Mehdi, Director to the Board and appreciated their public spiritedness in agreeing to serve on the Board and look forward to smooth and productive working relationship between the members of the Corporation and the policyholders its serve.</p> | | | | | | | | | | | | | | | | | | | |
| <p>4. Mr. Aslam Faruque requested for leave of absence which was allowed by the Board.</p> | | | | | | | | | | | | | | | | | | | |
| <p>5. All Executive Directors attended the meeting by invitation.</p> | | | | | | | | | | | | | | | | | | | |
| <p><u>ITEM 1(i) CONFIRMATION OF MINUTES OF 195TH AND 196TH MEETINGS OF THE BOARD.</u></p> | | | | | | | | | | | | | | | | | | | |
| <p>6. The minutes of the 195th and 196th meetings of the Board of Directors held on 28th May, 2008 and 28th October' 2008 were placed before the Board.</p> | | | | | | | | | | | | | | | | | | | |
| Action: ED(Inv) | <p>7. Syed Hur Riahi Gardezi, Director pointed out that the Investment Division be asked to submit upto date progress report on Pakistan Emerging Venture and Venture Capital Management Fund and State Life Asset Management Company (SAMCO).</p> | | | | | | | | | | | | | | | | | | |
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| Action: ED(P&GS) ED(CD) | <p>9. Syed Hur Riahi Gardezi, Director requested for progress report on the suggestion of the Board for arranging of fire proof cabinets and keeping of back up records in safe custody.</p> | | | | | | | | | | | | | | | | | | |
| | | |  <hr/> CHAIRMAN'S INITIALS  | | | | | | | | | | | | | | | | |

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| DIRECTORS | HELD AT | ON | TIME |
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| Action: DH(IA&E) | 10. Syed Hur Riahi Gardezi, Director also desired to know the progress on directions given by the Board on necessary actions to be taken by the Management in respect of observations and recommendations made by the Audit Committee in the minutes for the Board Audit Committee. | | |
| Action: ED(RE) | 11. The Board also asked ED(RE) to place a comprehensive report on the encroachment on the State Life land situated on the Mall Road, Rawalpindi. | | |
| Action: ED(Inv) | 12. The Board also instructed GM(Investment) to make a presentation on Alpha Insurance Company and other State Life subsidiary companies before the Board at its next meeting. | | |
| Action: ED(Act) | 13. The Board also asked ED(Marketing)/Actuarial) to submit a comprehensive report on the viability of the proposal of the Appointed Actuary for creation of a separate fund for Middle East other than life fund which would increase business in the Middle East. | | |
| Action: ED(B&A) ED(Mkt) | 14. Syed Hur Riahi Gardezi put up a query as to whether the amount to be recovered from 14 Zonal Heads who are in service in respect of promotion material supplied to them as per their demand with instruction to sell them to field workers and marketing executives. The Director was informed that the report would be submitted in the next meeting. | | |
| Action: ED(P&GS) | 15. The Board was informed on a query that about 160 Trainee Officers were appointed in 1994 who were removed in 1996-1997 against which appeals for reinstatement were made by them. A summary has been prepared by the Establishment Division which is to be put up to the Cabinet for a decision. After action on the above a decision would be made in respect of recruitment on vacant posts in State Life in the light of Government of Pakistan's directions. | | |
| Action: ED(P&GS) | 16. Mr. Rasheed Y. Chinoy, Director pointed out that efforts should be made to retain the qualified professionals and to avoid a brain drain which would be difficult to recoup. | | |
| Action: ED(RE) | 17. The Board instructed that a report be put up on the progress made on construction of State Life Building at Gujranwala. | | |
| Action: DGM(BS) | 18. The Board pointed out that correction of a typographical error in line-6 of para-10 of minutes of the 195 th meeting of the Board be made with replacement of the word "encouraged" with the word "encroached". | | |
| Action: DGM(BS) | 19. The Board desired that the following amendments be made in para-25, page-2700 of the minutes of the 196 th meeting of the Board which should now read as follows:- | | |
| | <p>The Board of Directors in pursuance of national interest and on the directives of the Ministry of Finance, approved the participation of the Corporation in the NIT – State Enterprise Fund to the extent of Rs. 5 billion. However, the Board taking consonance of the fact that the Board of Directors deem itself to be first and foremost the trustee of the policyholders fund, keeping the interest of policyholders as paramount</p> | | |



 CHAIRMAN'S INITIALS


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| | <p>gave the approval for participation in the fund subject to the following conditions.</p> | | |
| Action: DGM(BS) | <p>20. Condition (4) on page-2700 of para-25 of the minutes of the 196th Meeting of the Board should now read as follows:-</p> <p>"that in the interest of the policyholders it should be ensured that the safety of the collateral offered by State Life either by way of security or repo of PIB's or any other security offered as collateral is guaranteed by Government of Pakistan."</p> | | |
| | <p>21. Subject to the above, Syed Hur Riahi Gardezi proposed and Mrs. Spenta Kandawalla seconded that the minutes of 195th and 196th meetings be confirmed and resolved as under:-</p> | | |
| Action: DGM(BS) | <p>RESOLVED: "that the Minutes of 195th and 196th meetings of Board of Directors held on 28th May' 2008 and 28th October' 2008 are hereby confirmed with above amendments/corrections."</p> | | |
| | <p>ITEM 1(ii) CONFIRMATION OF MINUTES OF 273RD AND 274TH MEETINGS OF THE EXECUTIVE COMMITTEE.</p> | | |
| Action: DGM(BS) | <p>22. The Board Secretary presented before the Board, the minutes of 273rd and 274th meetings of the Executive Committee held on 11th February' 2005 and 6th March' 2007 for confirmation.</p> | | |
| | <p>23. The Board took a serious note of the following:-</p> | | |
| Action: DGM(BS) | <p>(i) Delay in submission to the Board of the minutes of 273rd meeting and 274th meeting of the Executive Committee held on 11th February' 2005 and 6th March' 2007 for confirmation.</p> | | |
| Action: ED(P&GS) ED(RE) | <p>(ii) Non compliance of the directives of the Board of Directors for convening meeting of Executive Committee with regular intervals preferably quarterly on which the Chairman had directed the Secretary Board that in future, EC meetings must be held at least once every two months.</p> | | |
| | <p>(iii) Non submission of revised procedure by the Management to ensure that payments over and above the given approval is not made as was done in connection with State Life Building project Phase-II, Hyderabad.</p> | | |
| Action: DGM(BS) | <p>24. Subject to the above, the minutes of the 273rd and 274th meetings of the Executive Committee were confirmed and it was resolved as under:</p> <p>RESOLVED: "that the Minutes of 273rd and 274th meetings of the Executive Committee held on 11th February, 2005 and 6th March' 2007 are hereby confirmed."</p> | | |

CHAIRMAN'S INITIALS






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| <p>ITEM (02) ACTION ARISING OUT OF DECISIONS TAKEN IN 195TH AND 196TH MEETINGS OF THE BOARD.</p> <p>25. Board Secretary presented before the Board report on action arising out of decisions taken in 195th and 196th meetings of the Board held on 28th May' 2008 and 28th October' 2008.</p> <p>Action: DGM(BS)</p> <p>26. Implementation reports of 195th and 196th meetings of the Board were noted</p> <p>ITEM (03) RECONSTITUTION OF THE VARIOUS COMMITTEES OF THE BOARD.</p> <p>(i) <u>Reconstitution of the Executive Committee:</u></p> <p>27. A new Board of Directors has been constituted vide Notification No.11(25)/2000-Ins dated 21st October, 2008, therefore the Board Secretary presented before the Board, a memorandum dated 21-10-2008 for reconstitution of the Executive Committee in terms of Regulation 5(1) of the State Life Insurance Corporation (General) Regulations, 1972.</p> <p>28. After deliberation, the Board resolved as under:</p> <p>RESOLVED: "that the reconstitution of the Executive Committee in terms of Regulations 5(1) of the State Life Insurance Corporation (General) Regulations, 1972 comprising of (1) Mr. Shahid Aziz Siddiqi, Chairman, (2) Mr. Qamar Zaman Chaudhry, Director, (3) Mrs. Spenta Kandawalla, Director, (4) Mr. Aslam Faruque, Director, (5) Mr. Amin Qasim Dada, Director, and (6) Syed Hur Riahi Gardezi, Director is hereby approved. Secretary Board will be the Secretary of the Executive Committee."</p> <p>(ii) <u>Reconstitution of the Board Audit Committee:</u></p> <p>29. A new Board of Directors has been constituted vide Notification No.11(25)/2000-Ins dated 21st October, 2008, therefore the Board Secretary presented before the Board, a memorandum dated 21-10-2008 for reconstitution of the Board Audit Committee under Article 24 of the Life Insurance (Nationalization) Order, 1972 (LINO).</p> <p>30. After deliberation, the Board resolved as under:</p> <p>RESOLVED: "that the reconstitution of Board Audit Committee comprising of the following five members of the Board of Directors in terms of Regulations 5(1) of the State Life Insurance Corporation (General) Regulations, 1972 is approved:- (1) Syed Hur Riahi Gardezi, Director, (2) Mrs. Spenta Kandawalla, Director, (3) Mr. Aslam Faruque, Director, (4) Mr. Rasheed Y. Chinoy, Director and (5) Syed A. Wahab Mehdi, Director with Syed Hur Riahi Gardezi as Chairman. Divisional Head (IA&E) will be the Secretary of the Board Audit Committee."</p> <p>Action: ED(P&GS) Action: ED(P&GS) DH(IA&E)</p> | | | |


CHAIRMAN'S INITIALS

(Signature)


MINUTES OF 197TH MEETING OF THE BOARD OF DIRECTORS

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| <p>Action: ED(P&GS)</p> <p>✓</p> <p>Action: ED(P&GS)</p> <p>✓</p> | <p>(iii) <u>Reconstitution of the Social Responsibility Committee:</u></p> <p>31. A new Board of Directors has been constituted vide Notification No.11(25)/2000-Ins dated 21st October, 2008, therefore the Board Secretary presented before the Board, a memorandum dated 21-10-2008 for reconstitution of the Social Responsibility Committee</p> <p>32. After deliberation, the Board resolved as under:</p> <p>RESOLVED: "that the reconstitution of the Social Responsibility Committee comprising of (1) Mr. Shahid Aziz Siddiqi, Chairman, (2) Mrs. Spenta Kandawalla, Director, (3) Mr. Aslam Faruque, Director and (4) Mr. Amin Qasim Dada, Director is approved. Secretary Board will be the Secretary of the Social Responsibility Committee."</p> <p>(iv) <u>Reconstitution of the Standing Committee to consider appeals and disciplinary matters:</u></p> <p>33. A new Board of Directors has been constituted vide Notification No.11(25)/2000-Ins dated 21st October, 2008, therefore the Board Secretary presented before the Board, a memorandum dated: 21-10-2008 for reconstitution of the Standing Committee to consider appeals and disciplinary matters.</p> <p>34. After deliberation, the Board resolved as under:</p> <p>RESOLVED: "that in terms of Regulation 33(1) & (2) of State Life Employees (Service) Regulations, 1973, the reconstitution of the Standing Committee comprising of (1) Mr. Shahid Aziz Siddiqi, Chairman, (2) Mr. Qamar Zaman Chaudhry, Director, (3) Mrs. Spenta Kandawalla, Director, (4) Mr. Amin Qasim Dada, Director, (5) Mr. Rasheed Y. Chinoy, Director and (6) Syed Hur Riahi Gardezi, Director is hereby approved to review appeal and applications for revision. The Committee would submit its recommendations to the Board for such final orders, as the Board may deem fit to make. Executive Director(P&GS) will be the Secretary of the Standing Committee."</p> <p>(v) <u>Reconstitution of the Organization and Senior Post Committee:</u></p> <p>35. A new Board of Directors has been constituted vide Notification No.11(25)/2000-Ins dated 21st October, 2008, therefore the Board Secretary presented before the Board, a memorandum dated 21-10-2008 for reconstitution of the Organization and Senior Post Committee.</p> <p>36. The Organization and Senior Post Committee would from time to time review the existing organization structure of the Corporation and suggest steps to improve the efficiency and cost effectiveness, keeping in mind employee morale. It</p> | | | <p>CHAIRMAN'S INITIALS</p>  |


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| <p>Action: ED(P&GS)</p> | <p>would also review and if considered necessary bring about change in promotion policy. The Committee would also review the employee strength and suggest number of posts to be filled in by promotion and lay down a recruitment policy for appointments from outside. It would also lay down a policy for human resources development and training programs for employees. To achieve the above objectives the Committee can also solicit necessary assistance and expertise from outside.</p> <p>37. After deliberation, the Board resolved as under:</p> <p>RESOLVED:</p> <p>(a) "that the reconstitution of the Organization and Senior Post Committee comprising of (1) Mr. Shahid Aziz Siddiqi, Chairman, (2) Mr. Qamar Zaman Chaudhry, Director, (3) Mr. Amin Qasim Dada, Director, (4) Mr. Rasheed Y. Chinoy, Director (5) Syed A. Wahab Mehdi, Director and (6) Syed Hur Riahi Gardezi, Director is hereby approved. Executive Director(P&GS) will be the Secretary of the Human Resources Committee."</p> <p>(b) "that the Organization and Senior Post Committee be renamed as "Human Resources Committee".</p> <p>(c) "that the Human Resources Committee would from time to time review the existing organization structure of the Corporation and suggest steps to improve the efficiency and cost effectiveness, keeping in mind employee morale. It would also review and if considered necessary bring about change in promotion policy. The Committee would also review the employee strength and suggest number of posts to be filled in by promotion and lay down a recruitment policy for appointments from outside. It would also lay down a policy for human resources development and training programs for employees. To achieve the above objectives the Committee can also solicit necessary assistance and expertise from outside."</p> <p>(vi) Reconstitution of the Committee for Real Estate:</p> <p>38. A new Board of Directors has been constituted vide Notification No.11(25)/2000-Ins dated 21st October, 2008, therefore the Board Secretary presented before the Board, a memorandum dated 21-10-2008 for reconstitution of the Committee for Real Estate.</p> <p>39. In 271st meeting of Executive Committee held on 4th October, 2003 in respect of construction of Gujranwala building and purchase of plot for State Life Building at Quetta, the Executive Committee had constituted a Sub-Committee consisting of the then Chairman, Air Marshal (Retd) Sharbat A. Changazi and Mr. M. Sharif Ijaz Ghauri, and ED(RE) who would visit Gujranwala and Quetta and submit their recommendations to Executive Committee for consideration.</p> <p>40. The Board at its 183rd meeting held on 15th November, 2005 decided to reconstitute a Committee including all members of the Board for the visit of Quetta and Gwadar.</p> | | | <p>CHAIRMAN'S INITIALS</p>  |


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| <p>Action: ED(P&GS) ED(RE)</p> | <p>41. It is therefore, proposed that the Committee for Quetta/Gwadar be renamed as Committee for Real Estate and henceforth, the Committee for Real Estate would be responsible for reviewing and recommending to the Board proposals in respect of purchase/sale of real estate, construction of buildings, selection of project consultant, selection of architects, design of the buildings, progress of buildings under construction, maintenance of buildings, electrification, utilities, replacement of lifts and other equipments, tenancy, litigations and other property related matters. The Committee would also lay down policy and guide lines under which the Corporation's Real Estate Division would function.</p> <p>42. After deliberation, the Board resolved as under:</p> <p>RESOLVED:</p> <p>(a) "that the reconstitution of the Committee for Real Estate comprising of (1) Mr. Shahid Aziz Siddiqi, Chairman, (2) Mr. Amin Qasim Dada, Director, (3) Mr. Rasheed Y. Chinoy, Director, (4) Syed Hur Riahi Gardezi, Director and (5) Executive Director (Real Estate) as member is hereby approved. Divisional Head(Real Estate) will be the Secretary of the Committee for Real Estate."</p> <p>(b) "that the renaming of the Committee for Quetta/Gwadar as Committee for Real Estate is hereby approved. Henceforth, the Committee for Real Estate would be responsible for reviewing and recommending to the Board proposals in respect of purchase/sale of real estate, construction of buildings, selection of project consultant, selection of architects, design of the buildings, progress of buildings under construction, maintenance of buildings, electrification, utilities, replacement of lifts and other equipments, tenancy, litigations and other property related matters. The Committee would also lay down policy and guide lines under which the Corporation's Real Estate Division would function."</p> <p>ITEM (04) APPOINTMENT OF CHAIRMAN FOR:</p> <p>I) STATE LIFE EMPLOYEES CONTRIBUTORY PROVIDENT FUND.</p> <p>II) STATE LIFE EMPLOYEES PENSION FUND.</p> <p>III) STATE LIFE OFFICERS GRATUITY FUND.</p> <p>43. The Executive Director(B&A) presented before the Board, a memorandum dated 17th October, 2008 for appointment of Chairman for the above funds.</p> <p>44. Executive Director(B&A) mentioned that after retirement of Mr. Ejaz Ahmad w.e.f. 12th June, 2008, position of Chairman of all three Funds had fallen vacant. The Chairman State Life allowed Ms. Nargis Ghaloo, Executive Director holding the portfolio of B&A Division at that time, to hold the position of Chairman of above three Funds, subject to subsequent approval from the Board of Directors. Thereafter, Mr. Allah Rakha Aasi joined State Life as Executive Director and was assigned the portfolio of B&A Division w.e.f. 6th October, 2008. Consequently he was allowed to hold the position of Chairman of above stated Funds.</p> <p>45. Under the provisions of Life Insurance Nationalization Order (LINO), the</p> | | | <p>CHAIRMAN'S INITIALS</p>  |

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| | <p>Corporation business is transacted through its Board of Directors who represent the Corporation and have the authority to appoint Chairman of the Funds.</p> <p>46. The Executive Director requested that the Board may kindly give post facto approval to the appointment of Ms. Nargis Ghaloo, then ED(B&A) as Chairman of the above three Funds w.e.f. the date of retirement of Mr. Ejaz Ahmad i.e. 12th June, 2008 to 5th October, 2008 and Mr. Allah Rakha Aasi, the present ED(B&A) be allowed to act as Chairman of the Funds w.e.f. 6th October' 2008 onwards.</p> <p>47. Accordingly, the Board resolved as under:</p> <p>RESOLVED:</p> <p>"that the post facto approval of appointment of Ms. Nargis Ghaloo then ED(B&A) from the date of retirement of Mr. Ejaz Ahmad i.e. 12th June, 2008 to 5th October, 2008 and of Mr. Allah Rakha Aasi, ED(B&A) w.e.f. 6th October, 2008 as Chairman of the (i) State Life Insurance Corporation Employees Contributory Provident Fund (ii) State Life Employees Pension Fund and (iii) State Life Officers Gratuity Fund, is hereby given."</p> <p>ITEM (05) PRESENTATION OF BUSINESS REVIEW OF MARKETING, GROUP & PENSIONS, INVESTMENT AND REAL ESTATE DIVISIONS FOR THE PERIOD ENDED ON 30-09-2008.</p> <p>48. ED(Marketing) placed before the Board, Business Review of individual life for and upto the Month of September' 2008. The Corporation secured 1st year premium of Rs.2952 million as against Rs.2267 million during the corresponding period of 2007 showing an increase of 30%. The Corporation has collected second year premium of Rs.1568 million as against Rs.1310 million during the corresponding period of 2007 with second year persistency of 69%. The third year and over persistency for the period January to September' 2008 was 98%. The number of policies sold for the period 2008 was 238,500 as against 194,354 in the same period 2007.</p> <p>49. ED(Marketing) then presented the business review of Gulf Zone of individual life for and upto the Month of September' 2008. The Corporation secured 1st year premium of US\$ 1,872,452 as against US\$ 1,559,153 during the corresponding period of 2007 showing an increase of 20%. The Corporation has collected second year premium of US\$ 1,036,318 as against US\$ 841,131 during the corresponding period of 2007 with second year persistency of 53%. The third year and over persistency for the period January to September' 2008 was 97%. The number of policies sold for the period 2008 was 1157 as against 1075 in the same period 2007.</p> <p>50. ED(G&P) presented before the Board the business review for and upto the Month of September' 2008. G&P Division collected a total premium of Rs.2,106.557 million as against Rs.1,906.859 million for the corresponding period of last year showing in increase of 10.47%. During the period G&P Division procured 144 new policies totaling Rs.19.681 million and lost 105 policies totaling Rs.87.843 million. The persistency of G&P Division upto 30th September' 2008 worked out to 95.39%. ED(G&P) also submitted before the Board Zone wise business position of G&P Division.</p> | | | <p>Action: ED(B&A)</p> <p>CHAIRMAN'S INITIALS</p>  |

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| <p>Action: ED(Inv) ✓</p> | <p>51. To a query from the Board, ED(G&P) informed that the decisions on awarding of Group Business has been put on hold by the Management of Pakistan Steel Mills.</p> <p>52. ED(Investment) presented before the Board review of Investment portfolio as at 30th September' 2008 which was Rs.175.359 million as compared to Rs.162.135 million showing a percentage increase of 8.16% during the nine months ended September' 30th 2008, over the year ended December' 31st 2007. State Life earned Rs.13.337 million on its Investment portfolio excluding unrealized gain on Investment for the period ended September' 30th 2008.</p> <p>53. To a query from the Board, Divisional Head(Investment) informed that the cash at bank is earning 14% markup on a daily product bases. The Board was also informed that there existed an investment committee which decided on investment matters.</p> <p>54. The Board directed that the quantum of funds in bank should be reduced and placed in long term investments and after due scrutiny investment in stocks should also be considered after the freeze on stock market is removed.</p> <p>55. ED(RE) presented before the Board review of Real Estate portfolio as follows:</p> <p style="padding-left: 40px;">Gross Income of Real Estate portfolio for and upto September 30th 2008 was Rs. 582 million as against Rs. 415 million for the same period of the previous year showing in increase of 40%. The increase is attributed to concerted efforts and team work in connection with renewal of lease, occupancy rate, rental recoveries and effective financial controls.</p> <p style="padding-left: 40px;">Expenses up to September 30th 2008 were Rs. 260 million as against Rs. 273 million for the same period of last year showing a decrease of 5%</p> <p style="padding-left: 40px;">Net Income upto September' 30th 2008 was Rs. 322 million against Rs.142 million for the same period of previous year showing an increase of 127%.</p> <p style="padding-left: 40px;">Expense/Income ratio upto September 30th 2008 was 45% as compared to 66% for the same period of last year.</p> <p>56. ED(RE) informed the Board that delay in decision making took place due to delayed action on the part of Nespak who are the consultants of State Life of Real Estate matters. ED(RE) also requested for recruitment of engineers and creation of Engineering Directorate to handle engineering problems. The delay in construction of Gujranwala Building was due to re-tendering and now the construction has started and it is expected that the building would be completed within 24 months time.</p> <p>57. ED(RE) further informed the Board that a major portion of the Mirpurkhas and Gujrat Buildings remained vacant due to non finalization of decision on spilt Air-conditioning. Real Estate Division was advised to put the vacant spaces on rent rather than keep it vacant due to lower rent offered by potential tenants, after getting it approved by the competent authority.</p> | | | <p>CHAIRMAN'S INITIALS</p>  |
| <p>Action: ED(RE) ✓</p> | | | | |

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Action:
ED(RE)

58. The Board appreciated the continued excellent performance of Real Estate Division and congratulated all the employees of the Real Estate Division and hoped that the same performance would be continued in future.

ITEM (06) PUBLIC PROCUREMENT REGULATORY AUTHORITY RULES – ADOPTION OF ALLOWED LIMIT.

59. Executive Director(P&GS) presented before the Board, a memorandum dated: 28th August' 2008 regarding public procurement regulatory authority rule 42(b) which reads as follows:

A procuring agency shall engage in purchases under the method of request for quotations if the following conditions exist:-

- (i) the cost of procurement is below the prescribed limit of one hundred thousand Rupees.
- (ii) the object of the procurement has standard specifications.
- (iii) minimum of three quotations have been obtained and
- (iv) the object of the procurement is purchased from the supplier offering the lowest price.

"provided that the respective Boards of Autonomous bodies are authorized to fix an appropriate limit for request for quotations method of procurement subject to maximum limit of Rupees Five Hundred Thousand which will become financial limit under this sub-rule"

60. Since State Life is facing difficulty in procurement due to the limitations of the prescribed limit of Rs. 100,000 and sometimes certain items have to be purchased on urgent basis beyond Rs.100,000 the procurement procedure following PPRA directive under clause 42(b) takes about two months in which case the urgent requirement can not be fulfilled therefore the ED(P&GS) requested the Board of Directors to consider and if found appropriate approve the maximum limit of procurement upto Rs.500,000 as allowed under PPRA rule/directive to meet the emergent needs.

61. Accordingly, the Board resolved as under:

RESOLVED:

"that the proposal of Executive Director(P&GS) contained in the memorandum dated 28th August, 2008, for increasing the maximum limit of procurement upto Rs.5,00,000 is hereby approved as allowed under PPRA rule/directive to meet the emergent needs."

Action:
ED(RE)

ITEM (07) POSITION PAPER ON BANC ASSURANCE PROPOSAL

62. The Actuarial presented before the Board a proposal to introduce Banc Assurance using third party administration services.

63. Ever since its formation in 1972, State Life Insurance Corporation of Pakistan (SLIC) has been the dominant player in Pakistan's Life Insurance Market. Until 1992 SLIC had a monopoly when the market was opened to the private sector. Since then four conventional players and two family takaful operators have entered the life insurance market, despite which SLIC dominated

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the market, both in terms of total premium as well as regular premium new business. However, in the last two years private sector players have made serious inroads into SLIC's market share, as a result of which it has become necessary for the Corporation to review of strategy and analyze the cause of this phenomenon the SLIC shares in first year regular premium has fallen from 74% of the total market in 2006 to 69% in 2007 and to 58% in the six months to June' 2008.

64. The leading private sector player is EFU Life with 27% of the market share which writes mostly unit link business. Since 2006, however, the company has been writing business through banks. According to market sources (supported by the Directors' report) bancassurance constitutes almost 50% of new business written by the company.

65. The second largest private sector player is New Jubilee Life Insurance with 9% of the market share which again writes mostly unit linked business. New jubilee has again entered the banc assurance market, with the bulk of its new business apparently emanating from banc assurance and particularly Habib Bank Limited which is a related company.

66. The third largest private sector player is ALICO which has also achieved the most significant growth in 2008. Till 2007, the company wrote universal life policies but introduced unit linked policies in late 2007. Apart from its sales force, ALICO sales policies through Citi Bank and Muslim Commercial Bank.

67. Although it is a fact unit linked polices have contributed to the success of the private sector companies the recent success in increasing there market shares can largely be attributed to their use of Banks to distributes products.

68. The Actuarial Division suggested that though SLIC would continue to rely upon its direct sales force as the main source of new business it would be necessary for the corporation to focus on bank assurance to maintain its existing market share, and to enter the unit linked market as insurable population prepare of such policy.

69. After deliberation, the Board resolved as under:

RESOLVED:

- (a) "that the proposal for the Corporation to adopt banc assurance strategy directly or through third party as early as possible in the absence of experience of the design or sale of banc assurance products and necessary software which follow an integrated model where the sale is made through a front end computer system which is tightly integrated with the life insurers of back office system and lack of capability to administer unit linked polices subject to legal and codal formalities is approved."
- (b) "that necessary steps be taken to invite applications from interested third parties having the requisite qualifications and experience and for selection of the most suitable applicant for provision of the third party administration services and that the recommendation be finalized latest by 31st December' 2008.

Action:
ED(Act.)

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ITEM (08) ANY OTHER ITEM WITH THE PERMISSION OF THE CHAIR:

(I) GENERAL POWER OF ATTORNEY IN FAVOUR OF MR. SHAHID AZIZ KHAN, D.H.(LAW).

70. Executive Director(Law) presented before the Board, a memorandum regarding giving of general power of attorney to Mr. Shahid Aziz Khan, Divisional Head(Law) as per annexure-A to the memorandum, in order to deal with legal matters effectively and properly such as appearing before the sub-registrar concerned for registration, admission and execution, vakalatnamas etc. on behalf of the Corporation which are required to be signed by the General attorney duly authorized through a resolution passed by the Board of Directors.

71. Mr. Latif A. Chaudhry, then DH(Law) was given a copy of power of attorney to look after the affairs of the Corporation to sign the plaints, appeals, petitions, applications, execution petitions, arbitrations and other judicial matters. Mr. Latif A. Chaudhry after completing the contract period left the services of the Corporation on 14th May, 2008.

72. Accordingly, the Board resolved as under:

RESOLVED:

(a) "that Mr. Shahid Aziz Khan, DGM/Divisional Head (Law) be given a general power of attorney in order to deal with legal matters effectively and properly such as appearing before the sub-registrar concerned for registration, admission and execution, vakalatnamas etc. on behalf of the Corporation."

(b) "further resolved that the said power of attorney be executed under the Corporation's seal affixed in the presence of any two Directors of the Corporation and be notarized and registered in due form of law pursuant to above resolution of the Board of Directors of the Corporation".

(II) OPERATION OF CDC ACCOUNT – RESOLUTION PASSED BY CIRCULATION ON 26TH AUGUST' 2008 FOR CONFIRMATION OF THE BOARD.

73. The Board of Directors of State Life Insurance Corporation of Pakistan at the request of ED(Investment) memorandum dated 26th August' 2008 had approved the following resolution by circulation so that CDC operation of the Corporation may continue uninterrupted due to retirement of Mr. Kassim H. Moosa from the services of the Corporation and of Mr. Mohammad Javed Khan, ED(B&A) who left the services of the Corporation on completion of his contractual period:


"Resolved that M/s. Kassim H. Moosa and Mohammad Javed Khan be deleted and M/s. Khizer Hayat Aamir, Attaullah A. Rahseed and Waseem Khan Rao be added as authorized signatories for company's Participant Account maintained with the Central Depository of Pakistan Limited."

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ED(Law)

Action:
ED(Inv)

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| <p>Action: ED(Inv)</p> | <p>"further resolved that M/s.Khizer Hayat Aamir, Attaullah a. Rahseed and Waseem Khan Rao be and are hereby authorized and empowered jointly with the existing authorized signatory Mr. Ansar Hussain to represent the Company to CDC on all matters pertaining to the implementation and performance of the Participant Account holder account agreement, to deal, liaise and correspond with CDC and to fulfill all responsibilities and obligations of the Company under the Central Depository Act, 1997 and the Central Depository Company of Pakistan Limited Regulations from time to time and to do all other incidental and ancillary acts things and deeds."</p> <p>74. Accordingly, it was resolved as under:</p> <p>RESOLVED:</p> <p>"that as per Regulation 3(11) of the State Life Insurance Corporation of Pakistan (General) Regulations, 1972, the above resolution passed by way of circulation by the Board of Directors is hereby confirmed."</p> <p>(III) PERQUISITES OF CHAIRMAN/EXECUTIVE DIRECTORS, STATE LIFE.</p> <p>75. Executive Director(P&GS) presented before the Board, a memorandum dated 31st October' 2008 in respect of perquisite of Chairman and Executive Directors of State Life.</p> <p>76. Executive Director(P&GS) informed the Board that the Chairman, State Life Insurance Corporation of Pakistan has been appointed on contract basis for a period of two years in terms of Government of Pakistan, Establishment Division Notification No.1/59/2008-E-6 dated 11-06-2008.</p> <p>77. The Ministry of Commerce through letter No.2(30)/2008-Ins. dated:29-08-2008 conveyed approval of the Prime Minister of Pakistan regarding grant of MP-I Scale for a period of two years w.e.f. 12-06-2008. The Terms and Conditions of Appointment are as per the instructions contained in the Finance Division's O.M. No.F.3(7)/R-4/98 dated:18-08-1998 as amended vide Finance Division O.M.No.F.3(7)/R-4/98 Vol.II/07(A) dated: 11-04-2007.</p> <p>78. ED(P&GS) proposed the following facilities to be provided to the Chairman, State Life.</p> <ul style="list-style-type: none"> - Orderly Allowance @ Rs.8,000/- per month. - Facility of encashment of un-availed leave at the end of each year. - Utilities expenses at actual may be allowed instead of Rs.12,000/- per month being presently paid. <p>79. ED(P&GS) informed the Board that the Executive Directors in State Life in BPS-20 & 21 are presently allowed House Rent and Utilities as under:</p> <table border="0" style="width: 100%;"> <tr> <td style="width: 40%;">House Rent Allowance</td> <td>@ 40% of Basic Pay as admissible to other officers of SLIC</td> </tr> <tr> <td>Utilities Allowance</td> <td>Rs.2,000/- per month</td> </tr> </table> | | | House Rent Allowance | @ 40% of Basic Pay as admissible to other officers of SLIC | Utilities Allowance | Rs.2,000/- per month | <p>CHAIRMAN'S INITIALS</p>  |
| House Rent Allowance | @ 40% of Basic Pay as admissible to other officers of SLIC | | | | | | | |
| Utilities Allowance | Rs.2,000/- per month | | | | | | | |

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| | <p>80. However, due to high inflation ED(P&GS) proposed the following for consideration and approval of the Board:</p> <p style="margin-left: 40px;">Self hiring where self hiring is involved. Rs.25,000 per month</p> <p style="margin-left: 40px;">Utilities Allowance Rs.30,000 per month (As presently allowed to Provincial Secretaries in BPS-20).</p> <p>81. After deliberation, the Board resolved as under:</p> <p>RESOLVED:</p> <p>(a) "that the following facilities to the Chairman State Life is hereby approved:-</p> <p style="margin-left: 40px;">(i) Orderly Allowance of Rs.6,000 per month.</p> <p style="margin-left: 40px;">(ii) Facility of encashment of un-availed leave a the end of each year, and</p> <p style="margin-left: 40px;">(iii) Utilities expenses of Rs.25,000 per month.</p> <p>(b) "that the following facilities to the Executive Directors of State Life is hereby approved:</p> <p style="margin-left: 40px;">(i) House Rent Allowance at 40% of Basic Pay as admissible to other officers of SLIC or Self hiring where self hiring is involved, a sum of Rs.25,000 per month, and</p> <p style="margin-left: 40px;">(ii) Utilities Allowance of Rs.15,000 per month.</p> <p>(IV) <u>ENHANCEMENT IN QUALIFICATION ALLOWANCE AND PAYMENT OF SPECIAL PAY TO QUALIFIED ACCOUNTANTS.</u></p> <p>82. ED(B&A) presented before the Board a memorandum for enhancement in qualification allowance and payment of special pay to qualified accountants so as to retain the fully qualified accountants who have been leaving State Life for better opportunities. The reason for high turn over was due to low pay package as compared to market, high volume of work and responsibility and rare chances of promotion.</p> <p>83. The Board Audit Committee discussed the problems arising due to shortage of officers in its 9th, 13th, 16th and 24th Meeting held on 6th September' 2003, 6th August' 2004, 15th March' 2006 and 14th April' 2008 and advised the management of State Life to recruit new qualified accountants and offer additional incentives to retain professional officers. Similar incentives have also been given to the Actuaries to retain them.</p> <p>84. There are presently only 29 officers who are having the qualification of Chartered Accountancy and Cost and Management Accountancy working in different Divisions and Zones of State Life.</p> | | |
| Action: ED(P&GS) | | | |
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85. The Board was informed that besides enhancement in qualification allowance, special pay is also proposed to those officers who have professional qualification so as to bridge the difference in market salary of qualified accountants and that paid in State Life which is not only affecting the quality of performance but also forcing them to look for better opportunities out side State Life. Special pay is offered is proposed for those qualified accountants who are working in B&A and IA&E Divisions throughout the Corporation and also to those officers who are accountants from the grade of DGMs and above if transferred by the Management due to job necessity subject to approval by the Chairman.

86. After deliberation, the Board resolved as under:

RESOLVED:

- (a) "that enhancement in qualification allowance to FCA and FCMA's from Rs.5,000 to Rs.10,000 per month and to ACA and ACMA's from Rs.4,000 to Rs.8,000 is hereby approved with immediate effect."
- (b) "that the proposal of ED(B&A) of payment of special pay to Chartered Accountants and Cost and Management Accountants be referred to the Executive Committee at its next meeting for examination and submission of its recommendation to the Board for decision."
- (c) "that Qualified Accountants entitled for qualification allowance should be from the following professional accountancy institutions:
 - i) ICAP
Institute of Chartered Accountants of Pakistan.
 - ii) ICMAP
Institute of Cost & Management Accountants of Pakistan.
 - iii) ICAE & W (UK)
Institute of Chartered Accountants England & Wales UK.
 - iv) CIMA (UK)
Chartered Institute of Management Accountants UK.
 - v) ACCA (UK)
Association of Certified Chartered Accountants UK.
 - vi) AICPA (USA)
Association of Institute of Certified Public Accountants USA."

(V) PRESENTATION ON GROUP LIFE BUSINESS.

87. The presentation of Group life business to be given by ED(G&P) was deferred to the next meeting of the Board due to paucity of time.

(VI) PRESENTATION ON TAKAFUL VIS A VIS CONVENTIONAL INSURANCE.

88. The presentation of Takaful vis a vis conventional insurance to be given by SGM(Investment) was deferred to the next meeting of the Board due to paucity of time.

Action:
ED(P&GS)
ED(B&A)

Action:
ED(G&P)

Action:
ED(Inv)

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(VII) PRESENTATION IN RESPECT OF AMOUNT PAID TO THE GOVERNMENT OF PAKISTAN FOR THE YEAR 2001 TO 2007 FOR POLICY STAMPS, DIVIDENDS AND TAX ON DIVIDENDS.

Action:
ED(B&A)

89. The presentation in respect of amount paid to the Government of Pakistan for the year 2001 to 2007 for policy stamps, dividends and tax on dividends to be given by GM(B&A)) was deferred to the next meeting of the Board due to paucity of time.

(VIII) RENOVATION WORK OF STATE LIFE BUILDINGS NO. 1 & 2 KARACHI (PACKAGE – II-A & II-B), LIFT WORKS.

90. Executive Director(RE) presented before the Board, a memorandum dated 31-10-2008 in respect of renovation work of State Life Buildings No. 1 & 2 Karachi (Package – IIA & IIB), Lift works.

91. Executive Director(RE) informed the Board that it had in its 193rd meeting held on 1st April, 2008 approved the award of captioned work to the lowest bidder M/s. Jeewajee (Pvt) Limited for renovation work of lifts at State Life Buildings No. 1 and 2 Karachi, (for supply and installation of six lifts each) for Rs.45,200,000/- and Rs.59,250,000/- respectively and work was awarded vide SLIC letter of award(s) dated 22-04-2008.

92. M/s. Jeewajee (Pvt) Ltd vide letter dated 20-05-2008 informed that due to abnormal currency fluctuation, they are facing short fall of almost Rs. 15 million Pak Rupees, which is the beyond the capacity of any contractor to cover and, if the situation prevails like this, they may have to rescind their offer due to force majeure. However they had suggested two proposals and on the recommendations of M/s. Nespak, the Board of Directors of State Life in its 195th meeting held on 28th May' 2008, approved the following:

"The foreign exchange rate shall be taken on the date of opening of LC by the contractor and thereafter no enhancement in the foreign exchange rate will be allowed, is approved."

93. ED(RE) further informed the Board that M/s. Jeewajee (Pvt) Ltd vide their letter dated 21-07-2008 intimated that due to rapid increase in US\$ exchange rate, further banks and insurance companies are very apprehensive and conservative with the dealing at the moment with this continued uncertainty and that their short fall expected to go up to Rs.20 million by the time equipment arrive at the port and that M/s. Jeewajee had informed that the State Bank had stopped LCs on forward cover booking in dollar further notice.

94. ED(RE) presented before the Board, the matter was referred to M/s. Nespak for their recommendations. After detailed scrutiny they have submitted the following options vide their letter No.2676/08/AS/02/3110-1 dated 31-10-2008 and recommended for acceptance of option No.1.

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95. The two options of M/s. Nespak are as follows:-

Option No.1.

Dollar exchange rate set at time of negotiation of LC i.e. at the time of equipment arrival at the Karachi port.

Option No.2

SLIC pays 100% of the equipment portion at the time of opening of LC to enable the contractor fixed the US\$ exchange rate at booking of equipment.

96. ED(RE) mentioned that in view of the contractor request, consultant recommendations, and considering the rapid increase in US \$ exchange rate & State Bank of Pakistan temporary suspension of forward booking against all types of imports recommended to the Board in the light of Corporation policy and practice to accept option No.1 of M/s. Nespak.

97. After deliberation, the Board resolved as under:

RESOLVED:

"that the proposal of ED(RE) contained in the memorandum dated 31-10-2008 regarding renovation work of State Life Buildings No. 1 & 2 Karachi(package – IIA & IIB) lift works, for acceptance of Option # 01 recommended by M/s. Nespak that the Exchange Rate shall be taken as that at time of negotiation of LC i.e. at the time of equipment arrival at Karachi Port, is hereby approved."

(IX) OPERATIONS OF STATE LIFE IN GULF ZONE (KSA/BAHRAIN).

98. ED(Marketing) presented before the Board, a memorandum for opening and registering a branch office in the Kingdom of Bahrain to target the market share in the Kingdom of Saudi Arabia from Bahrain since geographically two important cities of eastern provision of the Kingdom of Saudi Arabia (Dammam and Al-Khobar) are linked with Bahrain by a 25 kilometer long cause way.

99. State Life has been operating in KSA since 1994 to till 2003 under sponsorship agreement. Prior to the year 2003, Insurance Industry was un-regulated and for the first time in the year 2003, the Saudi Government introduced insurance laws to organize insurance business activities in the Kingdom. In February' 2005 the management of State Life decided not to proceed for registration as a joint stock company in view of huge financial involvement. The insurance laws remained suspended in the Kingdom for almost three years and in the year 2007, the draft rules allowing foreign insurance companies to establish their branch offices in the Kingdom were issued. The current sponsorship agreement in KSA has been extended upto 30th November' 2008. The Board was also informed that under the new laws, a sum of One Million Saudi Riyal has to be capitalized in KSA and 30% of the profit has to be retained in KSA.

100. A comprehensive report has been submitted by the Ex-Divisional Head(Marketing) after carrying out visit to the Gulf Zone for looking up ways and means to continue State Life Operations in the Kingdom of Saudi Arabia in the

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| | <p>light of new laws. The Chairman has also visited Kuwait and Bahrain to explore possibility of setting up branch in the KSA and Bahrain.</p> <p>101. The Board was informed that as per the report prepared by the ex- Divisional Head (Marketing) and approved by the Chairman the following are the initial requirements to be approved by the Board, for opening and registering a Branch Office in the Kingdom of Bahrain:</p> <p><u>Basic Requirements (other than Solvency Requirements)</u></p> <ul style="list-style-type: none"> (i) Minimum initial investment of BD 400,000/- (Four Hundred Thousand Bahrain Dinars). (ii) Company Registration Form. (iii) External entitles prior approval (if the activity requires). (iv) Sponsorship Agreement according to the activity. (v) Copy of company establishment certificate of registration (vi) Copy of Memorandum and Articles of Association. (vii) Audited financial report. (viii) Board of Directors' Resolution to open a branch in Bahrain. (ix) Letter from the parent company to open a branch in Bahrain and to appoint the General Manager. (x) Authenticated Power of Attorney concerning the Directors. (xi) Appointment of a Branch Manager supposed to be a resident in Bahrain. <p>102. After deliberation, the Board resolved as under:</p> <p>RESOLVED:</p> <ul style="list-style-type: none"> (a) "that the proposal of ED (Marketing) for opening and registering of a branch office of State Life in the Kingdom of Bahrain is approved in principle and Chairman/ED (Marketing) is authorized to do all such acts as are necessary for the above purpose." (b) "that Mr. Manzoor Ahmed Ex-GM (Marketing) be appointed as consultant for a period of six months at the same salary which he was drawing at the time of retirement to follow-up the establishment of business in KSA under the newly introduced insurance laws." <p>(X) ADHOC RELIEF TO STAFF.</p> <p>103. ED(P&GS) informed the Board that a letter dated:31st July' 2008 has been received from the Secretary General, State Life Insurance Employees Federation for increase in sum of their allowance and perquisites. It was also submitted that pay scales and fringe benefits of staff are revised biannually through a mutual agreement between the CBA and the Management. The present agreement with CBA will expire on 31st December' 2008 and a fresh Charter of Demand would be submitted in the month of January' 2009 for the period January' 1st 2009 to December' 31st 2010. As per CBA agreement, during the enforcement period of the agreement, CBA will not raise any Financial Demand, However, in view of the prevalent economic condition in the country, CBA has suggested certain increase</p> | | |

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| <p>Action: ED(P&GS)</p> | <p>in some of their allowances. Any adhoc relief if approved by the Board will be adjusted in the next CBA agreement for the period 2009 – 2010.</p> <p>104. The Board resolved as under:</p> <p>RESOLVED: "that the memorandum of ED(P&GS) in respect of adhoc relief to staff be referred to the Executive Committee at its next meeting for examination and submission of its recommendation to the Board for decision."</p> <p>(XI) REVISION OF PAY SCALES AND FRINGE BENEFITS FOR OFFICERS.</p> <p>105. ED(P&GS) presented before the Board a memorandum for revision in pay scale and fringe benefit for officers. The Board was informed that the pay scales of officers of State Life was last revised on 1st October' 2006 at the rate of 18%, since then the inflation has increased tremendously. A proposal for revision of pay scale and fringe benefits for officers was submitted to the Chairman vide their letter dated: July' 30th 2008.</p> <p>106. A committee consisting of General Managers was constituted by the Chairman to examine the demands of the Officers Federation and submit its recommendations for consideration and approval of the Management.</p> <p>107. In the light of the recommendations of the committee, revision was proposed in a). pay scales b). conveyance allowance c). driver's wages subsidy d). petrol limit of Sector Heads of Group and Pension Division and other Deputy Manager and Assistant Managers e). utilities charges f). up-gradation of Executive Officers g). late sitting charges h). increase in compulsory Group Insurance limits i). bonuses j). accumulation of leave</p> <p>108. After deliberation, the Board resolved as under:</p> <p>RESOLVED: "that the memorandum of ED(P&GS) in respect of revision in pay scales and fringe benefit for officers be referred to the Executive Committee at its next meeting for examination and submission of its recommendation to the Board for decision."</p> <p>(XII) PETROL LIMITS FOR OFFICERS.</p> <p>109. ED(P&GS) presented before the Board a memorandum for revision in petrol limits for officers so that the existing anomalies be removed and uniformity is developed.</p> <p>110. After deliberation, the Board resolved as under:</p> <p>RESOLVED: "that the memorandum of ED(P&GS) in respect of revision in petrol limits for officers be referred to the Executive Committee at its next meeting for examination and submission of its recommendation to the Board for decision."</p> | | | <p>CHAIRMAN'S INITIALS</p>  |
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| <p>(XIII) INCREASE IN DIRECTOR'S FEES.</p> <p>111. Mrs. Spenta Kandawalla proposed and Syed Hur Riahi Gardezi seconded that the Director Fees for attending the Board Meeting and Meeting of the Board Committees be increased from Rs.5,000/- to Rs.10,000/- per meeting, which was agreed to by all the members of the Board.</p> <p>112. The matter relating to the increase of Director's Fees for attending Board/Executive Committee or other Meetings of the Board Committees is governed by rule 5 of State Life Director's (Remuneration Rules 1973). The jurisdiction to issue or amend these rules is vested with Federal Government and same is governed by Article 48 of State Life Insurance Corporation (Nationalization) Order 1972.</p> <p>113. As per rule 5 of the State Life Director's (Remuneration) rules 1973 initially the fee for attending the Board meeting and other meetings was Rs.100/- and Rs.50/- respectively. However, in 157th meeting of the Board of Directors held on 11th November, 2000, the Board resolved to pay Rs.2000/- for attending meeting of the Board/Executive Committee. For the amendment of the statute/rules the matter was referred to the Federal Government, Ministry of Commerce which only accepted the increase to the tune of Rs.1000/- for attending above referred meetings. To this effect SRO No.202(1)/2001 dated: dated: 30th March, 2001 was issued by the Federal Government. This increase was given after the issuance of above referred SRO.</p> <p>114. The Board at its 184th Meeting held on 15th March' 2006 approved the increase in the Director's Fees for attending Board/Committee's meetings to the tune of Rs.5000 per meeting with effect from 184th Meeting held on 15th March' 2006. This decision was also made applicable to the Director appointed on behalf of Ministry of Commerce, Federal Government. The Board also decided that Ministry of Commerce, Federal Government would be requested for issuance of Gazette Notification for the increase.</p> <p>115. Accordingly the decision for increase of Director's Fee etc. was referred to the Ministry of Commerce for their approval. The Ministry of Commerce vide letter No.3(10)/98-Ins.I dated 4th March, 2005 observed that the mater of increase of Director's Fee was an internal issue of State Life therefore the decision should be taken at the Board of Director level.</p> <p>116. As done in the past, Federal Government, Ministry of Commerce has the legal jurisdiction to amend the rules 5(II) of SLIC Directors (Remuneration) Rules 1973, to substitute the figures and words of Director's Fee by issuing a Gazette Notification as per laid down laws/procedures. With all above submission, the matter was once again placed before the Board of Directors in the 184th Meeting of the Board for taking the appropriate decision. An S.R.O.109(I)/2007 dated: 7th February' 2007 was issued by the Ministry of Commerce substituting the word Five for the word One in clause(a) of Rule 5 of State Life Directors (Remuneration) Rules 1973.</p> | | | |
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| <p>Action: ED(P&GS)</p> | <p>117. Accordingly it was resolved as under:-</p> <p>RESOLVED:</p> <p>(a) "that the increase in the Director's Fees for attending Board/Committee's meetings from Rs.5,000 to Rs.10,000 per meeting from the 198th meeting of the Board, is approved. This decision was also made applicable to the Director appointed on behalf of Ministry of Commerce, Federal Government."</p> <p>(b) "that the Ministry of Commerce, Federal Government would be requested for issuance of Gazette Notification for the increase mentioned in resolution (a) above."</p> <p>118. Syed A. Wahab Mehdi, Director requested that his terms to the Board of Directors of State Life Insurance Corporation of Pakistan remains as an unpaid Director.</p> <p>119. The meeting ended with a vote of thanks to the chair.</p> <p style="text-align: right;"><i>Sandiqi</i> (CHAIRMAN)</p> | | |
| | <p style="text-align: right;">CHAIRMAN'S INITIALS</p>  | | |

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Annexure-A

GENERAL POWER OF ATTORNEY

This General Power of Attorney executed at Karachi this _____ day of _____ in the year _____ by State Life Insurance Corporation of Pakistan, a statutory Corporation established under the Life Insurance (Nationalization) Order, 1972 (President's Order No.10 of 1972) having its Principal Office at State Life Building No.9, Dr. Ziauddin Ahmed Road, Karachi hereinafter referred to as the "Corporation" (which expression shall unless excluded by or repugnant to the context be deemed to mean and include its successors-in-interest and assigns) in favour of Mr. _____ S/o _____ an Officer of the Corporation.

WHEREAS for the purpose of facilitating transaction of the business of the Corporation and ensuring speedy and efficient conduct of its legal affairs, it is expedient to appoint a General Attorney and the Board of Directors of the Corporation, hereinafter called "the Board", by a resolution dated _____ duly resolved to appoint the above named Mr. _____ S/o _____ as the Corporation's General Attorney.

AND WHEREAS the Board has further resolved that this Power of Attorney may be duly executed by any two Directors of the Corporation under the Corporation's Seal affixed in the presence of the said two Directors and registered in due form of law.

KNOW ALL PERSONS, therefore, by these presents that the Corporation does hereby nominate, constitute and appoint the said Mr. _____, as its true and lawful General Attorney for the Corporation and on its behalf to do and perform all or any of the following acts, deeds and things that is to say:

- 1) To give on lease or license any properties of the Corporation moveable or immoveable properties and to execute and get registered with the Registrar/Sub-Registrar of Assurances in that behalf any agreements, lease, licence and any other documents or things as may be necessary for completing the transaction and to receive rent or consideration.
- 2) To accept and/or redeem any mortgage, amend or alter any mortgage and execute and get registered the deeds of mortgage and redemption with the Registrar/Sub-Registrar of Assurance and to take all appropriate measures to secure the interest of the Corporation.
- 3) To appear before the Registrar/Sub-Registrar of Assurances or any other Officer having authority to register deeds and/or documents in Pakistan and to present for registration all or any document or documents executed by and/or on behalf of the Corporation by any Director or Chairman severally or jointly and to admit the execution thereof and to do all or any acts deeds and things that may be necessary for completing registration thereof in due form of law of the said documents(s) and to receive it back when it has been duly registered and to sign and deliver a proper receipt for the same.

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| <p>4) To appear and act in all courts of law, civil or criminal, and before all judicial, revenue and administrative authorities of Government and to commence, institute, prosecute, defend or take part in any action, application, suits, appeals or proceedings in which the Corporation may anywise be interested or concerned and for that purpose to subscribe, sign and verify all plaints, written statements, petitions, applications, affidavits, tabular statements, complaints and matters and things which may be necessary in relation thereto, and for which purpose to appoint vakils, attorneys, advocates, pleaders and any other lawyers and to sign all Vakalatnamas, warrants of attorneys and powers and to file and take back all or any document or papers from courts or Government or public offices, authorise the employees/officers of the Corporation to give evidence and produce documents and to do all act or things in relation thereto which the Attorney may think proper under the circumstances.</p> <p>5) And generally to perform and execute all and every and any other act and deeds, matters and things which shall be necessary and expedient in or about the premises fully and effectually.</p> <p>6) And all and whatsoever the said attorney shall and may lawfully do or cause to be done in or about the premises, the Corporation for itself its successors-in-interest and assigns do hereby covenant to ratify and confirm.</p> <p>IN WITNESS WHEREOF, the State Life Insurance Corporation of Pakistan has pursuant to a resolution of the Board of Directors of the Corporation passed at its meeting held on2008 in that behalf caused its common seal to be duly affixed hereto.</p> <p style="text-align: right;">FOR STATE LIFE INSURANCE CORPORATION OF PAKISTAN</p> <p>The Common Seal of the State Life Insurance Corporation of Pakistan has hereunto been affixed by order of the Board of Directors vide resolution dated _____ in presence of:</p> <p style="text-align: right;">CHAIRMAN</p> <p style="text-align: right;">DIRECTOR</p> <p><u>WITNESSES:</u></p> <p>1. _____</p> <p>2. _____</p> | | | |
| | | | <p>CHAIRMAN'S INITIALS</p> <p>_____</p> <p>_____</p> |