

MINUTES OF 204TH MEETING OF THE BOARD OF DIRECTORS

MEMBERS	HELD AT	ON	TIME
BOOK	KARACHI	4 TH NOVEMBER' 2009	

CONFIDENTIAL AND RESTRICTED

The 204th Meeting of the Board of Directors of State Life Insurance Corporation of Pakistan was held on Wednesday, 4th November 2009 at 3.00 p.m. in the Board Room, State Life Building No.9, Dr. Ziauddin Ahmed Road, Karachi.

PRESENT:

- | | |
|----------------------------|-----------------|
| 1. Mr. Shahid Aziz Siddiqi | Chairman |
| 2. Mrs. Spenta Kandawalla | Director |
| 3. Mr. Amin Qasim Dada | Director |
| 4. Mr. Rasheed Y. Chinoy | Director |
| 5. Syed A. Wahab Mehdi | Director |
| 6. Syed Hur Riahi Gardezi | Director |
| 7. Mr. Akbarali Hussain | Secretary Board |

LEAVE OF ABSENCE:

- | | |
|-----------------------|----------|
| 1. Mr. Shafqat Naghmi | Director |
| 2. Mr. Aslam Faruque | Director |

2. The meeting started with recitation of verses from the Holy Quran by Mr. Shoaib Mir Memon, Executive Director.

3. Mr. Mohammad Yahya, Executive Director(P&GS/Legal Affairs/RE) and Mr. Shoaib Mir, Executive Director(PHS/I&E/R&A) attended the meeting by invitation.

**ITEM (1) CONFIRMATION OF MINUTES OF 203RD
MEETING OF THE BOARD OF DIRECTORS.**

4. The minutes of the 203rd meeting of the Board of Directors held on 30th September, 2009 together with implementation report were placed before the Board.

5. Implementation report of 203rd meeting of the Board of Directors was noted.


6. Syed Hur Riahi Gardezi pointed out that the word "payment" be added after the word "full and final" in para-52(a) of page-2873 of the minutes. It was also pointed out that the words "within the next four weeks" be substituted with the words "as early as possible" in para-55(m) of page-2876 of the minutes. He also pointed out that in para-128 of page-2891 of the minutes the last sentence should be substituted to read as "the representative also agreed that there should not be a difference of more than 8 to 10% in rates quoted by two different valuers". It was also pointed out that in the 5th line of para-20(e) of page-2866 of the minutes the word "vide" be substituted with the word "wide". Syed Hur Riahi Gardezi also pointed out that in para-78 of page-2882, the word "year" be substituted with the word "near".

7. Mrs. Spenta Kandawalla pointed out that the meeting of the Executive Committee should be held more regularly to review and clear items which are otherwise submitted in the Board meeting.

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STATE LIFE INSURANCE CORPORATION OF PAKISTAN
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<p>Action: Secretary (Board)</p>	<p>8. Subject to the above amendments and referring back to the Real Estate Committee for review para-35(c) of the minutes relating to the 6th meeting of the Real Estate Committee, Mr. Amin Qasim Dada proposed and Mrs. Spenta Kandawalla seconded that the minutes of 203rd meeting of the Board of Directors be confirmed.</p> <p>9. Accordingly, it was resolved as under:-</p> <p>RESOLVED: "that the Minutes of 203rd meeting of Board of Directors held on 30th September, 2009, are confirmed with the above amendments."</p> <p>ITEM (3) IMPLEMENTATION OF SHORT TERM IT STRATEGY – FINANCIAL APPROVAL FOR ACQUISITION AND IMPLEMENTATION OF PRE-PACKAGED SOFTWARE SOLUTION.</p> <p>10. Executive Director(P&GS/IT) presented before the Board, a Memorandum in respect of implementation of short term IT Strategy – financial approval for acquisition and implementation of Pre-Packaged Software Solution.</p> <p>11. ED(P&GS/IT) mentioned that in pursuance of open tender process for 'Acquisition and Implementation of Pre-Packaged Integrated Software' for all functions of State Life, the technical bid of M/s Sidat Hyder Morshed Associates (Pvt.) Ltd. (SHMA) was approved in principle in the 202nd Board meeting. The Board had also directed to open the financial bid of SHMA and prepare the following documents:</p> <ol style="list-style-type: none"> i. Draft legal contract duly vetted by Legal affairs Division ii. Time Frame for implementation of the Software Solution/running of the computerized system iii. Roll out plan for procurement of software/hardware and requisite infrastructure iv. Revaluated cost <p>12. ED(P&GS/IT) informed the Board that the financial bid was opened on July 06, 2009. It contained the costs for License, Customization, Implementation, Training, Post implementation support for three years and Reimbursable expenses. The Financial Bid was scrutinized and found in line with the RFP. M/s SHMA has quoted Rs.124,781,000/- (Rupees one hundred twenty four million seven hundred eighty one thousand). The Summary of the Financial Bid is attached as Annex-A to the Memorandum. Breakup of the Financial Bid is as follows:</p> <ol style="list-style-type: none"> a) Rs.78,620,000/- (Rupees Seventy eight million six hundred twenty thousand) is the Up-front Cost which covers Software licenses, customization, implementation of the Software at selected locations at 			<p>CHAIRMAN'S INITIALS</p> 

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<p>Karachi and Lahore. This also includes the cost for post implementation warranty for six months.</p>			
<p>b) Rs.20,829,000/- (Rupees Twenty million eight hundred twenty nine thousand) is the maximum ceiling for Reimbursable Expenses payable at actual for travelling, boarding and lodging at implementation sites other than the selected locations at Karachi and Lahore.</p>			
<p>c) Rs.25,332,000/- (Rupees Twenty five million three hundred thirty two thousand) are for Post Implementation support cost (upon expiry of warranty period of six months) payable in twelve (12) equal installments at the end of each quarter. (Summary attached as Annex-B to the Memorandum).</p>			
<p>13. The Board was informed that the Steering Committee for implementation of IT Strategy in its meeting held on August 21, 2009 discussed the Financial Bid in detail and advised to prepare the documents desired by the Board and place the same before the Steering Committee for its review before submitting it in the Board meeting. A Position Paper was prepared and sent to the Steering Committee members by circulation for their perusal and recommendations.</p>			
<p>14. In the 192nd meeting of Board of Directors held on November 01, 2007; budget of Rs. 100,000,000 (Rupees One hundred million) and Rs. 30,000,000 (Rupees Thirty million) was approved under the heads "Acquisition of Pre-packaged Software Solution" and "Other Expenses (Data Migration, Customization, etc.)" respectively. M/s BearingPoint clarified in the last meeting of IT Steering Committee that the budget approval for acquisition and implementation of Pre-packaged Software Solution was Rs. 130,000,000 (Rupees One hundred thirty million) and that it covered all the expenses for the purpose. M/s BearingPoint later-on confirmed the same in writing. The Financial Bid of M/s. Sidat Hyder Morshed Associates (Pvt.) Ltd., as mentioned above, is therefore within the budget allocation of Rs. 130 Million.</p>			
<p>15. DH(IT) informed that in compliance of the instructions of the Board, following documents are submitted:</p>			
<ol style="list-style-type: none"> I. Draft legal contract duly vetted by Legal affairs Division – Annex-C to the Memorandum. II. Time Frame for implementation of the Software Solution/running of the computerized system – Annex-D to the Memorandum. III. Roll out plan for procurement of software/hardware and requisite infrastructure –Annex-E to the Memorandum. IV. Summary of Revaluated cost – Annex-F to the Memorandum. 			
<p>16. DH(IT) further explained that in compliance of the directives in the 198th</p>			

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Board meeting for keeping back up of all IT records (Annex G to the Memorandum); preparation of Disaster Recovery Site is being proposed for shifting from Long Term Strategy to Short Term Strategy. To ensure uninterrupted business operations, M/s SHMA have also recommended for Disaster Recovery Site along with Primary Data Centre Site. In the 192nd Board meeting a budget of RS. 20,000,000 (Rupees Twenty million) was approved for this purpose under Para e) i. (Annex H to the Memorandum). Revaluated cost for preparation of a Disaster Recovery Site is estimated around Rs. 99,480,000 (Rupees Ninety-nine million four hundred eighty thousand). The increase in the cost is due to the following factors:-

- Oracle and Microsoft Products' licensing is now required for Disaster Recovery Site; estimated cost of which is Rs. 72,690,000 (Rupees Seventy-two million six hundred ninety thousand). It may, please, be noted that such licensing was not required at the time of submission of previous budget proposal for IT Strategy.
- Hardware requirements have also changed and estimated cost of which is around Rs. 26,790,000 (Rupees twenty-six million seven hundred ninety thousand).

17. The Board had approved Rs. 448,000,000 (Rupees Four hundred forty-eight million) for implementation of Short Term IT Strategy in 2007. As per directives of the Board in its 202nd meeting (Annex I), the cost of the Short Term IT Strategy has been revaluated. The estimated revaluated cost is Rs. 748,920,000 (Rupees Seven hundred forty-eight million nine hundred twenty thousand). The increase in revaluated cost is due to the following factors:

- At the time of approval of IT Strategy, only three (3) High End Servers were suggested with the cost effect of Rs.12,000,000 (Rupees Twelve million), however it was also mentioned that the number of servers could vary depending upon the software solution vendor. The Software Solution Bidder has now recommended forty-seven (47) Servers of various capacities with a cost effect of Rs.20,400,000 (Rupees Twenty million four hundred thousand).
- Due to delay in approval/implementation of Short term IT Strategy, existing Line Matrix Printers installed in PO and Life Zones (purchased during 2001-2003) are required to be replaced at an additional cost of Rs.12,600,000 (Rupees Twelve million six hundred thousand).
- At the time of approval of IT Strategy, the licensing for Oracle was based on two Oracle products namely "Database Server Enterprise Edition" and "Application Server Enterprise Edition". Oracle licensing is now also required for six additional mandatory products, due to which, overall licensing cost has almost doubled.
- Microsoft now requires that each network client (User) should possess Server Client License, which was not applicable earlier. Our estimated network clients (users) are around 1500.


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<p>• The cost of "Communication Infrastructure and Services" for one year has been estimated to be Rs. 64,600,000 (Rupees Sixty-four million six hundred thousand) for One hundred nine (109) locations. This cost was not included in the initial proposal and was left out considering it as an operational cost.</p> <p>• At the time of approval of IT Strategy, the time for implementation by the vendor was estimated as eighteen (18) months and provision for additional manpower was for twenty-four (24) months. As per conditions mentioned in the RFP, the Bidder has given its estimates for implementation as twenty-four (24) months, based on which provision of additional manpower has been estimated for thirty-six (36) months. The cost estimates have also doubled due to offering the competitive salary package.</p> <p>• Extensive training of end-users by the master trainers at each location has been planned. The master trainers would be trained by the vendor at the time of implementation of the solution at selected locations. At the time of roll-over of the solution at remaining locations, the master trainers would impart training to the end-users. In view of the rise in travelling/lodging costs, the training cost has increased from Rs. 12,000,000 (Rupees Twelve million) to Rs. 56,740,000 (Rupees Fifty-six million seven hundred forty thousand).</p> <p>Copy of the proposal for hardware, other software and infrastructure submitted by the bidder was provided to M/s BearingPoint for their scrutiny and suggestions. All the estimates for Revaluated Cost have been worked out by IT Division in consultation with M/s BearingPoint and by obtaining rates from the market. Details of justifications for increase in cost estimates are attached as Annex-J to the Memorandum.</p> <p>18. Executive Director (F&A) has raised observations regarding the budget approval for the Pre-packaged Software Solution and the Revaluated Cost. In this regard Para-wise comments are attached as Annex-K to the Memorandum for perusal of the Board.</p> <p>19. In view of the above submissions, following are placed for consideration of approval by Board of Directors:</p> <ol style="list-style-type: none"> I. Financial Bid of M/s Sidat Hyder Morshed Associates (Pvt.) Ltd. for Acquisition and implementation of Pre-packaged Software Solution may, please, be approved for Rs. 124,781,000.00 (Rupees One hundred twenty four million seven hundred eighty one thousand). II. An estimated additional budget of Rs. 280,920,000 (Rupees Two hundred eighty million nine hundred twenty thousand) may please be approved. <p>20. The Members of the Board expressed the concern at the escalation in cost of the project due to delay in the processing of award of the contract and depreciation in value of the Rupee.</p>			

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<p>Action: ED(P&GS) ED(IT)</p>	<p>21. Accordingly, the Board resolved as under:</p> <p>RESOLVED:</p> <p>a) "that as proposed by ED(IT/P&GS) financial bid of M/s Sidat Hyder Morshed Associates (Pvt.) Ltd. for acquisition and implementation of Pre-packaged Software Solution for Rs. 124,781,000.00 (Rupees One hundred twenty four million seven hundred eighty one thousand) as per breakdown given at Annexure-A and schedule of fees and payment, given at Annexure-B to the Minutes is approved."</p> <p>b) "that subsequent to appointment of vendor M/s. Sidat Hyder Morshed Associates (Pvt) Ltd, the vendor be requested by ED(IT/P&GS) to give a presentation to the Board explaining the reasons for escalation in cost and reasons for possible change in technology if any and difference in the estimated prices and budget prices and requirement of estimated additional budget of Rs. 280,920,000 (Rupees Two hundred eighty million and nine hundred twenty thousand)."</p> <p>c) "that draft legal contract duly vetted by Legal Affairs Division given at Annexure-D to the Memorandum is approved subject to its examination and clearance by a law firm having expertise in drafting and finalizing IT related contracts. The said draft shall be attached to the Minutes as Annexure-D duly signed by ED(IT) and DH(IT) and certified on body by the Secretary of the Board.</p> <p>d) "that the Chairman is authorized to execute the above contract."</p> <p>ITEM (3) POWER OF ATTORNEY TO MR. MOHAMMAD AKHLAQ, A.G.M.(REM).</p> <p>22. Executive Director(RE) presented before the Board, a Memorandum regarding issuance of power of attorney to Mr. Muhammad Akhlaq, A.G.M.(REM).</p> <p>23. ED(RE) informed the Board that a resolution was passed in 200th meeting of Board of Directors held on 28th April, 2009 granting a power of attorney to Mr. Muhammad Akhlaq, Assistant General Manager(REM) to facilitate the work of State Life. The said power of attorney was granted by the Board in conformity with the request of Mr. Tariq Nasim, Advocate of M/s. Hajveri Law Associates. Mr. Tariq Nasim, Advocate has now requested that Mr. Muhammad Akhlaq may be granted a Power of Attorney as per Annexure-A to the Memorandum.</p> <p>24. ED(RE) further stated that issuance of detailed power of attorney as per Annexure-A to the Memorandum would make possible the smooth and harmonious running of affairs of Real Estate which were otherwise lying pending due to non availability of a detailed power of attorney.</p>			<p>CHAIRMAN'S INITIALS</p> 

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25. It was requested that the Board may kindly accord approval for issuance of Power of Attorney to Mr. Muhammad Akhlaq, AGM(REM) as per Annexure-A and fixation of common seal of the Corporation thereon alongwith its registration and two Directors be authorized to sign this power of attorney.

26. Accordingly, the Board resolved as under:

RESOLVED:

- a) "that as proposed by ED(RE), issuance of a power of attorney as per Annexure-C to the Minutes, in favour of Mr. Muhammad Akhlaq, AGM(REM) alongwith fixation of common seal of the Corporation thereon and its registration is approved. The Chairman State Life Mr. Shahid Aziz Siddiqi and Mr. Amin Qasim Dada, Director, State Life are authorized to execute the same."
- b) "that the revocation of general power of attorney approved earlier by the Board at its 200th meeting held on 28th April, 2009 to be issued in favour of Mr. Muhammad Akhlaq, AGM(REM/Legal) to delegate the powers mentioned in para 109(a to c) of page-2801 of the minutes alongwith fixation of common seal of the Corporation after issuance of the revised power of attorney at para-26(a) above, is hereby approved."

**ITEM (4) PUBLIC PROCUREMENT REGULATORY AUTHORITY
RULES ADOPTION OF ALLOWED LIMIT.**

27. Executive Director(P&GS) presented before the Board, a Memorandum in respect of enhancement of financial limit for all procurement and not only to meet the emergent need as allowed by Public Procurement Regulatory Authority under clause-1 of sub rule (b) of Rule-42 of PPRA Rules.

28. ED(P&GS) informed the Board that in terms of clause-1 of sub-rule(b) of Rule-42 of PPRA Rules (Annexure to the Memorandum), the Board of Autonomous Bodies are authorized to fix an appropriate limit in respect of procurement on quotation basis, subject to a maximum of Rs.500,000/- which will become financial limit under the PPRA Rules. Since then, the prices of supplies procured by the Corporation have enhanced manifold over the years, as such a need was felt to invoke the provisions of aforesaid rule. Accordingly the P&GS Division had proposed to the Board that the prescribed limit i.e. Rs.100,000/- be enhanced from Rs. 100,000/- to Rs.500,000/- to meet the emergent needs as allowed under PPRA Rules/Directives which was approved by the Board in its 197th meeting held on 01-11-2008.


29. Accordingly, P&GS Division had issued necessary instructions as per circular dated November 24, 2008 issued to all Regional Chiefs/Zonal heads including (G&P) (Annexure-B to the memorandum) that the enhancement of the maximum limit of procurement of Rs.500,000/- would be applicable to meet the emergent needs.

30. An issue has arisen viz the interpretation of Board's decision, as according to F&A Division the enhancement of financial limit pertains to only emergency procurements, whereas P&GS Division is of the opinion that this enhancement

Action:
ED(RE)
ED(Legal)

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<p>Action: ED(P&GS)</p>	<p>relates to all procurement on quotation basis because the PPRA Rule (Referred above) empowering the Board of Autonomous Bodies to enhance the financial limit does not speak of emergency procurement. Moreover, P&GS Division is of the view that keeping in view the price escalation, the Board's decision was to facilitate the timely and overall procurements and not the emergency procurement only. The Board of Directors is accordingly requested to issue necessary clarification about the scope of earlier approval regarding the maximum limit of procurement upto Rs.500,000/-.</p> <p>31. In case the Board clarifies that enhancement of financial limit pertains to all procurements, the words "to meet the emergent needs" shall be deleted from the Circular dated 24th November, 2008.</p> <p>32. Syed A. Wahab Mehdi, Director pointed out that a detailed working paper be submitted to the Board, specifying therein the impact of fixing a maximum limit of Rs.500,000 for request for quotations method of procurement which would become financial limit in terms of clause-1 of sub rule (b) of Rule-42 of PPRA (Annexure-A to the Memorandum) and a brief overview of <u>existing</u> procurement policy existing in the Corporation at the Principal Office and Regional/Zonal level. The working paper should specify the percentage of total procurement that would require tendering and the percentage of total procurement that would be carried out without tendering through quotations and the items or category of items that would be procured in each of the above cases and the number of times the procurement would be carried out during the year and the total amount that would be involved each time.</p> <p>33. Accordingly, the Board resolved as under:</p> <p>RESOLVED: "that the enhancement of maximum limit (which will become financial limit as per PPRA Rule-42(b)) from Rs.100,000/- to Rs.500,000/- for request for quotations method of procurement, be applicable to all procurements, instead of just to meet the emergent needs, is approved till the next meeting of the Board, subject to approval of the Chairman, as to whether the procurement falls as emergent need or not. The Circular dated 24th November, 2008, of General Services be amended accordingly. The Board would review the working paper to be submitted by P&GS Division as per para-32 above at its next meeting and take a final decision in this respect."</p> <p>ITEM (5) PROMOTION OF DEPUTY GENERAL MANAGERS TO GENERAL MANAGERS AND RE-DESIGNATION OF GENERAL MANAGERS AS SENIOR GENERAL MANAGERS IN STATE LIFE.</p> <p>34. Executive Director(P&GS) presented before the Board, a Memorandum in respect of promotion of Deputy General Managers to General Managers and re-designation of General Managers as Senior General Managers in State Life.</p> <p>35. The Board of Directors in its 193rd and 194th meetings held during April, 2008 decided to re-designate all General Managers as Senior General Managers who had put in at least six years of service and whose performance was</p>			<p>CHAIRMAN'S INITIALS</p> 

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<p>satisfactory with a special allowance @ Rs.10,000/- per month with effect from 1st April, 2008.</p> <p>36. ED(P&GS) explained that apparently, the thinking behind the above decision was that previously the posts of Executive Directors were filled in partly by promotion from within the Corporation and partly by deputationists. This situation was considered as a de-motivating factor by the General Managers and the Management of the Corporation. However, the Ministry of Commerce directed the Corporation to withdraw these decisions. Resultantly, the affected officers preferred a constitutional petition in the Sindh High Court, which stayed the operation of Ministry's directives.</p> <p>37. Recently, the concerned officers have started approaching the Management, with a tacit consent to give up their stance on re-designation subject to the continuation of special allowance through an out of court settlement. With a view to resolve the issue, following proposals were sent to Ministry of Commerce :-</p> <p>(a) The Chairman may be allowed to resolve the dispute, provided the concerned officers give their consent regarding out of court settlement viz re-designation as Senior General Managers and payment of special allowance.</p> <p>(b) The Board of Directors may be allowed to review its earlier decision regarding re-designation and payment of special allowance @ Rs.10,000/- per month allowed to the three General Managers since April 1, 2008. The creation of a new cadre of Senior General Manager is not warranted, however, as a matter of policy, it is appropriate that General Managers, after satisfactorily completing at-least six years of service as General Managers may be allowed a special allowance of Rs.10,000/- per month.</p> <p>38. ED(P&GS) mentioned that another important issue i.e promotions of Deputy General Managers to General Managers was also brought to Ministry's notice. Presently, the promotions cases are considered by a Committee headed by Secretary Commerce with Chairman, SLIC and a Senior Officer of Ministry of Commerce as Members. To facilitate, streamlining and to ensure timely promotions of Deputy General Managers, it was proposed that the subject Committee may be re-constituted with Chairman, SLIC being the Convenor, Senior Joint Secretary, Ministry of Commerce, two Executive Directors as Members and Divisional Head(P&GS) as Secretary to consider the promotions of Deputy General Managers as General Managers.</p> <p>39. It is pertinent to mention here that Ministry of Commerce vide letter No.1(1)/2009/SLIC/Misc-Ins dated 13th October, 2009 has directed the Corporation to place the above issues before the Board of Directors for consideration/approval. In view of Ministry directions ED(P&GS) proposed as follows :-</p> <p>(i) The Board of Directors may review its earlier decision regarding re-designation and payment of special allowance @ Rs.10,000/-</p>			

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per month allowed to the three General Managers since 1st April, 2008. The creation of new cadre of Senior General Manager is not warranted, however, as a matter of policy, it is appropriate that General Managers after satisfactory completion (to be judged by all Executive Directors) of at least 5 years of service as General Managers may be allowed special allowance @ Rs.10,000/- per month. Provided that all affected officers drawing this allowance withdraw their petitions from the court.

(ii) The Departmental Promotion Committee comprising of following may be constituted/approved for the promotions of Deputy General Managers to General Managers : -

- | | |
|--|-----------|
| a. Chairman, SLIC | Convenor |
| b. Senior/Joint Secretary (Administrator), MOC | Member |
| c. Two Executive Directors, SLIC | Members |
| d. Divisional Head (P&GS), SLIC | Secretary |

(iii) The above Committee may be authorized to review/regularize the promotions of Deputy General Managers to General Managers affected as a consequence of Board's earlier decision.

40. Proposals contained in sub-paras (i), (ii) and (iii) of para 4 of the Memorandum were placed before the Board of Directors for consideration and necessary decision as the Board may deem fit.

41. The Board examined the proposal at para-4 of the Memorandum and agreed to review its earlier decision of creation of new cadre of Senior General Managers, to re-designate three General Managers as Senior General Managers and payment of special allowance to them at Rs.10,000 per month since 1st April, 2008 and decided that henceforth the cadre of Senior General Managers would be abolished as it is not warranted. Henceforth the General Managers after satisfactory completion of six years of service as General Managers (to be judged by the Chairman and all Executive Directors) would be allowed a special allowance of Rs.15,000 per month from the operative date as determined by the Chairman. The Board also accorded post facto approval of payment of Rs.10,000 per month since 1st April, 2008 as special allowance to previously re-designated Senior General Managers (who would now revert back to the position of General Managers). The above decision would be without prejudice to the right of the Corporation and subject to withdrawal of all court cases filed against the Government of Pakistan and against the Corporation.

42. The Board also approved the formation of a Departmental Promotion Committee as proposed at para-4 of the Memorandum for promotion of Deputy General Managers to General Managers with the terms of the reference as indicated in para-3 of the Memorandum i.e. to review/regularize the promotion of Deputy General Managers to General Managers affected as a consequence of the Board's earlier decision.



Action:
ED(P&GS)

Action:
ED(P&GS)

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Action: ED(P&GS) DH(P&GS)	<p>43. Accordingly, the Board resolved as under:</p> <p>RESOLVED:</p> <p>i) "that as proposed by ED(P&GS) the reversal of earlier decision of the Board taken at its 193rd and 194th meetings held on 1st April, 2008 and 15th April, 2008 respectively regarding approval of re-designation and payment of special allowance @ Rs.10,000/- per month to the three General Managers since 1st April, 2008 is hereby approved; however henceforth as a matter of policy, the General Managers after satisfactory completion of at least 6 years of service as General Managers (to be judged by the Chairman and all Executive Directors) would be allowed special allowance @ Rs.15,000/- per month from the operative date as determined by the Chairman. The above decision would be subject to withdrawal of all court cases filed against the Government of Pakistan and State Life Insurance Corporation of Pakistan and without prejudice to the right of the Corporation. The Board granted post facto approval of payment of special allowance at Rs.10,000 per month from 1st April, 2008 to the three General Managers who were earlier re-designated as Senior General Managers."</p> <p>ii) "that the abolition of new cadre of Senior General Manager earlier approved by the Board at its 193rd and 194th meetings is hereby approved."</p> <p>iii) "that as proposed by ED(P&GS), in order to streamline and ensure timely promotions of Deputy General Managers, the existing Promotion Committee headed by Secretary, Commerce with Chairman, SLIC and a senior officer of Ministry of Commerce as Members be reconstituted and a fresh Departmental Promotion Committee comprising of the following members, for the promotions of Deputy General Managers to General Managers is hereby approved: -</p> <table style="margin-left: 40px;"> <tr> <td>a. Chairman, SLIC</td> <td>Convenor</td> </tr> <tr> <td>b. Senior/Joint Secretary (Administrator), MOC</td> <td>Member</td> </tr> <tr> <td>c. Two Executive Directors, SLIC (to be nominated by the Chairman).</td> <td>Members</td> </tr> <tr> <td>d. Divisional Head (P&GS), SLIC</td> <td>Secretary</td> </tr> </table> <p>iv) "that the proposal of ED(P&GS), that the above Committee in para-iii be also authorized to review and regularize the promotions of Deputy General Managers to General Managers affected as a consequence of earlier decision of the then Departmental Promotion Committee constituted as per Board's earlier decision taken at its 193rd and 194th meeting held on 1st April, 2008 and 15th April, 2008 respectively, is hereby approved."</p> <p>44. The meeting ended with vote of thanks to the chair.</p> <div style="text-align: right; margin-right: 50px;">  (CHAIRMAN) </div> <div style="text-align: right; margin-right: 50px;"> CHAIRMAN'S INITIALS  </div>			a. Chairman, SLIC	Convenor	b. Senior/Joint Secretary (Administrator), MOC	Member	c. Two Executive Directors, SLIC (to be nominated by the Chairman).	Members	d. Divisional Head (P&GS), SLIC	Secretary
a. Chairman, SLIC	Convenor										
b. Senior/Joint Secretary (Administrator), MOC	Member										
c. Two Executive Directors, SLIC (to be nominated by the Chairman).	Members										
d. Divisional Head (P&GS), SLIC	Secretary										

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Annexure-A

SUMMARY OF FINANCIAL BID SUBMITTED BY M/S. SIDAT HYDER MORSHED ASSOCIATES (PVT) LTD.

No	SOFTWARE MODULE NAME	LICENSE COST	CUSTOMIZATION COST	IMPLEMENTATION COST	TRAINING COST	TOTAL UP FRONT COST	POST IMPLEMENTATION SUPPORT COST	REIMBURSABLE EXPENSES	TOTAL COST
Core Applications									
1	Unit Link & Takaful Insurance	4,500,000	1,500,000	3,750,000	300,000	10,050,000	3,240,000	2,433,500	15,723,500
2	Policyholders Services	10,800,000	3,900,000	9,000,000	500,000	24,200,000	7,778,000	5,940,400	37,816,400
3	Group and Pension	2,340,000	1,560,000	1,170,000	300,000	5,370,000	1,872,000	1,200,000	8,442,000
4	Marketing Agency Administration	2700,000	1,000,000	2,250,000	300,000	6,250,000	1,944,000	1,460,100	8,654,100
5	Budget and Accounts	2,000,000	900,000	2,000,000	300,000	5,200,000	1,000,000	1,200,000	7,400,000
8	Investments	3,000,000	1,000,000	500,000	150,000	4,650,000	2,160,000	1,664,000	8,474,000
		25,340,000	9,860,000	18,670,000	1,850,000	55,720,000	17,892,000	13,798,000	87,510,000
Support Applications									
7	Personnel and General Services	5,000,000	2,100,000	2,200,000	500,000	9,800,000	3,800,000	3,850,250	17,050,250
8	Actuarial	1,500,000	250,000	1,000,000	200,000	2,950,000	500,000	500,000	3,950,000
9	Real Estate	3,000,000	1,200,000	2,000,000	400,000	6,600,000	2,160,000	1,664,000	10,424,000
10	Law	700,000	250,000	400,000	200,000	1,550,000	504,000	608,375	2,662,375
11	Internal Audit & Evaluation	800,000	400,000	600,000	200,000	2,000,000	576,000	608,375	3,184,375
		11,000,000	4,200,000	6,200,000	1,500,000	22,900,000	7,340,000	7,031,000	37,271,000
	Total Quoted Price	36,340,000	14,060,000	24,870,000	3,350,000	78,620,000	25,332,000	20,829,000	124,781,000

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Annexure-B

FEE AND SCHEDULE OF PAYMENTS

1. Fees and related payments will be made with reference to achievement of milestone with respect to application groups, various applications being grouped as indicated in Appendix A. The following table indicates the fees payable other than for post implementation support:

S. No	Milestone-----	Contract signing	Finalization of Implementation Plan & detailed Report on Gap Analysis	Sign Off on user Acceptance Testing of Application	Going Live of Application in Principal, Regional and Zonal offices	Total (Rupees)
		7.69%	30.77%	30.77%	30.77%	100.00%
1	Individual Life Assurance Systems	3,114,450	12,461,850	12,461,850	12,461,850	40,500,000
2	Group and Pensions	412,953	1,652,349	1,652,349	1,652,349	5,370,000
3	Budget and Accounts	399,880	1,600,040	1,600,040	1,600,040	5,200,000
4	Investment	357,585	1,430,805	1,430,805	1,430,805	4,650,000
5	Personnel and General Services	753,620	3,015,460	3,015,460	3,015,460	9,800,000
6	Actuarial	226,855	907,715	907,715	907,715	2,950,000
7	Real Estate	507,540	2,030,820	2,030,820	2,030,820	6,600,000
8	Law	119,195	476,935	476,935	476,935	1,550,000
9	Internal Audit and Evaluation	153,800	615,400	615,400	615,400	2,000,000
		6,045,878				78,620,000

2. The above fees include all conveyance expenses within Karachi and travel and board to Lahore in connection with work relating to the Lahore (Central) Zone, Group & Pension Zone and Real Estate Office Lahore. If there is a need to travel to other locations the cost of travel and boarding will be reimbursed at actual based on the terms set out later in this Appendix D-5.

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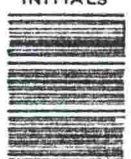
DIRECTORS	HELD AT	ON	TIME
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<p style="text-align: right;"><u>Annexure-C</u></p> <p style="text-align: center;"><u>GENERAL POWER OF ATTORNEY</u></p> <p>KNOW ALL by these presents, that the STATE LIFE INSURANCE CORPORATION OF PAKISTAN, a juristic entity, established under the provisions of Article 11 of the Life Insurance (Nationalization) Order, 1972 (President's Order No.10 of 1972 commonly referred as LINO) and the Gazette Notification there under vide SRO No.991 (1)/72 dated 11-10-1972 having its principal office at State Life Building No.9, Dr. Ziauddin Ahmed Road, Karachi-75530 (hereinafter referred to as SLIC/Principal duly represented by its Chairman and Executive Director duly authorized in this behalf in _____ Board of Directors meeting held at _____ on _____, do hereby appoint, constitute, nominate and ordain Mr. Muhammad Akhlaq son of Muhammad Miskeen having CNIC No.42101-1668855-7, working as Assistant General Manager, (AGM-Real Estate Management) presently posted at Lahore (hereinafter referred to as the Attorney) to be the true and lawful attorney of the State Life Insurance Corporation of Pakistan, for and on its behalf, to do or cause to be done the following acts and things on the terms and conditions mentioned hereunder:-</p> <ol style="list-style-type: none"> 1. That all the assets and liabilities appertaining to the life insurance business in Pakistan of all insurance companies exciting on October 11, 1972 stood transferred and vested in State Life Insurance Corporation by virtue of Article 15 of LINO but as of today, some of the properties transferred to SLIC by virtue of LINO still exists in the name of demised companies in the relevant revenue, excise & taxation, Lahore Development Authority and settlement department records. The above name attorney is to represent SLIC for mutation and placement of documents regarding all such properties to reflect the name of SLIC as lawful owner of all the properties transferred to SLIC by operation of law, in all the relevant department records including but not limited to revenue, LDA, Excise & Taxation and Settlement Department. 2. To take measures to complete mutation of all the properties in the name of SLIC which have been transferred to SLIC from demised insurance companies through LINO, at the cost and expenses of the Principal, by signing / executing the necessary documents in this behalf, in favour of the Principal / SLIC. 3. To appear before any Registrar/Sub-Registrar or before any other officer having authority to register deeds and / or documents in Pakistan and to present for registration in due forum of law of any documents executed in favour of the Corporation. 4. To appear and act in all Courts of Law, Tribunals, Civil or Criminal and before all Judicial, Revenue and administrative authorities of the Government and to commence, institute, prosecute, defend or take part in any action or investigation. Applications, Suits, Appeals or 			

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	<p>Proceedings in which the Corporation, may otherwise be interested or concerned for that purpose to subscribe, sign and verify all plaints, written statements, petitions, applications, affidavits, tabular statements, complaints and memorandum of appeals and to do all acts and matters and things which may be necessary in relation thereto.</p> <ol style="list-style-type: none"> 5. To appear before Municipal, Revenue, Development authorities and Urban Immovable Property Tax Authority or any other Authorities constituted by/ under any law in connection with assessment case/building cases or in respect of mutation cases or applications for transfer and registration of lease <u>in favour of the Corporation</u> . 6. To purchase any property in favour of SLIC and execute Sale Deed (only for the purpose of buying in favour of SLIC) with the Lahore Development Authority regarding the properties at Lahore. 7. To apply for placement of relevant title documents to complete the chain of title documents in the LDA record regarding all the properties which fall within the preview of LDA for transfer / mutation of such properties in the name of SLIC. 8. To apply for any PTD (permanent transfer Deed) and its verification by the respective committee for mutation of evacuee properties in the name of SLIC. 9. To apply for mutation of all / any property transferred from the demised insurance companies, with any department or authority, for and in favour of State Life Insurance Corporation. 10. To appear before any Registrar or Sub-Registrar, Rent Tribunal, Settlement Commissioner and present for registration / execution all or any document/deed, in any manner, to cause transfer of property in the name of SLIC through execution of any title documents or to cause registration of any lease agreement. 11. To take possession of any property owned by SLIC from any tenant or illegal occupant, voluntarily or through process of court on such terms and conditions as the Attorney deems fit and proper. 12. To execute any lease agreement or title deed or sign any other document/s (except selling of property) which may be required or expedient and to do any other acts, matter or thing which the Attorney shall consider necessary and expedient for carrying out or doing any of the purposes, acts and as effectively in all respects as the Principal could have done. 13. To retain pleaders, advocates, attorneys, counsel and other legal practitioners as our said attorney shall think fit and execute all retainers, Vakalatnama, Warrants, Plaints, Written statements, petitions, and all other papers and documents as may be necessary to be signed and as 		<p>CHAIRMAN'S INITIALS</p> 

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<p>1.6 Location</p> <p>The Services shall be performed at such locations as are specified in Appendix B hereto and, where the location of a particular task is not so specified, at such location as the STATE LIFE may approve.</p> <p>1.7 Authorized Representative of STATE LIFE</p> <p>Any action required or permitted to be taken, and any document required or permitted to be executed under this Contract, may be taken or executed on behalf of the STATE LIFE by Mr. _____ or anyone else as nominated by him.</p> <p>1.8 Taxes and Duties</p> <p>STATE LIFE shall deduct (at source) all taxes, duties, fees, levies and other impositions levied by the Federal Government or Provincial Governments under the Applicable Laws from the invoices submitted by SHMA .</p> <p>2. COMMENCEMENT, COMPLETION, MODIFICATION AND TERMINATION OF CONTRACT</p> <p>2.1 Effectiveness of Contract</p> <p>This Contract shall come into force and effect on the date (the "Effective Date") of its signing.</p> <p>2.2 Commencement of Services</p> <p>SHMA shall begin carrying out the Services not later than 15 days of the Effective Date (the "Starting Date").</p> <p>2.3 Expiration of Contract</p> <p>This contract shall continue unless terminated earlier pursuant to Clause 2.8 hereof.</p> <p>2.4 Entire Agreement</p> <p>This Contract contains all covenants, stipulations and provisions agreed by the Parties. No agent or representative of either Party has authority to make, and the Parties shall not be bound by or be liable for, any statement, representation, promise or agreement not set forth herein.</p> <p>2.5 Modification</p> <p>Modification of the terms and conditions of this Contract, including any modification of the scope of the Services, may only be made by written agreement between the Parties. Pursuant to Clause 7.2 hereof, however, each Party shall give due consideration to any proposals for modification made by the other Party.</p> <p>2.6 Force Majeure</p> <p>2.6.1 Definition</p> <p>(a) For the purposes of this Contract, "Force Majeure" means an event which is beyond the reasonable control of a Party, and which makes a Party's performance of its obligations hereunder impossible or so impractical as reasonably to be considered impossible in the circumstances, and includes, but is not limited to, war, riots, civil disorder, earthquake, fire, explosion, storm, flood or other adverse weather conditions, strikes, lockouts or other industrial action (except where such strikes, lockouts or other industrial action are within the power of the Party invoking Force Majeure to prevent), confiscation or any other action by government agencies.</p>			
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- (b) Force Majeure shall not include (i) any event which is caused by the negligence or intentional action of a Party or such Party's Sub-consultants or agents or employees, nor (ii) any event which a diligent Party could reasonably have been expected to both (A) take into account at the time of the conclusion of this Contract and (B) avoid or overcome in the carrying out of its obligations hereunder.
- (c) Force Majeure shall not include insufficiency of funds or failure to make any payment required hereunder but may be deemed to include withholding of authority to remit foreign currency by the Central Bank.

2.6.2 No Breach of Contract

The failure of a Party to fulfill any of its obligations hereunder shall not be considered to be a breach of, or default under, this Contract insofar as such inability arises from an event of Force Majeure, provided that the Party affected by such an event has taken all reasonable precautions, due care and reasonable alternative measures, all with the objective of carrying out the terms and conditions of this Contract.

2.6.3 Measures to be Taken

- (a) A Party affected by an event of Force Majeure shall take all reasonable measures to remove such Party's inability to fulfill its obligations hereunder with a minimum of delay.
- (b) A Party affected by an event of Force Majeure shall notify the other Party of such event as soon as possible, and in any event not later than fourteen (14) days following the occurrence of such event, providing evidence of the nature and cause of such event, and shall similarly give notice of the restoration of normal conditions as soon as possible.
- (c) The Parties shall take all reasonable measures to minimize the consequences of any event of Force Majeure.

2.6.4 Extension of Time

Any period within which a Party shall, pursuant to this Contract, complete any action or task, shall be extended for a period equal to the time during which such Party was unable to perform such action as a result of Force Majeure.

2.6.5 Consultation

Not later than thirty (30) days after SHMA, as the result of an event of Force Majeure, have become unable to perform a material portion of the Services the Parties shall consult with each other with a view to agreeing on appropriate measures to be taken in the circumstances.

2.7 Suspension

The STATE LIFE may, by written notice of suspension to SHMA, suspend all payments to SHMA hereunder if SHMA fail to perform any of their obligations under this Contract, including the carrying out of the Services provided that such notice of suspension (i) shall specify the nature of the failure and (ii) shall request SHMA to remedy such failure within a period not exceeding thirty (30) days after receipt by SHMA of such notice of suspension.

2.8 Termination

Either party may terminate this Contract, as provided hereunder, by giving written notice to the other concerning a breach of any of the obligations. A breach shall consist of non compliance of any of the obligations under this Contract.

2.8.1 By the STATE LIFE

The STATE LIFE may, by not less than thirty (30) days' written notice of termination to SHMA (except in the event listed in paragraph (f) below, for which there shall be a written notice of not less

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than sixty (60) days), such notice to be given after the occurrence of any of the events specified in paragraphs (a) through (f) of this Clause 2.8.1, terminate this Contract:

- (a) if SHMA fail to remedy a failure in the performance of their obligations hereunder, as specified in a notice of suspension pursuant to Clause 2.7 hereinabove, within fifteen (15) days of receipt of such notice of suspension or within such further period as the STATE LIFE may have subsequently approved in writing;
- (b) if SHMA become insolvent or bankrupt or enter into any agreements with their creditors for relief of debt or takes advantage of any law for the benefit of debtors or goes into liquidation or receivership whether compulsory or voluntary;
- (c) if SHMA fail to comply with any final decision reached as a result of arbitration proceedings pursuant of Clause 8 hereof;
- (d) if SHMA submit to the STATE LIFE a statement which has a material effect on the rights, obligations or interests of the STATE LIFE and which SHMA know to be false;
- (e) if, as the result of Force Majeure, SHMA are unable to perform a material portion of the Services for a period of not less than sixty (60) days; or
- (f) if the STATE LIFE, in its sole discretion and for any reason whatsoever, decides to terminate this Contract.

2.8.2 By SHMA

SHMA may, by not less than thirty (30) days' written notice to the STATE LIFE, such notice to be given after the occurrence of any of the events specified in paragraphs (a) through (d) of this Clause 2.8.2, terminate this Contract:

- (a) if the STATE LIFE fails to pay any money due to SHMA pursuant to this Contract and not subject to dispute pursuant to Clause 8 hereof within forty five (45) days after receiving written notice from SHMA that such payment is overdue.
- (b) if the STATE LIFE is in material breach of its obligations pursuant to this Contract and has not remedied the same within forty-five (45) days (or such longer period as SHMA may have subsequently approved in writing) following the receipt by the STATE LIFE of SHMA' notice specifying such breach;
- (c) if, as the result of Force Majeure, STATE LIFE are unable to perform a material portion of the Services for a period of not less than sixty (60) days; or
- (d) if the STATE LIFE fails to comply with any final decision reached as a result of arbitration pursuant to Clause 8 hereof.

2.8.3 Cessation of Rights and Obligations

Upon termination of this Contract pursuant to Clause 2.8 hereof, or upon expiration of this Contract pursuant to Clause 2.3 hereof, all rights and obligations of the Parties hereunder shall cease, except (i) such rights and obligations as may have accrued on the date of termination or expiration, (ii) the obligation of confidentiality set forth in Clause 4.3 hereof, (iii) right of State Life to use the software solution shall remain intact after expiry / termination of this contract and (iv) any right which a Party may have under the Applicable Law.

2.8.4 Cessation of Services

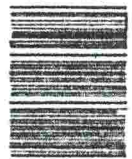
Upon termination of this Contract by notice of either Party to the other pursuant to Clauses 2.8.1 or 2.8.2 hereof, SHMA shall, immediately upon dispatch or receipt of such notice, take all necessary steps to bring the Services to a close in a prompt and orderly manner and shall make every reasonable effort to keep expenditures for this purpose to a minimum. With respect to documents

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prepared by SHMA and equipment and materials furnished by the STATE LIFE, SHMA shall proceed as provided, respectively, by Clauses 4.5 and 4.6 hereof.

2.8.5 Payment upon Termination

Upon termination of this Contract pursuant to Clauses 2.8.1 hereof, the STATE LIFE shall make the following payments to SHMA:

- (i) remuneration pursuant to Clause 6 hereof for Services satisfactorily performed prior to the effective date of termination;
- (ii) reimbursable expenditures pursuant to Clause 6 hereof for expenditures actually incurred prior to the effective date of termination; and

2.8.6 Disputes about Events of Termination

If either Party disputes whether an event specified in paragraphs (a) through (e) of Clause 2.8.1 or in Clause 2.8.2 hereof has occurred, such Party may, within forty-five (45) days after receipt of notice of termination from the other Party, refer the matter to arbitration pursuant to Clause 8 hereof, and this Contract shall not be terminated on account of such event except in accordance with the terms of any award resulting from such arbitration.

3. OWNERSHIP AND LICENSING OF SOFTWARE/ PERFORMANCE OF SERVICES

3.1 Ownership and Licensing of Software

3.1.1 The STATE LIFE acknowledges that the SOFTWARE and all copyright, trade secrets and other right, title and interest therein, are the sole property of SHMA, and that the STATE LIFE shall gain no right, title or interest in the SOFTWARE by virtue of this Agreement other than exclusive right of use granted herein even after the termination/expiry of the contract. Without limiting the foregoing, the STATE LIFE specifically acknowledges SHMA's exclusive rights to ownership of any modification of the SOFTWARE, and any other improvement or development based thereon.

3.1.2 In consideration of the STATE LIFE's payment of the software license fees and the fees for the SERVICES specified in Clause 6.1, SHMA grants to the STATE LIFE a perpetual, personal, non-transferable and exclusive right and license to use the SOFTWARE even after the termination / expiry of the contract. The STATE LIFE represents warrants and agrees that the SOFTWARE will be used only for the benefit of the STATE LIFE.

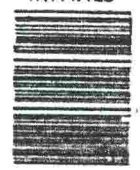
3.1.3 The STATE LIFE acknowledges that the information contained in the SOFTWARE is confidential and contains trade secrets and proprietary data belonging to SHMA. The STATE LIFE shall implement all reasonable measures necessary to safeguard SHMA's ownership of, and the confidentiality of the SOFTWARE, including without limitation: (i) to allow its employees, agents and third parties access to the SOFTWARE only to the extent necessary to permit the performance of their ordinary services to the STATE LIFE and to require, as a condition to such access, that they agree to comply with the provisions of this Section 4; (ii) to co-operate with SHMA, if appropriate) in the enforcement of such compliance by the STATE LIFE's employees, agents and third parties; (iii) not to permit the removal or alteration of any copyright or confidentiality labels or notices contained in the SOFTWARE; (iv) not to disassemble, de-compile or reverse engineer the SOFTWARE; and (v) not to duplicate or reproduce the SOFTWARE, except for the purpose of archival copies and, if necessary, one copy to run temporarily on a replacement computer for backup in an emergency, and then in either case only if all copyright and confidentiality notices are included in the copy. The STATE LIFE agrees not to disclose the SOFTWARE, without prior consent of SHMA (which consent shall not be withheld for unreasonable period) to any service bureau or other agent or third party.

3.1.4 SHMA similarly acknowledges that the information relating to products and business processes of the STATE LIFE which comes to the knowledge of SHMA is confidential and contains trade secrets and proprietary data which belong to the STATE LIFE. SHMA agrees not to disclose any such matters to any third party and to take such reasonable steps as are required to ensure that its employees also abide by this commitment.


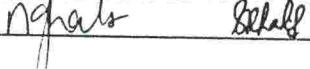
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<p>3.2 Performance of Services</p>			
<p>3.2.1 The essence of the Contract is for provision of a license for the STATE LIFE to use the SOFTWARE even after expiry / termination of this contract. In order to fulfill the STATE LIFE's requirements, however, SHMA agrees to provide the SERVICES as outlined in Appendix B. Provision of the SERVICES may require modification, redesign or redevelopment of any part of the SOFTWARE to meet the functional requirements specified by the STATE LIFE in RFP.</p>			
<p>3.3 Acceptance</p>			
<p>3.3.1 The services to be provided will be considered completed when SHMA successfully completes delivery of the Deliverables (as specified in the Appendix B), notifies the STATE LIFE of the completion thereof as per requirements & specifications of the STATE LIFE and sign off acceptance.</p>			
<p>3.3.2 In the event of the STATE LIFE sending any notice to SHMA of any outstanding services or unfulfilled requirements, the SERVICES shall be deemed to be completed after either:</p>			
<p>a) Agreement by the STATE LIFE that such outstanding services are not within the scope of work as per Appendix B; or</p>			
<p>b) SHMA completing the outstanding services and the STATE LIFE accepting that such services have been completed.</p>			
<p>3.3.3 The STATE LIFE agrees that SHMA's successful completion of the above will constitute fulfillment by SHMA of all its obligations (other than its obligations in respect of warranties and post implementation support services) under the assignment.</p>			
<p>3.4 Warranty</p>			
<p>3.4.1 SHMA warrants that during the warranty period as agreed and Post Implementation Maintenance Support under clause 3.5, the SOFTWARE shall function substantially in accordance with the related user documentation provided by SHMA. In the case of any issues, SHMA's obligation shall be to exercise its best efforts to modify or replace the SOFTWARE so as to correct the defective performance, within a reasonable time frame.</p>			
<p>3.5 Maintenance and Support</p>			
<p>3.5.1 During the warranty period and Post Implementation Maintenance Support period, the STATE LIFE will be entitled to receive free Upgrades & Updates generally incorporated in the SOFTWARE. Any other modifications required by the STATE LIFE will be quoted for and charged depending on the extent of work involved. The STATE LIFE may, after expiry of the warranty period and Post Implementation Maintenance Support period, may elect to receive Maintenance Service upon payment to SHMA of an annual Maintenance fee to be agreed between SHMA and the STATE LIFE.</p>			
<p>3.5.2 Maintenance shall be provided upon payment of such fees as set out in Appendix D or as subsequently agreed between the Parties. Nothing in this Section shall entitle the STATE LIFE to receive Updates or Upgrades which are separately priced and licensed by SHMA as new products. If the STATE LIFE allows Maintenance or On-Going Support to lapse, it may thereafter renew the Maintenance and/or On-Going Support for the affected SOFTWARE by paying the then current applicable annual fee(s).</p>			
<p>4. OBLIGATIONS OF SHMA</p>			
<p>4.1 General</p>			
<p>4.1.1 Standard of Performance</p>			
<p>SHMA shall perform the Services and carry out their obligations hereunder with all due diligence, efficiency and economy, in accordance with generally accepted techniques and practices. SHMA shall always act, in respect of any matter relating to this Contract or to the Services, as a faithful adviser to the STATE LIFE,</p>			
			

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and shall at all times support and safeguard the STATE LIFE s legitimate interests in any dealings with Sub-consultants or Third Parties.

4.1.2 Time Frame (Summarized Project Plan)

SHMA shall adhere to agreed time frame (Annexure B-4) while complying with the standard of performance as laid down hereafter.

4.1.3 Law Governing Services

SHMA shall perform the Services in accordance with the Applicable Law.

4.2 Conflict of Interests

4.2.1 Prohibition of Conflicting Activities

Neither SHMA nor its Personnel shall engage, either directly or indirectly, in any business or professional activities which would conflict with the activities assigned to them under this Contract.

4.3 Confidentiality

SHMA shall not disclose any proprietary or confidential information relating to the Project, the Services, this Contract or the STATE LIFE 's business or operations.

4.4 Liability of the SHMA

SHMA shall be liable to the STATE LIFE for the performance of the Services in accordance with the provisions of this Contract and for any loss suffered by the STATE LIFE as a result of a default of SHMA in such performance, subject to the following limitations:

- (a) SHMA shall not be liable for any damage or injury caused by or arising out of the act, neglect, default or omission of any persons other than SHMA or their Personnel; and
- (b) SHMA shall not be liable for any loss or damage caused by or arising out of circumstances over which SHMA had no control.

The maximum liability under this clause shall be the full value of the contract.

SHMA shall be liable for any violations of legal provisions or rights of third parties, in respect of Patent or copyright infringements introduced into documents prepared by it.

4.4.1 Copyright Clause

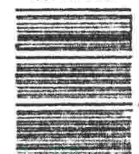
Upon the discovery of any prima-facie evidence of infringement of copyrights or other intellectual property with respect to any unit of software, methodology or documentation supplied by SHMA, SHMA shall at its sole expense procure for the STATE LIFE the right to continue using the same, modify or replace the infringing item with one of equal functionality and performance so as to avoid such infringement

4.4.2 Assignment Clause

Neither party may assign this Contract to a third party without prior written consent of the other party. Neither party may assign or transfer to others the obligations of this Contract or any part thereof without prior written consent of the other party.

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4.5 Reporting Obligations

SHMA shall submit to the STATE LIFE the reports and documents specified in Appendix B hereto, in the form, in the numbers and within the time periods set forth in the said Appendix.

5. OBLIGATIONS OF THE STATE LIFE

5.1 Assistance and Exemptions

The STATE LIFE shall:

- a) provide SHMA with such documents as shall be necessary to enable SHMA to perform the Services; and
- b) provide the facilities required by SHMA as listed in Appendix C.

5.2 Payment

In consideration of the Services performed by SHMA under this Contract, the STATE LIFE shall make to SHMA such payments and in such manner as is provided by Clause 6 of this Contract.

6. PAYMENTS TO SHMA

6.1 Payment to SHMA

The STATE LIFE shall pay to SHMA fees as specified in Appendix D to this Contract and in the Pak. Rupees.

6.2 Mode of Billing and Payment

Billings in respect of the Services shall be made in accordance with the schedule given in Appendix D to the Contract. Payments shall be made within thirty (30) days of the date of receipt of invoice, or, if the payment is subject to receipt of certain services, within thirty (30) days of the STATE LIFE's confirmation of having received the services to their satisfaction if later.

7. FAIRNESS AND GOOD FAITH

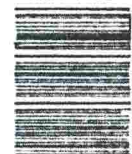
7.1 Good Faith

The Parties undertake to act in good faith with respect to each other's rights under this Contract and to adopt all reasonable measures to ensure the realization of the objectives of this Contract.

7.2 Operation of the Contract

The Parties recognize that it is impractical in this Contract to provide for every contingency which may arise during the life of the Contract, and the Parties hereby agree that it is their intention that this Contract shall operate fairly as between them, and without detriment to the interest of either of them, and that if, during the term of this Contract, either Party believes that this Contract is operating unfairly, the Parties will use their best efforts to agree on such action as may be necessary to remove the cause or causes of such unfairness, but no failure to agree on any action pursuant to this Clause shall give rise to a dispute subject to arbitration in accordance with Clause 8 hereof.

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Appendix A

Definition of Software and Scope of License

1. Software

The Software includes the following applications:

		SIIMA Applications
Individual Life Assurance Systems	- Unit Link and Takaful Insurance - Policy Holder Services - Marketing & Agency Administration	Sidat Hyder – Individual Life Administration System (ilas) Ilas Illustrator & Bancassurance
Group and Pensions	- Group and Pension	Sidat Hyder – Group Life Administration System
Budget & Accounts	- Budget & Accounts	Sidat Hyder – General Ledger System
Investment	- Investment & Real Estate	Sidat Hyder – iPams
Personnel & General Services	- Personnel and General Services	Sidat Hyder – HRMS (includes Staff training, FMD and Medical System) Sidat Hyder – Payroll (includes C.P. Fund, Gratuity, Sidat Hyder – FA (includes library management) Sidat Hyder – Inventory & Procurement
Actuarial	- Actuarial System	Sidat Hyder – Actuarial
Real Estate	- Real Estate	Sidat Hyder – i-estate
Law	- Law Application	Sidat Hyder – Legal
Audit	- Audit & Evaluation	Sidat Hyder – Audit

2. Scope of License

The license is for an unlimited number of users and unlimited products but for use solely by the STATE LIFE only on whichever servers deployed. The license is available for global use but not for use by any subsidiary, parent or related company or by a third party; except for Takafal business in this case if STATE LIFE establishes a subsidiary firm for this purpose, it may use the software.

The ILAS Bancassurance license is available for use by the banks with which the STATE LIFE may enter into bancassurance agreements.

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Appendix B

SCOPE OF SERVICES AND TIME FRAME

1. Scope of Work

1.1 The Scope of Services will be as follows:

- a) To configure all applications listed in Appendix A. In the case of the Individual Life zones and the Group and Pensions zones; the respective application Systems will also include configuration of all applications listed in Appendix B-1.
- b) To carry out a detailed walk through of each application and identify and document all gaps for which the applications need to be customized.
- c) To provide training to all users and provide relevant training material / documentation which would support the users to learn to operate the system in the absence of SHMA support (User Interfaces, technical, user and operational manuals and training must be in English language).
- d) To install the software applications at the locations designated by State Life (Principal Office, Southern and Central Regional office, Karachi (southern) zone, Lahore (central) zone, Group and Pension zones Karachi & Lahore and Real Estate Lahore office); and rectify any and all integration and deployment issues.
- e) To provide a process through for Data Conversion and Migration.
- f) Provide post implementation support / maintenance for a period of three years from the date of go live of the application. The solution provider shall define degree of responsibility and level of post implementation support for the following areas:
 - Modification / customization (of existing functionality, limited to the scope at the time of go live)
 - Availability / help desk
 - Upgrades / security patches
 - Bugs removal

2. Work Methodology Regarding Core Insurance System

2.1 SHMA methodology for implementing the Core Insurance System packages will consist of the following phases:

Product Configuration (Phase I)

2.2 Prior to doing any work SHMA will first of all need to configure the system to deal with the various products which would need to be administered. For this purpose SHMA will provide the STATE LIFE with a detailed questionnaire related to each product which will need to be completed. The questionnaire will address the detailed product specifications (including benefit structure, relationship between benefits and premiums, mechanism of calculating premium/ sum assured cash/paid up values, charge structure for unbundled policies, etc.), as well as actions which would require to be taken in case of various events occurring. Separate questionnaires would exist for defining the sales force structure including commission rates, over-ride structure and rates, etc.

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2.3	Responsibility for completing the questionnaires would rest with the STATE LIFE, although SHMA would practically need to have some interaction to assist with its completion.		
2.4	Based on the completed questionnaires SHMA would configure the Sidat Hyder – Insurance System and test it to ensure that the parameters specified are complete and consistent. In the case of any lack of clarity SHMA would sort this out with the STATE LIFE.		
	Installation and Detailed Walk Through (Phase II)		
	Installation		
2.5	Having completed the initial configuration SHMA will then do the installation of our software. The STATE LIFE technical team will accompany us during installation in order to assist SHMA on issues pertaining to database and network connectivity.		
	Gap Analysis		
2.6	SHMA will enter some sample data (including sample parameters) in consultation with the STATE LIFE's business departments. Having done this SHMA will conduct a detailed walk through session with the STATE LIFE's business departments in order to carry out a gap analysis of the system.		
2.7	The walkthrough sessions will be organized for each functional module separately. The managers and the functional staff of the associated departments (dealing in those functions) will be asked to participate those sessions for their value able inputs.		
2.8	The sessions to the Managers and the functional staff (using the limited parameters set up) will familiarize them with the modules and enable them to have an understanding of the system flows and inter-relationships of the various modules.		
2.9	During these sessions any issues which may give a cause for difficulty in implementing the system will be identified and the solution discussed and formulated. In addition to that any earlier submitted requirement list will also be discussed and the solution formulated.		
2.10	Apart from making users aware of the whole system's functionality, the walk through sessions will also make users aware of the configuration and the various parameters (related to their functional module), which will need to be defined in the next phase.		
2.11	A document detailing enhancements/ gaps required to sort out the above mentioned issues will be submitted and formally agreed upon (i.e., the STATE LIFE will need to approve this document in writing).		
	Modifications/ Customization		
2.12	In the light of the agreed enhancement document, the list of the changes will be categorized into software changes, configuration changes and the reports and will be assigned to separate teams for speedy completion of work.		
2.13	The program specification for the software changes will be written and handed over to the development team for completing the modifications.		
2.14	The changes related to the product configuration will be assigned to the team of product configuration specialists for completing the modifications.		
2.15	The reports will be given to another development team for completions.		

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Pre-implementation support (Phase III)

2.16 This is perhaps the most important phase in the proposed assignment, consisting of definition of the various parameters required to configure the system. A list of some of the main parameters is given below:

- Premium Rates (within the product structure already defined)
- Branches
- Agents
- Re-insurance Treaties
- Commission Slabs and Rates
- Underwriting requirements

2.17 SHMA will have sessions with each group of users, explaining the significance of each parameter and also training them on the use of the system modules required for setting up the parameters. Data collection and entry of Parameters, initial data and opening balances (as at any cutoff date) and printing and checking of reports setting out data entered will be the responsibility of the STATE LIFE's end users.

2.18 Training related to use of the parameter definition modules as well as the detailed training provided in the next phase will assume basic knowledge of use of a computer under the MS Windows environment. In the case of any users not being familiar with the use of microcomputers, this training will need to be provided separately by the STATE LIFE.

System Testing

2.19 The objective of this phase is to uncover errors, by using a series of test steps, i.e., unit, integration, validation etc. Unit and Integration testing which follows in line with the programming phase will concentrate on functional verification of a module and the incorporation of these modules into the program structure. Validation testing demonstrates trace-ability to software requirement specification.

2.20 Permanent testers are part of the design and programming team. This approach adds tremendous value to the quality of the final product. Besides a permanent tester being involved, toward the end of the coding phase, an independent test team takes over the project and reforms the following activities:

Activity	Purpose
Unit Testing	To ensure that all modules are working independently
Integrated Testing	To ensure all modules work together
Validation Testing	To test the functionality of the system
Cycle Testing	To ensure the system flow
Stress Testing	To test the system with large quantity of data, in order to evaluate its performance during peak period.

2.21 All type of Unit testing will be done through a Test Sheet Document, prepared simultaneously at the time with program specification. These test sheets will be prepared by SHMA and provided to the STATE LIFE for testing the system during UAT.

Detailed Training (Phase IV)

2.22 Once parameters have been set up and initial data entered, each user (or groups of users) will be trained in the actual use of the application to the extent required for areas in their sphere of

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completed by this time. The Training will cover the following user categories:

Functional Staff

- This training will focus on the business functionalities of the various functional modules of the system.
- The users will be "walked through" the relevant portions of the application, with detailed explanation on various parameters encompassing the business rules and the system configuration related to various calculations involved.
- Special training will be provided as to how to configure new products with changes in the existing products.

Operational Staff

- This training will focus on entirely on the operational cycle of the system
- The users will be "walked through" the relevant portions of the application, with detailed explanation on the use of each screen being given along with instructions on how to navigate through the system (i.e, use of keys, the mouse and help screens, etc.). SHMA will also provide a User Reference Manual to assist in this process.
- Users will then be required to prepare some test cases, keeping in mind the data requirement of the system.
- Each user will then be taken through each aspect of the system (limited to those relevant to their areas of operations) using the system to enter data, process results and produce reports based on test cases prepared. During this stage the users will themselves operate the system under our supervision and guidance.

Managerial Staff

- This training will focus on the use of various options related to approvals, various enquiries to check the status and monitor the progress of various business activities.
- They will also be trained to produce various online management information reports.

Technical Staff

- This training will focus on the Technical aspects of the system, which includes the explanation of the ERD's and data dictionary.
- The sessions will cover delivering the knowledge to facilitate, the development of various adhoc reports based on the available data and their inter-relationships.
- This will also include the training of scheduling & re-scheduling various processes within the system.
- Special training will also be provided as to how to assist the business users in configuring new products with changes in any existing products
- Separate sessions will be conducted to give training on the overall installation of the core applications.
- Training will be provides to relevant officials to define roles, profiles and security / privileges of different users.

User Acceptance Testing [UAT] (Phase V)

2.23 After completing user training as described above, the system will be handed over to the user to perform acceptance testing. SHMA personnel will be on hand to reconcile results generated by the

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system with those worked out separately by the client. The creation of test data for UAT, data entry and reports production will be the responsibility of the STATE LIFE. Issues requiring modification of system configuration will be identified and the configuration adjusted accordingly. The acceptance criteria for this stage will be as follows:

- Functionality in line with the Gap Analysis Report.
- Error free to the extent of errors notified.
- Testing the system by using test cases.

2.24 This phase will also be supervised by SHMA team, and our personnel will be available to answer any queries raised and help in the operation of the system.

2.25 At the end of the UAT, and prior to cut over to live, the STATE LIFE will confirm in writing of acceptance of the system.

Implementation (Phase VI)

2.26 This phase will commence after formal acceptance. This will include entering transactions on a day to day basis in the system in parallel with the existing system. The data entry and checking of reports at this stage will be the responsibility of the STATE LIFE, and SHMA will provide assistance to the STATE LIFE in terms of investigating and sorting out any problems notified. This assistance will be provided through on site help-desk support at the STATE LIFE's premises during implementation and also for a period of three years after implementation. The procedure for Help Desk Support has been discussed in detail under 'Post Implementation Support' below.

2.27 SHMA will also entertain any software changes required during this phase followed by the detailed testing.

2.28 SHMA will first of all need to define a cut-off date from which implementation will start and agree, with the STATE LIFE, any issues which may require updating data from the stage of initial data entry (phase II) and the commencement of actual implementation. Any data entry required for this will again be the responsibility of users.

2.29 SHMA will reinstall the system in the live environment and also ensure that it is properly configured. After this actual operations may commence. The STATE LIFE may wish to phase out the implementation process itself, although it should be noted that any data consistency requirements will also need to be catered for.

2.30 SHMA will also provide, warranty / maintenance support (post implementation support) for a period of three years from the date of the go-live of application software. Maintenance support after this period may also been provided under a separate maintenance contract. Detail is given below under the head 'post implementation support'

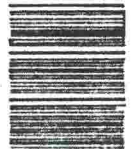
Data Conversion

2.31 SHMA will work jointly with the STATE LIFE's Technical team to carry out and accomplish the entire task of data migration.

2.32 The STATE LIFE will need to provide us the data layouts of the files/ tables used in the core insurance applications containing the purpose of each file and field and the

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interrelationship between various files/ tables.

- 2.33 SHMA will then have a review of the STATE LIFE's data layouts and will prepare a mapping STATE LIFE document with SHMA standard system data layouts and will seek clarifications from the STATE LIFE's technical team wherever required.
- 2.34 Once the mapping document has been prepared, the development process of the scripts will be started by SHMA for migration of data from the document's data layouts (files/ tables) to SHMA standard data layouts. The scripts will be tested thoroughly before entire actual data migration. The STATE LIFE will provide some sample data to test SHMA migration scripts.
- 2.35 Upon finalization of the development and testing of the migration scripts, SHMA would ask the STATE LIFE to provide the data in their existing layouts as on a certain cut off date.
- 2.36 Upon receipt of the data from STATE LIFE, SHMA will execute scripts in order to migrate existing system's data to SHMA new system data layouts. In case SHMA encounter any invalid data (due to data integrity constraints on our data layout) during migration, this will need to be sorted out by the STATE LIFE in order to provide us the cleaned data. The responsibility of data cleaning will rest entirely on the STATE LIFE.
- 2.37 SHMA will run our standard data validation routines (specifically developed to validate the essential policy master data) on the converted data. In case of any data validation errors the same will be forwarded to the STATE LIFE's technical staff for them to make corrections and then to provide us the corrected data.
- 2.38 Once the data has been converted, the STATE LIFE will be responsible for its checking and verification and after verification will sign off the data migration process.
- 2.39 Any manual record where the electronic data is not available, this would need to be entered into the system by the STATE LIFE staff. However SHMA would facilitate them in speedy entry of such data by developing customized interfaces wherever required.

Post Implementation Support

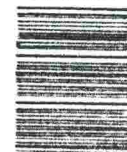
Help Desk

- 2.40 In order to provide support to each location on call basis, SHMA will establish 2 Helpdesk offices, one for Principal office in Karachi and second is at Lahore regional office. SHMA will depute dedicated staff on these helpdesk offices to provide timely support to the end users. These helpdesks will provide a single point of contact for registering all types of software problems and their timely solution. SHMA will use two ways for registering the errors / problems that is either via telephone or through a web site, which will be hosted for problem registration (call logging software). After registration of the problem, and depending upon the severity of the problem, appropriate action will be taken by the Helpdesk Center. The role of the Helpdesk will be as follows:

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- If error relates to operational or data aspect, this will first be handled by the Helpdesk team through telephone or via email by providing necessary instructions.
- If Helpdesk Team is unable to solve the problem, the problem will be routed to the Operational Team via system error form. This team will solve the problem remotely or by sending a person to the site for diagnosis and fixation. In case of a any software change the operational team will do the
- If the reported problem is a software bug or a change, then a CRF (i.e. Change request form) will be completed and sent to the Software Team for fixing the problem or doing the change. The CRF Log will be maintained in order to know the progress of work on changes and bugs. After fixing and testing (i.e. after completion of work on CRF), a software upgrade will be sent to all sites through file transfer.

2.41 The team Composition for Helpdesk Support would be as follows:

Location	Designation	No of Staff
Principal Office – Karachi	Central Helpdesk Staff	2
Regional Office – Lahore Central Region	Helpdesk Support Staff	2

2.42 The help Desk will follow the Release procedures as discussed in the under mentioned sections:

Release Categories

2.43 A release is an abstraction of a certain set of software functionality and hardware/ operating system platform support. SHMA are at present maintaining three types of software release categories, which are:

- **Major Release:** This type of release will contain new functionality or fundamentally revised software component. Thus all new application features/ functionalities, hardware support and bug fixes are integrated through this release type.
- **Minor Release:** This type of release will contain minor new functionality and bug fixes in order to require for the smooth running of the system. Minor release will contain one or more maintenance release.
- **Maintenance Release:** This type of release will only contain bug fixes. New features/ functionalities will not the part of maintenance release.

Release Nomenclature

2.44 SHMA are maintaining the following nomenclature for release numbering, which are:

11.22.33

Where 11 represent the Major Release Numbers
 22 represent the Minor Release Numbers
 33 represent the Maintenance Release Number

Release Updates

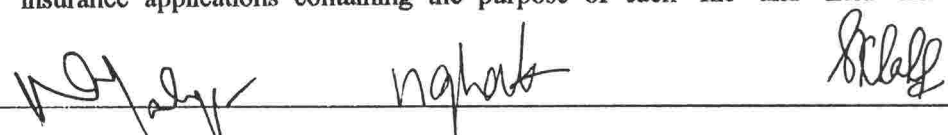
2.45 The maintenance release will be updated frequently or on request via automated processes. These updates will include bug fixes and will be numbered as 2.0.1, 2.0.2, 2.0.3, and so on.

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<p>system with those worked out separately by the client. The creation of test data for UAT, data entry and reports production will be the responsibility of the STATE LIFE. Issues requiring modification of system configuration will be identified and the configuration adjusted accordingly. The acceptance criteria for this stage will be as follows:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Functionality in line with the Gap Analysis Report. <input type="checkbox"/> Error free to the extent of errors notified. <input type="checkbox"/> Testing the system by using test cases. <p>2.24 This phase will also be supervised by SHMA team, and our personnel will be available to answer any queries raised and help in the operation of the system.</p> <p>2.25 At the end of the UAT, and prior to cut over to live, the STATE LIFE will confirm in writing of acceptance of the system.</p> <p>Implementation (Phase VI)</p> <p>2.26 This phase will commence after formal acceptance. This will include entering transactions on a day to day basis in the system in parallel with the existing system. The data entry and checking of reports at this stage will be the responsibility of the STATE LIFE, and SHMA will provide assistance to the STATE LIFE in terms of investigating and sorting out any problems notified. This assistance will be provided through on site help-desk support at the STATE LIFE's premises during implementation and also for a period of three years after implementation. The procedure for Help Desk Support has been discussed in detail under 'Post Implementation Support' below.</p> <p>2.27 SHMA will also entertain any software changes required during this phase followed by the detailed testing.</p> <p>2.28 SHMA will first of all need to define a cut-off date from which implementation will start and agree, with the STATE LIFE, any issues which may require updating data from the stage of initial data entry (phase II) and the commencement of actual implementation. Any data entry required for this will again be the responsibility of users.</p> <p>2.29 SHMA will reinstall the system in the live environment and also ensure that it is properly configured. After this actual operations may commence. The STATE LIFE may wish to phase out the implementation process itself, although it should be noted that any data consistency requirements will also need to be catered for.</p> <p>2.30 SHMA will also provide, warranty / maintenance support (post implementation support) for a period of three years from the date of the go-live of application software. Maintenance support after this period may also been provided under a separate maintenance contract. Detail is given below under the head 'post implementation support'</p> <p>Data Conversion</p> <p>2.31 SHMA will work jointly with the STATE LIFE's Technical team to carry out and accomplish the entire task of data migration.</p> <p>2.32 The STATE LIFE will need to provide us the data layouts of the files/ tables used in the core insurance applications containing the purpose of each file and field and the</p> <div style="text-align: right; margin-top: 20px;">  </div>			

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<p><u>Incorporation of Additional Features</u></p>			
3.10	After getting approval on the 'Enhancement/ Gap Report' from the STATE LIFE's management, SHMA development team will incorporate all the missing functionality, as mutually agreed, in the system.		
3.11	After incorporation of all points, the systems will be tested by the SHMA QA team. After completion of successful testing the systems will be available for User Acceptance Testing (UAT).		
<p><u>System Testing</u></p>			
3.12	Same as defined in section 2.19 to 2.21 above.		
<p><u>User Training</u></p>			
3.13	The following training will be provided to the STATE LIFE's staff:		
	<ul style="list-style-type: none"> <input type="checkbox"/> A detailed demonstration of the complete system/ modules (according to the scope of work) to enable the users to have an understanding of the flow of the systems. <input type="checkbox"/> Detailed training of how to use the applications to the extent required for each user. 		
3.14	During the training session the selection of test scenarios for the exercise will be the responsibility of the users. SHMA would suggest that some complex scenarios be selected so that the system is fully tested and difficulties do not arise during implementation.		
<p><u>User Acceptance Testing</u></p>			
3.15	After successfully completing the testing and user training as described above, the systems will be handed over to the user to perform acceptance testing. The acceptance criteria will be as follows:		
	<ul style="list-style-type: none"> <input type="checkbox"/> Functionality in line with the Gap Analysis Report. <input type="checkbox"/> Error free to the extent of errors notified. <input type="checkbox"/> Testing the system by using test cases. 		
3.16	This phase will also be supervised by SHMA team, and SHMA personnel will be available to answer any queries raised and help in the operation of the system.		
<p><u>Implementation</u></p>			
3.17	This would be same as defined in section 2.26 to 2.30 above.		
<p><u>Data Conversion</u></p>			
3.18	This would be same as defined in section 2.31 to 2.39 above.		
<p><u>Post Implementation Support</u></p>			
3.19	This would be same as defined in section 2.40 to 2.48 above.		
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Activity	15/12/09	15/01/11	15/02/11	15/03/11	15/04/11	15/05/11	15/06/11	15/07/11	15/08/11	15/09/11	15/10/11	15/11/11	15/12/11	15/11/10
Completion of Product Questionnaire														
Phase I: Product Configuration														
Phase II: Installation and Detailed Walkthrough - SLIC Functional Users (Gap Analysis)														
Phase III: Pre Implementation Support/Preparation - SLIC Functional Users														
Phase IV: Detailed Training - SLIC Functional Users														
Phase V: User Acceptance Testing - SLIC Functional Users														
Phase VI: Implementation														

Time Frame

Summarized Project Plan

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Appendix-B1

List of Application Products

The Software includes the following applications:

		SHIMA Applications
Individual Life Assurance Systems	- Unit Link and Takaful Insurance	Sidat Hyder – Individual Life Administration System (ilas)
	- Policy Holder Services	
	- Marketing & Agency Administration	Ilas Illustrator & Bancassurance
Group and Pensions	- Group and Pension	Sidat Hyder -- Group Life Administration System
Budget & Accounts	- Budget & Accounts	Sidat Hyder – General Ledger System
Personnel & General Services	- Personnel and General Services	Sidat Hyder – HRMS (includes Staff training, FMD and Medical System)
		Sidat Hyder – Payroll (includes C.P. Fund, Gratuity,
		Sidat Hyder – FA (includes library management)
		Sidat Hyder – Inventory & Procurement
Law	- Law Application	Sidat Hyder – Legal
Audit	- Audit & Evaluation	Sidat Hyder – Audit

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Appendix-C

RESPONSIBILITIES OF THE STATE LIFE

Following is the list of those items and/ or services that the STATE LIFE will provide to SHMA in order to enable SHMA to perform its obligations under the agreement.

- All hardware, operating system and database engine licenses (to be provided by the STATE LIFE or any entity which is providing infrastructure support to the STATE LIFE)
- Assignment of an appropriate person for the position of Project Manager to act a sole point of contact between STATE LIFE and SHMA
- Ensuring availability of information required for rendering the services
 - Completion of the Product Questionnaires
 - Providing Relevant Parameters
 - Providing data layouts and data for migration
 - Providing the Test Scenarios
- Ensuring availability of key users and user personnel when required and as indicated in the project plan.
 - Entry of data and production of documents/ reports
 - Checking/ scrutiny of documents/ reports for accuracy
 - Reconciliation of various reports for consistency
 - Receiving and logging fault reports (if any) and reporting these to SHMA
 - Checking and verification of converted data after data migration
- Provision of suitable working environment with access to computer systems for SHMA project team if and when needed at STATE LIFE location.

CHAIRMAN'S
INITIALS



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MINUTES OF 204TH MEETING OF THE BOARD OF DIRECTORS

DIRECTORS	HELD AT	ON	TIME
MINUTE BOOK	KARACHI	4 TH NOVEMBER' 2009	

Appendix-D

FEE AND SCHEDULE OF PAYMENTS

1. Fees and related payments will be made with reference to achievement of milestone with respect to application groups, various applications being grouped as indicated in Appendix A. The following table indicates the fees payable other than for post implementation support:

S. No	Milestone	Contract signing	Finalization of Implementation Plan & detailed Report on Gap Analysis	Sign Off on user Acceptance Testing of Application	Going Live of Application in Principal, Regional and Zonal offices	Total (Rupees)
		7.69%	30.77%	30.77%	30.77%	100.00%
1	Individual Life Assurance Systems	3,114,450	12,461,850	12,461,850	12,461,850	40,500,000
2	Group and Pensions	412,953	1,652,349	1,652,349	1,652,349	5,370,000
3	Budget and Accounts	399,880	1,600,040	1,600,040	1,600,040	5,200,000
4	Investment	357,585	1,430,805	1,430,805	1,430,805	4,650,000
5	Personnel and General Services	753,620	3,015,460	3,015,460	3,015,460	9,800,000
6	Actuarial	226,855	907,715	907,715	907,715	2,950,000
7	Real Estate	507,540	2,030,820	2,030,820	2,030,820	6,600,000
8	Law	119,195	476,935	476,935	476,935	1,550,000
9	Internal Audit and Evaluation	153,800	615,400	615,400	615,400	2,000,000
		6,045,878				78,620,000

2. The above fees include all conveyance expenses within Karachi and travel and board to Lahore in connection with work relating to the Lahore (Central) Zone, Group & Pension Zone and Real Estate Office Lahore. If there is a need to travel to other locations the cost of travel and boarding will be reimbursed at actual based on the terms set out later in this Appendix D-5.

CHAIRMAN'S INITIALS



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