

MINUTES OF 210<sup>TH</sup> MEETING OF THE BOARD OF DIRECTORS

| DIRECTORS   | HELD AT | ON                          | TIME |
|-------------|---------|-----------------------------|------|
| MINUTE BOOK | KARACHI | 7 <sup>th</sup> APRIL, 2010 |      |

CONFIDENTIAL AND RESTRICTED

The 210<sup>th</sup> Meeting of the Board of Directors of State Life Insurance Corporation of Pakistan was held on Wednesday, 7<sup>th</sup> April, 2010 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. Mr. Shahid Rahim Shaikh | Director        |
| 3. Mrs. Spenta Kandawalla  | Director        |
| 4. Mr. Aslam Faruque       | Director        |
| 5. Mr. Amin Qasim Dada     | Director        |
| 6. Mr. Rasheed Y. Chinoy   | Director        |
| 7. Syed A. Wahab Mehdi     | Director        |
| 8. Syed Hur Riahi Gardezi  | Director        |
| 9. Mr. Akbarali Hussain    | Secretary Board |

2. The meeting started with recitation of verses from the Holy Quran by Mr. Amin Qasim Dada, Director.

3. Mr. Ansar Hussain, Divisional Head(Investment) also attended the meeting to assist the Board in respect of arriving at decision on price to be offered to M/s. TPL Properties (Pvt) Ltd, in respect of Centre Point Project and to answer the queries if any in the matter.

4. The Chairman introduced Director - Mr. Shahid Rahim Shaikh, Additional Secretary, Ministry of Commerce to the Members of the Board and extended welcome to him on his nomination to the Board and expressed confidence that State Life would benefit from his experience and wisdom and looked forward to smooth and productive working relationship between the members of the Board of State Life and the policyholders it serves. Mr. Shahid Rahim Shaikh thanked the Chairman and Members of the Board for the confidence reposed to him.

**ITEM (1) CONFIRMATION OF MINUTES OF 208<sup>TH</sup> AND 209<sup>TH</sup> MEETINGS OF THE BOARD OF DIRECTORS.**

5. The minutes of the 208<sup>th</sup> and 209<sup>th</sup> meetings of the Board of Directors held on 12<sup>th</sup> March, 2010 and 22<sup>nd</sup> March, 2010 together with implementation report were placed before the Board.

Item No.6, para-15 of 208<sup>th</sup> meeting – Position paper on Centre Point Project – current status- modified version of policy statement for investment in real estate received from M/s. Sidat Hyder Morshed Associates on 3<sup>rd</sup> March, 2010.

6. Syed Hur Riahi Gardezi pointed out that State Life's investment in real estate is not restricted to 9% based on market value, however State Life is currently investing 9% of the policyholders fund (currently mainly the Corporation's Pakistan Life Fund) based on recommendations in the study carried out by M/s. Sidat Hyder Morshed Associates assigned to them by Asian Development Bank.

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| <p>Action:<br/>ED(RE)<br/>SGM(Inv)<br/>GM(RE)<br/>DH(REM)<br/>DH(PMD)</p> | <p><b>Item No.5, para-15 (8) of 209<sup>th</sup> meeting – Finalization of Investment Policy for Real Estate Division.</b></p> <p>7. To a query from Syed Hur Riahi Gardezi, Director, the Chairman explained that there is already a Real Estate Committee of the Board which consists of the Chairman and three Directors with Mr. Mohammad Yahya, ED(RE) as Member and Mr. Nabil Ghafoorzada, DH(P&amp;M) as Secretary. The Chairman proposed that the name of the Real Estate Committee be changed to Real Estate and Investment Committee and that SGM(Investment) and GM(RE) be also made Members of the Real Estate Committee which would receive and analyze investment proposals in Real Estate received from third parties besides review of Real Estate matters. The Board agreed to the above proposal of change of name of the Committee and that henceforth, SGM(Investment) be a Member of the Real Estate and Investment Committee in addition to GM(RE) who will also function as the Secretary of the Real Estate and Investment Committee, as such the Divisional Heads will revert back as non members.</p> <p><b>Item No.6, para-17, page-3033 of 209<sup>th</sup> meeting – Position Paper on "Centre Point" Project.</b></p> <p>8. Mr. Aslam Faruque pointed out and the Board agreed that sub para-a &amp; b of para-17 be merged and the other sub paras of para-17 be renumbered accordingly.</p> <p>9. Implementation report of 208<sup>th</sup> and 209<sup>th</sup> meetings of the Board of Directors were noted.</p> <p>10. Syed Hur Riahi Gardezi, Director proposed and Mr. Amin Qasim Dada, Director seconded that the minutes of 208<sup>th</sup> and 209<sup>th</sup> meetings of the Board of Directors be confirmed subject to the above amendments.</p> <p>11. Accordingly, it was resolved as under:-</p> <p><b>RESOLVED:</b><br/>"that the Minutes of 208<sup>th</sup> and 209<sup>th</sup> meeting of Board of Directors held on 12<sup>th</sup> March, 2010 and 22<sup>nd</sup> March, 2010 are confirmed with the above amendments."</p> <p><b>ITEM (2) CONSIDERATION AND APPROVAL OF RECOMMENDATIONS IN MINUTES OF 9<sup>TH</sup> MEETING OF REAL ESTATE COMMITTEE HELD ON 06-04-2010</b></p> <p>12. DH(PMD)RE presented before the Board, the minutes of 9<sup>th</sup> meeting of Real Estate Committee held on 6<sup>th</sup> April, 2010 for confirmation and approval of recommendations made by the Committee to the Board. The minutes also contained the implementation/compliance report to the queries/progress arising out of the recommendations given by the Real Estate Committee in its 8<sup>th</sup> meeting held on 4<sup>th</sup> December, 2009 and the confirmation of minutes and approval of recommendation of the RE Committee by the Board of Directors at its 205<sup>th</sup> meeting held on 22<sup>nd</sup> December, 2009.</p> |                             |      |
| <p>Action:<br/>Secretary<br/>(Board)</p>                                  | <p>CHAIRMAN'S INITIALS</p> <p><i>Le</i></p>   |                             |      |



MINUTES OF 210<sup>TH</sup> MEETING OF THE BOARD OF DIRECTORS

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| <p>13. The Board noted the progress mentioned in the minutes of the RE Committee in respect of the following :-</p> <p>i) work awarded to M/s. Hajvary Law Group – Lahore for properties owned by State Life at Lahore. M/s. Hajvary Group were now requested for attested true copy of general power of attorney from the Registrar which is in progress.</p> <p>ii) On-going building projects:</p> <p>Four State Life Buildings at Gujranwala, Sargodha, Sialkot and Rahim Yar Khan - PC-1 are ready and awaiting dates for meeting of DDWP from the three members of the Ministries of Commerce, Planning &amp; Finance.</p> <p>Renovation of State Life Building, Hyderabad - Work is complete</p> <p>Renovation of State Life Building, Larkana - Work is delayed and the contractor has assured to complete the work by 31-5-2010 after which liquidated damaged will be imposed as per term of the contract.</p> <p>14. The Minutes of the RE Committee also highlighted the following salient features about the status of Real Estate portfolio as on 31<sup>st</sup> December, 2009:-</p> <p>Gross Income 724 million as against 713 million for the same period of the previous year thus showing 2% increase.</p> <p>Expense 446 million as against 371 million for the same period of the previous year thus showing 20% increase.</p> <p>Net Income 278 million as against 342 million for the same period of the previous year thus showing 19% decrease.</p> <p>Expense / Income Ratio 62% as against 52% for the same period of the previous year.</p> <p>It was clarified in the minutes DH ( REM ) that the decrease in Gross income is due to increase in vacant space from 8% to 17% due to weak financial market in the country while the increase in expense is due to increase in salaries and allowance allowed by the Management and due to taxes which were not paid during past many years and have been cleared during the current year. DH( REM) also informed the committee that efforts are being made in recovering the outstanding dues payable by various tenants against rent for past many years. He added that after efforts, an amount of around Rs 40 million has been recovered so far during 2010 from defaulting tenants.</p> |         |                             |                     |
|   |         |                             | CHAIRMAN'S INITIALS |

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| <p>Action:<br/>ED(RE)<br/>GM(RE)<br/>DH(REM)<br/>DH(PMD)</p> | <p>Mr. Nasim ul Haque, DH(REM) informed he Board that United Bank Limited had vacated spaces in State Life Building by shifting to their own building whereas Citi Bank have also vacated spaces as an economy measure and shifted to premises in SITE where they have rented warehouses and converted them to usable spaces.</p> <p>15. There was a suggestion made in the Board meeting that vacant spaces should be advertised in the newspapers. On the request of RED for using the services of real estate agent to expedite the renting of vacant spaces, the Board desired that RED submit a proposal to the Real Estate and Investment Committee with regard to the prevalent market practice in the real estate sector.</p> <p>16. The minutes of the Real Estate Committee also contained information regarding the following :-</p> <p>(I) <u>PRESENTATION ON REVIVAL OF STATE LIFE BUILDING - DAVIS ROAD LAHORE</u></p> <p>Presentation on State Life Building, Lahore, was made by the Architect's of the Project Mr. Dadi Surti and Mr. Arif in the 9<sup>th</sup> meeting of the RE Committee, giving the details of the changes made pertaining to the inflow and outflow of the cars to the basement. DH(PMD) elaborated the payments that were made to M/s Surti and Partners in 1996 before the work was stopped. He informed that the total amount paid was 19.78 million while as per the new design it is anticipated that the total fee that will be paid on the completion of the project will be around Rs 122 million (4% of Project cost - where Project cost is estimated at Rs 3053 million).</p> <p>(II) <u>STATE LIFE TOWER, KARACHI</u></p> <p>Divisional Head (PMD), informed the RE Committee that during 1996 three projects were stopped on the directive of Ministry, being State Life Tower Islamabad, State Life Building, Lahore and State life Tower, Karachi. He further informed that the work for State Life Tower, Karachi, was with M/s. PEPAC (a government organization) and that M/s. PEPAC are ready with their presentation.</p> <p>(III) <u>PROCEDURE FOR RENTING OF SPACE AND CAR PARKING AT STATE LIFE BUILDINGS</u></p> <p>DH(REM) submitted before the RE Committee a Memorandum detailing the procedure being adopted for renting of space and car parking charges at State Life buildings : Detail of procedure is as follows</p> <p><u>Renting of Office Space:</u></p> <p>The initialization of renting may be any of the following :-</p> <p>Advertisement.<br/>Existing tenants.<br/>Efforts of the State Life officers.</p> |                             |      |

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| <p>The rate of rent is decided keeping in view the following possible factors :-</p> <ul style="list-style-type: none"> <li>Prevailing market trend in the area.</li> <li>Rent rate being received from the existing building.</li> <li>Facilities available and general condition in the building.</li> </ul> <p>Keeping in view the above, a letter detailing the demanded rent, terms and conditions is sent to the prospective tenant.</p> <p>Case is placed before the REFC giving the detail of the area to be rented, demanded rent, offered rent by the tenant and detail of the terms and conditions for its review and recommendation.</p> <p>Based on the recommendations of REFC, approval is sought from the Competent Authority.</p> <p>Upon final acceptance, the proposed tenant/firm deposits the requisite advances and executes lease agreement.</p> <p>Required space is then handed over to the tenant after mutual signing of handing/taking over and inventory of the fixtures and fittings.</p> <p>The renting commences after completion of above stated formalities.</p> <p><b><u>Parking Charges:</u></b></p> <p>State Life owns commercial buildings at Karachi, having limited parking space for its tenants e.g., SLB Nos. 1, 2, 3, 4, 5, 7, 9 &amp; 11.</p> <p>In order to accommodate cars of valued tenants, a criteria of utilization of car parking space has been devised by which parking space is allotted based on pro-rata to the rented area by the tenant.</p> <p>The car parking charges are categorized into covered and open parking space. There is no laid down criteria for rate. It needs to be worked out and a unified policy be followed. Presently parking fees is being charged to a maximum of Rs. 1,200/- per car per month, while parking charges for motorcycles is Rs. 500/- per bike per month.</p> <p><b><u>(IV) RENOVATION OF STATE LIFE BUILDINGS ALL OVER PAKISTAN</u></b></p> <p>DH ( PMD ) submitted a memorandum before the Real Estate Committee stating that the Board of Directors in its 188<sup>th</sup> meeting held on 10-04-2007 had approved the renovation works outlined by M/s NESPAK with budget of Rs 765 million . He further added that in this connection thirteen (13) works have already been completed, thirteen (13) are in execution while six (06) works are still in tender phase. He submitted at an amount of Rs 192.20 million has already been spent upto 31-12-2009 while an amount of Rs 400.807 million will be required during 2010. Brief of the works carried along with cost incurred is as follows :</p> |         |                             |      |

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(Project wise detail is placed as Annexure "C" to the Real Estate Minutes.)

| No. of Works | Present Position | Cost incurred upto 31-12-2009 (Rs) | Cost anticipated during 2010 (Rs) |
|--------------|------------------|------------------------------------|-----------------------------------|
| 13           | Completed        | 175.51 Million                     | 50.847 Million                    |
| 13           | In Execution     | 16.690 Million                     | 289.460 Million                   |
| 06           | In Tender Phase  | 0                                  | 60.500 Million                    |
|              |                  | 192.20 Million                     | 400.807 Million                   |

(V) STATE LIFE TOWER, ISLAMABAD

DH(PMD) placed a memorandum before the Real Estate Committee for recommendation to the Board of Directors for award of work to the lowest bidder M/s Moinsons for Civil & plumbing works for State Life tower Islamabad. He also added that the anticipated revised project cost is Rs 1272 million as against the original approval cost of 709 million. He briefed the committee that tender were called for civil, plumbing and electrical works through press on 30-07-2009. Seventeen contractors collected the tender while four submitted the same. Out of the four submitted tender, two were post qualified and the financial bids were opened with following corrected figure:-

M/s Moin sons Rs 571,581,701.00

M/s Maqbool Associates Rs 620,062,122.00

He added that before the work could be awarded, it was stopped on the instruction of Minister of Commerce as one of the non qualified contractor; M/s Zoom Engineers had grievances. Enquiry was conducted and the disqualification was justified after which the Honorable Minister granted the clearance to go ahead. He also informed that the cost of the project is now anticipated at Rs. 1272 million, mainly due to inflation during the period 2004- 2010. ( Detail of the comparison of the breakup of cost during 2004 to 2010 is placed at Annexure 'D' to the Real Estate Committee minutes). He further informed that the Finance and Accounts Division of State Life vide IOC dated 01-04-2010 have confirmed the availability of funds ( Letter at annexure 'E' to Real Estate Committee minutes.

The Board desired that photographs of elevation of Islamabad Tower be presented before the Board at its next meeting.

(VI) PRESENTATION BY M/S. RED BRIDGE

Mr. Rizwan Razvi, Chief executive of M/s Red Bridge presented before the Real Estate committee, the detail of the services their firms can provide. He outlined that their services include Project management and Maintenance engineering.

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Action:  
ED(RE)  
GM(RE)  
DH(REM)  
DH(PMD)




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| <p>Action:<br/>ED(RE)<br/>SGM(Inv)<br/>GM(RE)<br/>DH(REM)<br/>DH(PMD)</p> | <p>17. Accordingly, the Board resolved as under:</p> <p><b>RESOLVED:</b><br/>"that the Minutes of 9<sup>th</sup> meeting of Real Estate Committee held on 6<sup>th</sup> April, 2010 is confirmed and following recommendations of the Real Estate Committee to the Board, is approved:-</p> <p>(a) that the Real Estate Committee showed its displeasure over the slow progress of work in respect of position of the cases awarded to M/s. Hajvary Law Group – Lahore for properties owned by State Life at Lahore and decided to hold the next meeting of Real Estate Committee in Lahore in the third week of May, 2010 to discuss the progress made by M/s. Hajvary Group on case to case basis.</p> <p>(b) that DH(REM) is directed to prepare a D.O. letter to Chief Secretary Punjab requesting for help in mutation of properties in Lahore.</p> <p>(c) that DH(PMD) is directed to ensure that the works of State Life building Larkana is completed by 31-05-2010.</p> <p>(d) that DH(REM) is directed to offer the vacant spaces to Secretary SNGAD(Sindh) on market rates. Chairman offered to use his good office for the same.</p> <p>(e) that the efforts of Mr. Nasim-ul-Haque, DH(REM) and his team in recovery of the outstanding dues is appreciated.</p> <p>(f) the observation of the Real Estate Committee in respect of presentation on revival of State Life Building, Davis Road, Lahore:-</p> <p>a. Mr. Dadi Surti despite being a good and renowned Architect of his time has now become old.</p> <p>b. His reaction and presentation are not clearly justified and usually faulty.</p> <p>c. There are many new issues that have come up during the past 5 years like security, traffic and environment to which the Architect seems to be incapable to deal with.</p> <p>d. He doesn't have a team of competent and young Architects to back him up in the project.</p> <p>e. M/s. Surti &amp; Partners were paid an amount of around Rs.19.78 million in the year 1996 for the work they had carried out before the project was stopped (recovery of this amount is the main issue).</p> <p>(g) That as observed and recommended by the Real Estate Committee, the services of the present architect of M/s. Surti &amp; Partners in respect of revival of State Life Building Project at Davis Road, Lahore be discontinued and an amount of Rs.19.78 million already paid to him as fees for designing of the project be written off is hereby approved for reasons given in (f) above.</p> |                             |      |

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| <p>(h) That as recommended by the Real Estate Committee advertisement be given as per PPRA Rules for fresh appointment of architect and that a position paper be put up to the Board of Directors at its next meeting for future line of action in respect of State Life Building Project at Davis Road, Lahore.</p> <p>(i) The DH (PMD) is directed to place a self content note in respect of State Life Tower, Karachi for the perusal of the Chairman giving the details of the building and the amount paid during 1996 and after the clearance from the Chairman, a presentation may be made by M/s PEPAC before the Real Estate Committee.</p> <p>(j) The procedure for renting of space and car parking at State Life Buildings adopted by the Real Estate Division is agreed to by the Real Estate Committee and the same is being placed for the perusal and information of the Board members as annexure-B of the minutes of 9<sup>th</sup> meeting of Real Estate Committee.</p> <p>(k) That as recommended by Real Estate Committee in respect of renovation of State Life Buildings all over Pakistan after going through the details of the projects release of capital budget of Rs.400 million as worked out by the Division for the year 2010 is approved. This amount is within the total estimated cost of Rs.765 million that was approved by the Board in 2007.</p> <p>(l) That as recommended by Real Estate Committee, award of work for civil, plumbing &amp; electrical works to M/s. Moinsons(the lowest bidder) in respect of State Life Tower – Islamabad at Rs.571,581,701 as also recommended by M/s. Suhail &amp; Pasha (the architect of the project) and M/s. NESPAK (the Real Estate Consultant), is approved.</p> <p>(m) That as recommended by Real Estate Committee approval of anticipated project cost at Rs.1272 million and revised additional budget of Rs.563 million (1272-709) is approved.</p> <p>(n) DH(PMD) and DH(REM) are directed by Real Estate Committee to hold detailed meeting with Mr. Razvi and outline the type and detail of service that they can provide to the Real Estate Division specially with reference to the maintenance management of State Life Building # 1 &amp; 2, Karachi. This report should be placed before the Chairman within next 15 days."</p> <p>ITEM (3) <u>POSITION PAPER ON LAST THREE YEARS REINSURANCE EXPENSES.</u></p> <p>18. Due to paucity of time, the above item was deferred to the next meeting of the Board.</p> |  |                             |      |
| Action:<br>ED(Act)<br>Dh(Act)   | <div>CHAIRMAN'S INITIALS</div>  |                             |      |




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| <p><b>ITEM (4) POSITION PAPER ON "CENTRE POINT" PROJECT – CURRENT STATUS - REPORT OF NESPAK ON CENTRE POINT PROJECT</b></p> <p>19. M/s. TPL Properties (Pvt) Ltd had made a presentation before the Real Estate Committee at its 5<sup>th</sup> meeting held on 24<sup>th</sup> July, 2009 for sale of entire building, a multistoried building comprising of 28 floors on Shaheed-e-Milat Express Way Karachi. The project comprises of latest technical facilities like Co-generation, 9 floors for parking to accommodate 237 cars and 200 motorcycles, six lifts, central airconditioning, complete security system etc. The entire project has a covered area of 357,720 sqft with saleable (office area) of 161,722 sft for which M/s. TPL Properties have demanded Rs.3.00 billion. The Real Estate Committee had constituted a Committee consisting of two Board Members, DH(Investment) and DH(PMD).</p> <p>20. Mr. Ali Jameel briefed the Real Estate Committee on the project at its 6<sup>th</sup> meeting held on 28<sup>th</sup> September, 2009 and informed that an LOI had been finalized for renting of the office to M/s. Unilever, M/s. Tracker(PVT) Ltd and M/s. TRG at Rs.121 sqft. With 10% increase p.a. The contract would be for ten years which can be discontinued after five years giving one year notice.</p> <p>21. Mr. Ansar Hussain, SGM(Investment) informed the Real Estate Committee at its 8<sup>th</sup> meeting held on 4<sup>th</sup> December, 2009 that M/s. TPL Properties (Pvt) Ltd which had earlier offered the project on outright sale had now suggested to create a special purpose vehicle for the project and offered to sale its 45% shares as Rs.27 per share as against face value of Rs.10 per share.</p> <p>22. The Board of Directors at its 205<sup>th</sup> meeting held on 22<sup>nd</sup> December, 2009 considered the proposal of Real Estate Committee regarding Centre Point Project and desired that the Chairman State Life and the Real Estate Committee of the Board should determine and negotiate an acceptable price with M/s. TPL Properties (Pvt) Ltd, the owners of Centre Point and after conducting due diligence of the proposal a position paper be submitted to the Board for consideration.</p> <p>23. As decided by the Board at its 205<sup>th</sup> meeting, the Chairman had constituted a Committee of the Real Estate Division and Investment Division consisting of Mr. Rasheed Y. Chinoy, Convenor, Mr. Amin Qasim Dada, Member, Syed Hur Riahi Gardezi, Member, Mr. Mohammad Yahya, ED(RE)/Member and Mr. Ansar Hussain, DH(Investment)/Member to negotiate and determine an acceptable price for purchase of "Centre Point" Project.</p> <p>24. The terms of reference of the Real Estate and Investment Division Committee was to carry out due diligence of the proposal of purchase of "Centre Point" by State Life as follows:-</p> <p>i) To determine and negotiate an acceptable price with M/s. TPL Properties (Pvt) Ltd, the owners of Centre Point.</p> |         |                             |      |

CHAIRMAN'S INITIALS




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| <p>ii) Examine the legal implications of outsourcing the management of a State Life property to a private sector company.</p> <p>iii) Examine whether a valid agreement of M/s. TPL Properties (Pvt) Ltd with Lever Brothers has been effected to ensure that a long term income stream is being offered with purchase of the property.</p> <p>iv) The examination and vetting and finalization of a draft agreement regarding purchase of Centre Point for approval of the Board.</p> <p>25. Mr. Rasheed Y. Chinoy informed the Board at its 206<sup>th</sup> meeting held on 17<sup>th</sup> February, 2010, that the following documents have been received by Mr. Nabli Ghafoorzada, Deputy General Manager(Project &amp; Maintenance) State Life through Mr. Ansar Hussain, SGM/DH(Investment) from Mr. Mustafa Ali, Vice President, Finance A &amp; A Associates which have been vetted by Real Estate Division and found in order. However, the documents have been sent for examination and vetting to Legal Affairs Division:-</p> <ul style="list-style-type: none"> <li>a) Ownership Documents</li> <li>b) Site Plan</li> <li>c) Approved building plan from KBCA</li> <li>d) Drawing from Master Plan</li> <li>e) Work Completion Schedule</li> <li>f) Approval letter from SSGC</li> <li>g) Sanction order from KW&amp;SB</li> <li>h) List of imported items and approved manufacturers</li> <li>i) Approval letter of Civil Aviation Authority regarding the height of the building.</li> <li>j) Approval letter of Environmental Protection Agency</li> <li>k) Sale agreement</li> <li>l) Agreement to lease</li> <li>m) Indicative term sheet</li> </ul> <p>26. Mr. Rasheed Y. Chinoy had informed the Members of the Real Estate and Investment Division Committee for Centre Point Project at its 4<sup>th</sup> meeting held on 11<sup>th</sup> March, 2010 that Mr. Ansar Hussain, SGM(Investment) has obtained all the information and documentations as regard the Centre Point Project and valuation from M/s. TPL Properties (Pvt) Ltd, owner of Centre Point Project, M/s. NESPAK, M/s. Oceanic Surveyors, M/s. Ernst &amp; Young, M/s. Mahmood Mandviwalla, Legal Consultant of State Life on Centre Point Project and M/s. Rizvi, Isa, Afridi and Angell.</p> <p>27. The Board at its 209<sup>th</sup> meeting held on 22<sup>nd</sup> March, 2010 desired that M/s. NESPAK (Pvt) Ltd should explain certain differences which have been noted in the two reports submitted on March 1, 2010 and March 19, 2010 regarding:-</p> <ul style="list-style-type: none"> <li>a) Constructed and rentable square footage</li> <li>b) Construction cost rate</li> </ul> |         |                             |   |
|  |         |                             | CHAIRMAN'S INITIALS   |
|  |         |                             |  |



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|---|---------|-----------------------------|---|
| MINUTE BOOK   | KARACHI | 7 <sup>th</sup> APRIL, 2010 |   |
| <p>28. Syed A. Wahab Mehdi, Director at the 209<sup>th</sup> meeting of the Board observed that while negotiating the final price with M/s. TPL Properties (Pvt) Ltd should ensure that the value of the project at the time of completion on the very first day should at least show a minimum profit of 10% to State Life as well as M/s. TPL Properties (Pvt) Ltd, if the assets with the project were required to be sold off.</p> <p>29. The Board in its 209<sup>th</sup> meeting had also decided that in case of any cost over runs in the Centre Point Project, it would be met by M/s. TPL Properties (Pvt) Ltd who would be given 45 days for financing the cost over runs, failing which M/s. TPL Properties (Pvt) Ltd would sell their shareholding equivalent to cost over runs at par value i.e. Rs.10 per share to State Life.</p> <p>30. Mr. Rasheed Y. Chinoy presented before the Board the minutes of the 5<sup>th</sup> meeting of Real Estate and Investment Division Committee for Centre Point Project extracts of which are reproduced below:-</p> <p>The Real Estate and Investment Division Committee for Centre Point Project at its 3<sup>rd</sup> meeting held on 1<sup>st</sup> March, 2010, had on the suggestion of Mr. Ansar Hussain, SGM(Investment) recommended to the Board that a joint venture company be formed and listed on Karachi Stock Exchange with 50% shareholding each of State Life Insurance Corporation of Pakistan and M/s. TPL Properties (Pvt) Ltd. The Board of Directors of the joint venture company would consist of eight Directors with four Directors each of State Life Insurance Corporation of Pakistan and M/s. TPL Properties (Pvt) Ltd. The Chairman of the Board of Directors of the joint venture company will always be the Chairman of State Life nominated on the Board of the joint venture company with a casting vote in case of a deadlock and the Chief Executive Officer will always be from amongst the Directors nominated on the Board of the joint venture company by M/s. TPL Properties (Pvt) Ltd. The Real Estate and Investment Division Committee for Centre Point Project at its 3<sup>rd</sup> meeting held on 1<sup>st</sup> March, 2010 unanimously recommended to the Board to approve a price of Rs.2.95 billion.</p> <p>Mr. Ansar Hussain, SGM(Investment), in the 2<sup>nd</sup> meeting of the Real Estate and Investment Division Committee informed the members that the following advantages would accrue to State Life by accepting the option of a joint venture company for purchase of Centre Point Project rather than going for an outright purchase:-</p> <p>a) State Life will not have to pay 9% CVT resulting in the saving of Rs.276.382 million which it would otherwise have had to pay on the offered price of outright purchase.</p> <p>b) The outflow of cash would only be Rs.1.7 billion approximately as</p> <p>c) against Rs.3.4 billion for outright purchase.</p> |         |                             |   |
|   |         |                             | CHAIRMAN'S INITIALS   |
|   |         |                             |  |

MINUTES OF 210<sup>TH</sup> MEETING OF THE BOARD OF DIRECTORS

| DIRECTORS  | HELD AT | ON                          | TIME |
|--|---------|-----------------------------|------|
| MINUTE BOOK  | KARACHI | 7 <sup>TH</sup> APRIL, 2010 |      |
| <p>The Board at its 208<sup>th</sup> meeting held on 12<sup>th</sup> March, 2010 had made an observation that the project proposal of Centre Point under consideration for purchase by State Life should also be counter signed by the relevant Divisions Representative i.e. of Investment Division and Real Estate Division.</p> <p>Mr. Rasheed Y. Chinoy informed the members that as observed by the Board, the project proposal of Centre Point under consideration for purchase by State Life has been counter signed by Mr. Ansar Hussain, SGM(Investment) Division on behalf of Investment Division and Mr. Mohammad Yahya, ED(RE) as a Member of the Real Estate and Investment Division Committee by signing the minutes of all the meetings of the Real Estate and Investment Division where recommendations in respect of Centre Point Project were made to the Board for consideration and approval. However Mr. Mohammad Yahya, ED(RE) had noted on the minutes of the 3<sup>rd</sup> and 4<sup>th</sup> meetings of the Real Estate and Investment Division Committee that he had gone through the minutes and agreed with its contents and the recommendations made therein to the Board.</p> <p>Mr. Ansar Hussain has also submitted a Memorandum to the Real Estate and Investment Division Committee in respect of valuation report of 1) M/s. Oceanic Surveyors (Pvt) Ltd, 2) M/s. NESPAK, 3) Mr. Ernst &amp; Young Ford Rhodes Sidat Hyder. He has also recommended a payment schedule in respect of payment of Rs.1.475 billion, being State Life share in the project of acquiring 50% share holding in joint venture company M/s. TPL Properties (Pvt) Ltd. This is annexed to the minutes of 4<sup>th</sup> meeting of the Real Estate and Investment Division Committee wherein its recommendations were submitted to the Board at its 208<sup>th</sup> meeting held on 12<sup>th</sup> March, 2010 for consideration. Mr. Ansar Hussain, SGM(Investment) had also submitted a cost report reconciling the cost of the project shown by M/s. NESPAK at Rs.2.584 billion and the recommended amount of the Real Estate and Investment Division Committee which was Rs.2.95 billion.</p> <p>The Board of Directors at its 209<sup>th</sup> meeting held on 22<sup>nd</sup> March, 2010 had desired that M/s. NESPAK (Pvt) Ltd should explain certain differences which have been noted in the two reports submitted on March 1, 2010 and March 19, 2010 respectively regarding:-</p> <p>a) Constructed and rentable square footage<br/>b) Construction cost rate</p> <p>Mr. Rasheed Y. Chinoy informed the Committee that as desired by the Board in its 209<sup>th</sup> meeting, a letter was written by him to Mr. Farhat Adil, GM(NESPAK) on 24<sup>th</sup> March, 2010 which is placed at Annexure-A to the minutes of the 5<sup>th</sup> meeting of Real Estate and Investment Division Committee. Reply to the above letter was received on April 5, 2010 (placed at Annexure-B to the minutes of the 5<sup>th</sup> meeting of Real Estate and Investment Division Committee) in respect of valuation of Centre Point Project at Shaheed Millat Extension, Karachi.</p> |         |                             |      |
| <div style="text-align: right;">CHAIRMAN'S INITIALS</div>   |         |                             |      |



MINUTES OF 210<sup>TH</sup> MEETING OF THE BOARD OF DIRECTORS

| DIRECTORS   | HELD AT  | ON                          | TIME                |
|-------------|--|-----------------------------|---------------------|
| MINUTE BOOK | KARACHI  | 7 <sup>th</sup> APRIL, 2010 |                     |
|             | <p>The extracts of the letter of M/s. NESPAK dated 5<sup>th</sup> April, 2010 is as follows:-</p> <p>"This is with reference to your letter dated March 24, 2010 regarding three queries raised by the Board of Directors of State Life on the Valuation Report submitted by NESPAK. Our para wise reply is as follows:-</p> <p><u>1.</u></p> <p>As clarified by the Consultants &amp; duly reviewed by NESPAK, the overall increase in saleable area by 34,896 sft(196,618-161,722) was achieved by creation of two complete new floors (23<sup>rd</sup> &amp; 24<sup>th</sup>). This redesigning for improving saleable efficiency of the building was achieved by creating saleable areas out of service and some excess areas available on parking floors. Specifically the addition of these spaces resulted in the overall increase of about Rs.204.5 million derived from budgetary estimates, attributable from the following:</p> <ul style="list-style-type: none"> <li>• Construction of two complete additional floors</li> <li>• Increase in External Façade Works and Internal Glazing</li> <li>• Creation of toilet blocks on two new floors (including plumbing, ventilation and electrical works).</li> <li>• Development of hard I D for: Health Club &amp; Coffee Bar with pool deck. Lobbies for two complete floor.</li> <li>• Increase in lift doors by 14 and also enhancement of motor capacity.</li> <li>• Increase in quantity of AHU's, FCU's and fire hose cabinets.</li> <li>• IT and Security for additional floors.</li> <li>• Overall increase in allied infrastructure such as Gensets 9Gas &amp; Diesel), Chillers, Cooling Towers, Pumps, Bus Bar Risers, Vertical Piping etc.</li> </ul> <p>The above additional information has been provided to us by the consultants after the submission of the valuation report. Keeping in view the above details, the construction cost has been reevaluated by NESPAK as Rs.6,050 per sft.</p> <p><u>2 &amp; 3.</u></p> <p>The covered area has been corrected to 352,662 sft. After receiving revised area calculation sheet from the project architect M/s. Arcop (Pvt) Ltd.</p> <p>The details of the saleable area of 196,618 sft., is annexed as Annexure-I to the valuation report(Annexure-C to the minutes).</p> |                             |                     |
|             |  |                             | CHAIRMAN'S INITIALS |

MINUTES OF 210<sup>TH</sup> MEETING OF THE BOARD OF DIRECTORS

| DIRECTORS   | HELD AT   | ON  | TIME   |             |  |                           |                                   |  |   |   |  |  |      |         |               |             |                |                                   |                          |  |   |   |  |  |         |        |               |
|---|---|---|--|-------------|--|---------------------------|-----------------------------------|--|---|---|--|--|------|---------|---------------|-------------|----------------|-----------------------------------|--------------------------|--|---|---|--|--|---------|--------|---------------|
| MINUTE BOOK   | KARACHI   | 7 <sup>th</sup> APRIL, 2010                               |  |             |  |                           |                                   |  |   |   |  |  |      |         |               |             |                |                                   |                          |  |   |   |  |  |         |        |               |
| <table> <tr> <th>Description</th><th>Present Day<br/>Const. cost<br/>(Rs./Sft.)</th><th>Covered<br/>Area<br/>(Sft.)</th><th>Value of<br/>construction<br/>(Rs.)</th></tr> <tr> <td>Centrepont Office<br/>Building (at the time<br/>of completion)</td><td>5,475<br/>Present day<br/>Const. cost<br/>(Rs./Sft.)<br/>(Revised)*</td><td>357,720<br/>Covered Area<br/>(Sft.)<br/>(Revised)*</td><td>1,958,517,000<br/>Value of<br/>Construction<br/>(Rs.)<br/>(Revised)*</td></tr> <tr> <td></td><td>6050</td><td>352,662</td><td>2,133,605,100</td></tr> </table><br><table> <tr> <th>Description</th><th>Area<br/>(Sft.)</th><th>Present<br/>Day Rate<br/>(Rs./Sft.)</th><th>Market<br/>Value<br/>(Rs.)</th></tr> <tr> <td>Centrepont Office<br/>Building (at the time<br/>of completion)</td><td>161,722<br/>Area<br/>(Sft.)<br/>(Rs./Sft.)<br/>(Revised)*</td><td>17,500<br/>Present<br/>Day Rate<br/>(Rs./Sft.)<br/>(Revised)*</td><td>2,830,135,000<br/>Market Value<br/>(Rs.)<br/>(Revised)*</td></tr> <tr> <td></td><td>196,618</td><td>17,500</td><td>3,440,815,000</td></tr> </table> <p>*Based on subsequent information by the Consultants and duly reviewed by NESPAK.</p> <p>Mr. Rasheed Y. Chinoy submitted before the Committee the following:-</p> <ol style="list-style-type: none"> <li>Valuation of land and building Centre Point on its present constructed status as given by M/s. Oceanic Surveyors (Pvt) Ltd in their valuation report dated 18-01-2010 (placed at Annexure-C &amp; C1 of the 5<sup>th</sup> meeting of Real Estate and Investment Division Committee). The land has been valued at Rs.407,960,000.</li> <li>Centre Point valuation summary of M/s. Oceanic Surveyors (Pvt) Ltd, M/s. NESPAK and M/s. EYFRSH on low, medium and high basis (placed at Annexure-D of the 5<sup>th</sup> meeting of Real Estate and Investment Division Committee). The valuation of M/s. Oceanic Surveyors (Pvt) Ltd on low, medium and high basis is Rs.2.802 billion, Rs.2.949 billion and Rs.3.244 billion whereas the valuation of M/s. NESPAK on low, medium and high basis is Rs.2.925 billion, Rs.3.44 billion and Rs.3.957 billion whereas the valuation of M/s. EYFRSH is Rs.2.941 billion, Rs.3.130 billion and Rs.3.318 billion. The average of valuation of M/s. Centre Point on low, medium and high basis by the above three valuers is Rs.2.889 billion, Rs.3.173 billion and Rs.3.506 billion respectively.</li> </ol> |   |   |  | Description | Present Day<br>Const. cost<br>(Rs./Sft.) | Covered<br>Area<br>(Sft.) | Value of<br>construction<br>(Rs.) | Centrepont Office<br>Building (at the time<br>of completion) | 5,475<br>Present day<br>Const. cost<br>(Rs./Sft.)<br>(Revised)* | 357,720<br>Covered Area<br>(Sft.)<br>(Revised)* | 1,958,517,000<br>Value of<br>Construction<br>(Rs.)<br>(Revised)* |  | 6050 | 352,662 | 2,133,605,100 | Description | Area<br>(Sft.) | Present<br>Day Rate<br>(Rs./Sft.) | Market<br>Value<br>(Rs.) | Centrepont Office<br>Building (at the time<br>of completion) | 161,722<br>Area<br>(Sft.)<br>(Rs./Sft.)<br>(Revised)* | 17,500<br>Present<br>Day Rate<br>(Rs./Sft.)<br>(Revised)* | 2,830,135,000<br>Market Value<br>(Rs.)<br>(Revised)* |  | 196,618 | 17,500 | 3,440,815,000 |
| Description   | Present Day<br>Const. cost<br>(Rs./Sft.)                        | Covered<br>Area<br>(Sft.)                                 | Value of<br>construction<br>(Rs.)                                |             |  |                           |                                   |  |   |   |  |  |      |         |               |             |                |                                   |                          |  |   |   |  |  |         |        |               |
| Centrepont Office<br>Building (at the time<br>of completion)  | 5,475<br>Present day<br>Const. cost<br>(Rs./Sft.)<br>(Revised)* | 357,720<br>Covered Area<br>(Sft.)<br>(Revised)*           | 1,958,517,000<br>Value of<br>Construction<br>(Rs.)<br>(Revised)* |             |  |                           |                                   |  |   |   |  |  |      |         |               |             |                |                                   |                          |  |   |   |  |  |         |        |               |
|   | 6050  | 352,662   | 2,133,605,100  |             |  |                           |                                   |  |   |   |  |  |      |         |               |             |                |                                   |                          |  |   |   |  |  |         |        |               |
| Description   | Area<br>(Sft.)  | Present<br>Day Rate<br>(Rs./Sft.)                         | Market<br>Value<br>(Rs.)   |             |  |                           |                                   |  |   |   |  |  |      |         |               |             |                |                                   |                          |  |   |   |  |  |         |        |               |
| Centrepont Office<br>Building (at the time<br>of completion)  | 161,722<br>Area<br>(Sft.)<br>(Rs./Sft.)<br>(Revised)*           | 17,500<br>Present<br>Day Rate<br>(Rs./Sft.)<br>(Revised)* | 2,830,135,000<br>Market Value<br>(Rs.)<br>(Revised)*             |             |  |                           |                                   |  |   |   |  |  |      |         |               |             |                |                                   |                          |  |   |   |  |  |         |        |               |
|   | 196,618   | 17,500  | 3,440,815,000  |             |  |                           |                                   |  |   |   |  |  |      |         |               |             |                |                                   |                          |  |   |   |  |  |         |        |               |

CHAIRMAN'S  
INITIALS




MINUTES OF 210<sup>TH</sup> MEETING OF THE BOARD OF DIRECTORS

| DIRECTORS   | HELD AT | ON                          | TIME                |
|---|---------|-----------------------------|---------------------|
| MINUTE BOOK   | KARACHI | 7 <sup>TH</sup> APRIL, 2010 |                     |
| <p>iii) A statement(placed at Annexure-E of the 5<sup>th</sup> meeting of Real Estate and Investment Division Committee) shows the construction cost, land cost and market value at Rs.2,133,605,100, Rs.378,820,000 totalling to Rs.2,512,425,100 and market value at Rs.3,440,815,000.</p> <p>iv) Valuation analysis carried out by M/s. EYFRSH of the above property(placed at Annexure-F of the 5<sup>th</sup> meeting of Real Estate and Investment Division Committee).</p> <p>The Committee further feels that enough due diligence has been done on the project to safe guard the interest of State Life and so that the transaction is carried out at arms length in a fair and transparent manner. The offer for sale of the Centre Point Project was first submitted in the 6<sup>th</sup> meeting of the Real Estate Committee held on 28<sup>th</sup> September, 2009 which was then discussed at the 8<sup>th</sup> meeting of the Real Estate Committee held on 4<sup>th</sup> December, 2009 and at the 205<sup>th</sup>, 206<sup>th</sup>, 207<sup>th</sup>, 208<sup>th</sup> and 209<sup>th</sup> meetings of the Board held on 22-12-2009, 17-02-2010, 02-03-2010, 12-03-2010 and 22-03-2010 respectively. Presentations were given to the Board by the Representatives of M/s. TPL Properties (Pvt) Ltd and Mr. Mahmood Mandviwalla, Legal Consultant to State Life for Centre Point Project in respect of technical, financial and legal aspects of the project.</p> <p>The members of the Committee thanked the Board for trust and confidence reposed in them and hoped that the Board would consider the recommendations of the Committee and take a final decision at its 210<sup>th</sup> meeting.</p> <p>31. It was observed by the Board that entering into joint venture agreement on the basis of market price was irrelevant as State Life was not buying the property on completion but was entering into joint venture agreement when the property is still under construction. The valuation of NESPAK was agreed to by the Board as it was a Government owned Organization.</p> <p>32. The Board observed that as per the letter dated 5<sup>th</sup> April, 2010, the value of construction of covered area of 352,662 sqft., at present day construction cost of Rs.6050 per sqft., works out to Rs.2,133,605.100 to which land cost of Rs.407,960,000 for 2914 sq.yds of plot No.66/3/2, Nai Malir, DEH DIH TAPPO IBRAHIM HYDERI, TALUKA AND DISTRICT KORANGI TOWN, KARACHI valued by M/s. Oceanic Surveyors (Pvt) Ltd vide their letter dated 18-01-2010 be added which totals to Rs.2,512,425,100. The Board agreed to add Rs.258.434.900 to the above for amount spent for approvals of various facilities and cost of mark up on investment to date by M/s. TPL Properties (Pvt) Ltd, as such the agreed purchase price to be offered to the owners of Centre Point should be Rs.2.8 billion.</p> |         |                             |                     |
|   |         |                             | CHAIRMAN'S INITIALS |

MINUTES OF 210<sup>TH</sup> MEETING OF THE BOARD OF DIRECTORS

| DIRECTORS   | HELD AT | ON                          | TIME                |
|---|---------|-----------------------------|---------------------|
| MINUTE BOOK   | KARACHI | 7 <sup>th</sup> APRIL, 2010 |                     |
| <p>33. In response to a request vide letter dated March 30, 2010 from Mr. Jameel Yousuf Partner A&amp;A Associates to attend the next meeting of the Board to clarify and mutually resolve any remaining matter including the final pricing issue as the project was now in its final stages of civil works and needed to be expeditiously finalized, a letter was written to them by State Life welcoming them to be available in State Life Office for any point of discussion that may arise during the Board's deliberation at its above meeting. Accordingly, Mr. Jameel Yousuf and Mr. Ali Jameel were invited by the Board to finalize the above project proposal.</p> <p>34. After deliberation, the Board resolved as under:-</p> <p><b>RESOLVED:</b></p> <p>a) "that a price of Rs.2.8 billion for the Centre Point Project on completion of the project is approved and that State Life would become an equal shareholder of 50% ownership of the project with M/s. TPL Properties (Pvt) Ltd in joint venture company to be listed on the Karachi Stock Exchange."</p> <p>b) "that the Board of Directors of the joint venture company would consist of eight Directors with four Directors each from State Life Insurance Corporation of Pakistan and M/s. TPL Properties (Pvt) Ltd."</p> <p>c) "that the Chairman of the Board of Directors of a joint venture company will always be the Chairman of State Life nominated on the Board of the joint venture company with a casting vote in case of a deadlock."</p> <p>d) "that the Chief Executive Officer of the joint venture company will always be from amongst the Directors nominated on the Board of the joint venture company by M/s. TPL Properties (Pvt) Ltd."</p> <p>e) "that the project proposal of Centre Point Project approved by the Board of State Life has been signed off by Mr. Ansar Hussain, SGM(Investment) and Mr. Mohammad Yahya, ED(RE) as Member of the Real Estate and Investment Division Committee by signing of the minutes spelling out its recommendations to the Board for approval for purchase of the Centre Point Project and price to be offered to owners of Centre Point Project."</p> <p>f) "that any cost over runs in the Centre Point Project would be met by M/s. TPL Properties (Pvt) Ltd out of its own resources without any cost to State Life who would be given 45 days for financing the cost over runs, failing which M/s. TPL Properties (Pvt) Ltd would sell their shareholding equivalent to cost over runs at par value i.e. Rs.10 per share to State Life."</p> |         |                             |                     |
| <p>Action:<br/>ED(RE)<br/>ED(F&amp;A)<br/>DH(Inv)<br/>GM(RE)<br/>DH(REM)<br/>DH(PMD)<br/>DH(Legal))</p>   |         |                             |                     |
|   |         |                             | CHAIRMAN'S INITIALS |




MINUTES OF 210<sup>TH</sup> MEETING OF THE BOARD OF DIRECTORS

| DIRECTORS   | HELD AT   | ON                          | TIME |
|-------------|---|-----------------------------|------|
| MINUTE BOOK | KARACHI   | 7 <sup>th</sup> APRIL, 2010 |      |
|             | <p>g) "that the final offer price ensure that the value of the project at the time of completion on the very first day would show a minimum profit of 10% to State Life as well as M/s. TPL Properties (Pvt) Ltd if the assets with the project were required to be sold off."</p> <p>h) "that the transaction with regard to investment in joint venture company will commence only after the title of the property has been transferred from M/s. A&amp;A Associates to M/s. TPL Properties (Pvt) Ltd."</p> <p>i) "that M/s. NESPAK has verified the increase in rentable area from 161,722 sqft to 196,618 sqft., certified by M/s. Arcop Limited, the architect of the project."</p> <p>j) "that State Life would have the first right to dispose off its shares in the project in case the project failed for any reason."</p> <p>k) "that the offer price of Rs.2.8 billion includes Rs.0.3 billion in respect of fees paid for various approval of various authorities and mark up cost of funding of the project to date by M/s. TPL Properties (Pvt) Ltd."</p> <p>l) "that the Chairman State Life Mr. Shahid Aziz Siddiqi and Mr. Ansar Hussain, SGM(Investment) be and are hereby authorized to execute all documents and take all necessary steps for completing the above deal in the best interest of the Corporation."</p> <p>m) "that Mr. Ansar Hussain, SGM(Investment) has obtained all the information and documentations as regard the Centre Point Project and valuation from M/s. TPL Properties (Pvt) Ltd, owner of Centre Point Project, M/s. NESPAK, M/s. Oceanic Surveyors, M/s. Ernst &amp; Young, M/s. Mahmood Mandviwalla, Legal Consultant of State Life on Centre Point Project and M/s. Rizvi, Isa, Afridi and Angell."</p> <p>n) "that all the documents to be executed and signed be first examined and vetted by Legal Affairs Division of State Life and Mr. Mahmood Mandviwalla, State Life Legal Consultant on the Centre Point Project to protect the interest of State Life as to a) management control, b) exit strategy spelling out in detail the step by step methodology of making of exit by either party without any hindrance c) payment schedule and bench mark amounts and date of payments on the agreed purchase price d) penalty clauses e) obligation and rights as to risk and rewards in case of conflict of interest during the period upto completion, after completion and the maintenance of the building."</p> <p>o) "that State Life would not bear any cost for transfer of the Centre Point Property from M/s A&amp;A Associates to M/s. TPL Properties (Pvt) Ltd."</p> |                             |      |

CHAIRMAN'S  
INITIALS


MINUTES OF 210<sup>TH</sup> MEETING OF THE BOARD OF DIRECTORS

| DIRECTORS<br>MINUTE BOOK   | HELD AT<br>KARACHI | ON<br>7 <sup>th</sup> APRIL, 2010 | TIME   |  |                    |   |         |   |         |  |         |                                  |         |                                  |                |  |                |
|--|--------------------|-----------------------------------|--|--|--------------------|---|---------|---|---------|--|---------|----------------------------------|---------|----------------------------------|----------------|--|----------------|
| <p>p) "that the payment schedule would be as follows:-</p> <p>(i) two cheques totaling Rs.800 million one for clearing bank loan and another to pay the 1<sup>st</sup> tranche.</p> <p>This payment will be made simultaneously on the transfer of the project to M/s. TPL Properties (Pvt) Ltd</p> <p>(ii) The balance amount will be placed in a Escrow Account and will be disbursed under a certificate of architect as follows"</p> <table><tr><td></td><td style="text-align: right;"><u>Amount(Rs.)</u></td></tr><tr><td>At the time of pouring of slab for 20<sup>th</sup> floor</td><td style="text-align: right;">150.0 m</td></tr><tr><td>At the time of pouring of slab for 24<sup>th</sup> floor</td><td style="text-align: right;">120.0 m</td></tr><tr><td>Upon installation of 04 lifts up to 23<sup>rd</sup> floor</td><td style="text-align: right;">100.0 m</td></tr><tr><td>Upon completion of 50% of façade</td><td style="text-align: right;">115.0 m</td></tr><tr><td>Upon completion of 80% of façade</td><td style="text-align: right;"><u>115.0 m</u></td></tr><tr><td></td><td style="text-align: right;"><u>600.0 m</u></td></tr></table> <p>q) "that the project would be completed by 30<sup>th</sup> April, 2011 failing which M/s. TPL Properties (Pvt) Ltd would be liable to pay a penalty to State Life equivalent to rent lost from the total rentable area of 196,618 sqft., at Rs.121 per sq.ft."</p> <p>r) "that a separate wholly owned subsidiary of the joint venture company would be formed for maintenance of the building which would be completed distinct from the owning company and that the contract with the management company for maintenance of the building could be for five years which could be renewed for further period of five years. The management company would be professionally managed which would invite tenancy by multi national companies."</p> <p>s) "that independent qualified Project Manager would be appointed by State Life to check the quality, measurement and specification as given by the architect in the bill of quantities and the payment would be made to the contractor on certification of the Project Manager."</p> <p>ITEM (5) <u>ANY OTHER ITEM WITH THE PERMISSION OF THE CHAIR</u></p> <p>(I) <u>EXTENSION IN CONTRACTUAL APPOINTMENT OF MR. JAMSHED MUJIB AS PRINTING/PUBLICATION CONSULTANT.</u></p> <p>35. General Manager(P&amp;GS) presented before the Board, a Memorandum for extension in contractual appointment of Mr. Jamshed Mujib as Printing/Publication Consultant.</p> |                    |                                   |  |  | <u>Amount(Rs.)</u> | At the time of pouring of slab for 20 <sup>th</sup> floor | 150.0 m | At the time of pouring of slab for 24 <sup>th</sup> floor | 120.0 m | Upon installation of 04 lifts up to 23 <sup>rd</sup> floor | 100.0 m | Upon completion of 50% of façade | 115.0 m | Upon completion of 80% of façade | <u>115.0 m</u> |  | <u>600.0 m</u> |
|  | <u>Amount(Rs.)</u> |                                   |  |  |                    |   |         |   |         |  |         |                                  |         |                                  |                |  |                |
| At the time of pouring of slab for 20 <sup>th</sup> floor  | 150.0 m            |                                   |  |  |                    |   |         |   |         |  |         |                                  |         |                                  |                |  |                |
| At the time of pouring of slab for 24 <sup>th</sup> floor  | 120.0 m            |                                   |  |  |                    |   |         |   |         |  |         |                                  |         |                                  |                |  |                |
| Upon installation of 04 lifts up to 23 <sup>rd</sup> floor   | 100.0 m            |                                   |  |  |                    |   |         |   |         |  |         |                                  |         |                                  |                |  |                |
| Upon completion of 50% of façade   | 115.0 m            |                                   |  |  |                    |   |         |   |         |  |         |                                  |         |                                  |                |  |                |
| Upon completion of 80% of façade   | <u>115.0 m</u>     |                                   |  |  |                    |   |         |   |         |  |         |                                  |         |                                  |                |  |                |
|  | <u>600.0 m</u>     |                                   |  |  |                    |   |         |   |         |  |         |                                  |         |                                  |                |  |                |
|  |                    |                                   | CHAIRMAN'S INITIALS<br> |  |                    |   |         |   |         |  |         |                                  |         |                                  |                |  |                |



MINUTES OF 210<sup>TH</sup> MEETING OF THE BOARD OF DIRECTORS

| DIRECTORS   | HELD AT | ON                          | TIME |
|---|---------|-----------------------------|------|
| MINUTE BOOK   | KARACHI | 7 <sup>th</sup> APRIL, 2010 |      |
| <p>36. The Board was informed that State Life Insurance Corporation of Pakistan has a large volume of documents and stationery items for printing and processing through a centralized mechanism to ensure quality and specifications. Mr. Jamshed Mujib having professional experience in this field has been hired on the recommendations of HR Committee at its 2<sup>nd</sup> meeting held on 7<sup>th</sup> April, 2009 which was approved by the Board at its 200<sup>th</sup> meeting held on 28<sup>th</sup> April, 2009. As recommended by HR Committee, the Board had approved his appointment at a fixed monthly remuneration of Rs.60,000 per month w.e.f. 11-05-2009 for a period of six months extendable for another six months by Chairman State Life. His contract was extended for further six months w.e.f. 18-11-2009 with the approval of Chairman, State Life, which ended on 17-04-2010.</p> <p>37. The Board was informed that his presence as Consultant with the Corporation has also helped in capacity building of officers/staff dealing with printing/publication, quality, standards and procurement process.</p> <p>38. GM(P&amp;GS) recommended to the Board that it is in the interest of the Corporation that his services may further be utilized till a suitable arrangement according to the standard requirements is made, as such, it was proposed that Mr. Jamshed Mujib may be hired for a further period of one year effective from 18-04-2010 onwards at a remuneration of Rs.75,000 per month taking into account the increase in cost of living/inflation etc.</p> <p>39. Accordingly, the Board resolved as under:</p> <p><b>RESOLVED:</b><br/>         "that as recommended by GM(P&amp;GS), the contractual appointment of Mr. Jamshed Mujib as Printing/Publishing Consultant for a further period of one year with effect from 18-04-2010 at a monthly remuneration of Rs.75,000 is approved."</p> <p>(II) <b>REIMBURSEMENT OF MEDICAL EXPENSES AT ABROAD<br/>         OF MASTER INSHAL S/O MR. SHOAB MIR, ED(PHS)</b></p> <p>40. General Manager(P&amp;GS) presented before the Board, a Memorandum regarding reimbursement of medical expenses at abroad of Master Inshal S/o Mr. Shoaib Mir, ED(PHS).</p> <p>41. The Board was informed that Master Inshal S/o Mr. Shoaib Mir, Executive Director(PHS) had met with an unfortunate road traffic accident on 6<sup>th</sup> November, 2008. The child remained in Coma for three weeks and also suffered fractured femur and was bed ridden for quite long time. His right eye was also damaged due to severe trauma. Master Inshal had consulted various doctors for his treatment, however, no doctor in Pakistan gave assurance for complete retention of his vision.</p> |         |                             |      |

Action:  
ED(P&GS)  
DH(P&GS)

CHAIRMAN'S  
INITIALS

4

MINUTES OF 210<sup>TH</sup> MEETING OF THE BOARD OF DIRECTORS

| DIRECTORS   | HELD AT  | ON                          | TIME |
|-------------|--|-----------------------------|------|
| MINUTE BOOK | KARACHI  | 7 <sup>th</sup> APRIL, 2010 |      |
|             | <p>42. Mr. Shoaib Mir also took consultation from Prof. Dr. Javed Hassan Niazi, Head of Department of Ophthalmology(JPMC) who gave a certificate that the patient had perforated injury of right eye followed by vitreous Hemorrhage with extensive retinal detachment PVR Grade-C and treatment for such complicated retinal detachment is not available in Pakistan. Therefore, Mr. Shoaib Mir took treatment of his son from Moorfields Eye Hospital, Dubai.</p> <p>43. The total expenses incurred on oculoplastic surgery were AED 31,624 converted into Pak Rupees equivalent of Rs.716,583/- beside ticket and boarding expenses of Rs.138,832. The total expenses as claimed for reimbursement inclusive of treatment cost, ticketing and boarding was Rs.855,415.</p> <p>44. DH(P&amp;GS) informed the Board that though the medical rules of the Corporation do not allow treatment abroad, however, since such type of eye treatment was not available in our country as per statement of Prof. Dr. Javed Hassan Niazi, Head of Department Ophthalmology (JPMC) at Annexure-C to the Memorandum, the request of Mr. Shoaib Mir, Executive Director(PHS) for reimbursement of sum of Rs.855,415 may be considered by the Board for approval.</p> <p>45. Accordingly, the Board resolved as under:</p> <p><b>RESOLVED:</b><br/> "that as recommended by GM(P&amp;GS), the reimbursement of ticket, boarding and oculoplastic surgery expenses of overseas treatment of Master Inshal s/o Mr. Shoaib Mir, ED(PHS/R&amp;A) amounting to Rs.855,415, is hereby approved due to non availability of treatment of complicated retinal detachment in Pakistan."</p> <p>(III) <b>CONTRACTUAL APPOINTMENT OF MS. IRIS JOHANNES AS EXECUTIVE SECRETARY TO THE CHAIRMAN.</b></p> <p>46. General Manager(P&amp;GS) presented before the Board, a Memorandum for fresh contractual appointment for a period of one year w.e.f. 15<sup>th</sup> April, 2010 of Ms. Iris Johannes as Executive Secretary to the Chairman.</p> <p>47. Ms. Iris Johannes has a vast experience of over 10 years working in the insurance industry and over 20 years working experience in Pakistan and abroad and has completed Management Courses from the Institute of Business Administration.</p> <p>48. The Board was informed that she has been working as Executive Secretary since 1986 to the President of Pakistan Services Limited, the owners and operators of the 5 Pearl Continental Hotels in Pakistan and also performed duty in the same capacity with the Chairman of National Insurance Company Limited from 2001 till September 2009.</p> |                             |      |


Action:  
ED(P&GS)  
DH(P&GS)  
DGM(Med)

CHAIRMAN'S  
INITIALS

*[Handwritten Signature]*



MINUTES OF 210<sup>TH</sup> MEETING OF THE BOARD OF DIRECTORS

| DIRECTORS  | HELD AT  | ON                          | TIME |
|--|--|-----------------------------|------|
| MINUTE BOOK                                      | KARACHI  | 7 <sup>th</sup> APRIL, 2010 |      |
| <p>Action:<br/>ED(P&amp;GS)<br/>DH(P&amp;GS)</p> | <p>49. The Board was further informed that she was appointed in State Life Insurance Corporation on contract basis as Deputy Manger and is working as an Executive Secretary successfully. Her contract is expiring on 14<sup>th</sup> April, 2010 and as there is a dire need of an Executive Secretary in the Chairman's Sectt., It is recommended that she may be given a fresh contractual appointment for a period of one year with effect from 15<sup>th</sup> April, 2010 at a lump sum remuneration of Rs.50,000 per month as Executive Secretary to the Chairman.</p> |                             |      |
|  | <p>50. Accordingly, the Board resolved as under:</p>   |                             |      |
|  | <p><b>RESOLVED:</b><br/>"that the recommendation of GM(P&amp;GS) to give Ms. Iris Johannes a fresh contractual appointment for a period of one year with effect from 15<sup>th</sup> April, 2010 at a lump sum remuneration of Rs.50,000 per month as Executive Secretary to the Chairman, is hereby approved."</p>  |                             |      |
|  | <p>(IV) <u>APPOINTMENT OF GM(RE) AND GM(BANCASSURANCE)</u></p>   |                             |      |
|  | <p>51. General Manager(P&amp;GS) presented before the Board, a Memorandum for information of the Board of appointments of General Manager(Real Estate) and General Manager(Bancassurance).</p>   |                             |      |
|  | <p>52. The Board was informed that Real Estate is an important component of State Life Insurance Corporation's investments of life fund and SLIC owns many building all over the Pakistan, which are either used for its own offices or rented out to earn rental out to earn rental income. In order to get competitive rentals, it is required to maintain and renovate the buildings according to company requirements.</p>   |                             |      |
|  | <p>53. Moreover, Bancassurance is a latest marketing technique being used by Insurance Companies to penetrate into the untapped Insurance Market and to acquire the business. GM(P&amp;GS) submitted that State Life is planning to commence bancassurance business very soon and there was need to develop a Bancassurance Cell, which is required to be headed by a technically qualified and experienced person.</p>  |                             |      |
|  | <p>54. DH(P&amp;GS) further informed that the existing manpower of SLIC is lacking expertise in both the fields and it was felt to appoint two persons having relevant qualifications and experience from the market at the rank of General Manager for the above mentioned assignments.</p>   |                             |      |
|  | <p>55. Part-III of State Life Employees (Service) Regulations 1973 relating to appointments, probation, confirmation, increments and promotions, empowers Chairman State Life to appoint General Manager on the recommendations of constituted Selection Committee. Copy of regulation is attached with the Memorandum.</p>  |                             |      |
|  | <p>CHAIRMAN'S INITIALS</p>    |                             |      |

MINUTES OF 210<sup>TH</sup> MEETING OF THE BOARD OF DIRECTORS

| DIRECTORS   | HELD AT | ON                          | TIME |
|-------------|---------|-----------------------------|------|
| MINUTE BOOK | KARACHI | 7 <sup>th</sup> APRIL, 2010 |      |

56. On the basis of above mentioned Service Regulations, the advertisements for the purpose were released in print media. After strict scrutiny and fulfillment of codal formalities by the respective high powered constituted selection committees, Lt. Col. @ Mohsin Ali Shah and Mr. Shahid Fareed Qazi have been appointed General Manager(RE) and General Manager(Bancassurance) respectively for the period of two years on contract basis. Curriculum Vitae of both the officers were attached with the Memorandum.

Action:  
ED(P&GS)  
DH(P&GS)  
GM(RE)  
GM(Banca  
ssurance)

57. The above information provided by GM(P&GS) relating to appointments of Lt. Col. @ Mohsin Ali Shah and Mr. Shahid Fareed Qazi as GM(Real Estate) and GM(Bancassurance) was noted by the Board who desired to meet them in the next meeting.

**(V) REMARKABLE ACHIEVEMENT OF STATE LIFE DURING THE TENURE OF MR. SHAHID AZIZ SIDDIQI, PRESENT CHAIRMAN STATE LIFE.**

58. Syed Hur Riahi Gardezi presented before the Board on behalf of the Members of the Board, appreciation of the services rendered by the present Chairman to State Life, which commenced on 12-6-2008 and expires on 11-6-2010. State Life's achievement under the dynamic and able leadership of the present Chairman can be measured from the figures given below for the year ending 31-12-2007, 31-12-2008 and provisional figures for the year ending 31-12-2009:-

| S.No. | Particulars                           | 2007        | 2008        | 2009<br>(Provisional) |
|-------|---------------------------------------|-------------|-------------|-----------------------|
| 1     | First Year Premium<br>(Pak Life Fund) | 3,715,71    | 4,981,873   | 6,974,669             |
| 2     | Renewal Premium<br>(Pak Life Fund)    | 11,629,994  | 13,428,043  | 16,935,694            |
| 3     | Total Premium<br>(Pak Life Fund)      | 15,345,165  | 18,409,916  | 23,910,363            |
| 4     | Group Premium                         | 2,821,535   | 3,564,149   | 3,439,177             |
| 5     | Investment Income                     | 17,103,562  | 18,696,912  | 21,163,802            |
| 6     | Total Gulf Premium                    | 660,966     | 841,042     | 1,089,136             |
| 7     | Pakistan Life Fund                    | 154,238,664 | 173,763,036 | 195,563,538           |
| 8     | Overseas Life Fund                    | 2,382,339   | 3,569,380   | 4,377,124             |
| 9     | Total No. of Policies                 | 2,348,791   | 2,568,698   | 2,895,354             |

Action:  
ED(P&GS)  
DH(P&GS)

59. The Board reviewed the above figures which speaks for itself the unprecedented growth achieved by State Life under the able and dynamic leadership of the present Chairman Mr. Shahid Aziz Siddiqi and unanimously decided to recommend to the Ministry of Commerce to extend the services of Mr. Shahid Aziz Siddiqi as Chairman State Life for a further period of two years so as to ensure continuity in the growth of the Corporation and its future plans.

60. The meeting ended with vote of thanks to the chair.

*Shahid Aziz Siddiqi*  
(CHAIRMAN)

CHAIRMAN'S  
INITIALS

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