

MINUTES OF 226<sup>TH</sup> MEETING OF THE BOARD OF DIRECTORS

DIRECTORS MINUTE BOOK	HELD AT <b>KARACHI</b>	ON <b>4<sup>TH</sup> JULY, 2012</b>	TIME																		
<p style="text-align: center;"><b><u>CONFIDENTIAL AND RESTRICTED</u></b></p> <p>The 226<sup>th</sup> Meeting of the Board of Directors of State Life Insurance Corporation of Pakistan was held on Wednesday, 4<sup>th</sup> July, 2012 at 11.00 a.m. in the Board Room, State Life Building No.9, Dr. Ziauddin Ahmed Road, Karachi.</p> <p><b><u>PRESENT:</u></b></p> <table><tr><td>1. Mr. Shahid Aziz Siddiqi</td><td>Chairman</td></tr><tr><td>2. Mr. Kamran Ali Qureshi</td><td>Director</td></tr><tr><td>3. Mr. Husain Lawai</td><td>Director</td></tr><tr><td>4. Mr. Farooq Hadi</td><td>Director</td></tr><tr><td>5. Mr. Wazir Ali Khoja</td><td>Director</td></tr><tr><td>6. Mr. Tufail Shaikh</td><td>Director</td></tr><tr><td>7. Mr. Furqan A. Shaikh</td><td>Director</td></tr><tr><td>Mr. Akbarali Hussain</td><td>Secretary Board</td></tr></table> <p><b><u>LEAVE OF ABSENCE:</u></b></p> <table><tr><td>1. Mr. Nihal Anwar</td><td>Director</td></tr></table> <p>2. The meeting started with recitation of verses from the Holy Quran by the Chairman.</p> <p><b>ITEM (1) CONFIRMATION OF MINUTES OF 225<sup>th</sup> MEETING OF THE BOARD OF DIRECTORS.</b></p> <p>3. The minutes of the 225<sup>th</sup> meeting of the Board of Directors held on 30<sup>th</sup> April, 2012 were placed before the Board.</p> <p>Item No.4 para-26(d) of minutes of 225<sup>th</sup> meeting of the Board – Approval of State Life's Annual Accounts together with Auditors Report and Management Letter thereon for the year ended 31<sup>st</sup> December, 2011.</p> <p>4. Mr. Husain Lawai, Director pointed out that in Item No.4 para-26(d) the word "Unit Linked Policies" be substituted with the word "Investment Linked Policies".</p> <p>5. Subject to the above amendment, Mr. Tufail Shaikh, Director proposed and Mr. Wazir Ali Khoja, Director seconded that the minutes of 225<sup>th</sup> meeting of the Board of Directors be confirmed.</p> <p>6. Accordingly, it was resolved as under:-</p> <p><b><u>RESOLVED:</u></b> "that the Minutes of 225<sup>th</sup> meeting of Board of Directors held on 30<sup>th</sup> April, 2012 are confirmed subject to the above amendment."</p> <p><b><u>Notification of the Ministry of Commerce, Government of Pakistan dated 27<sup>th</sup> June, 2012</u></b></p> <p>7. The Secretary Board informed the Members of the Board that a Notification No.2(30)/2009-Ins dated 27<sup>th</sup> June, 2012 has been received from Mr. Ahsan Riaz Chaudhary, Section Officer (Insurance), Ministry of Commerce notifying that in</p>				1. Mr. Shahid Aziz Siddiqi	Chairman	2. Mr. Kamran Ali Qureshi	Director	3. Mr. Husain Lawai	Director	4. Mr. Farooq Hadi	Director	5. Mr. Wazir Ali Khoja	Director	6. Mr. Tufail Shaikh	Director	7. Mr. Furqan A. Shaikh	Director	Mr. Akbarali Hussain	Secretary Board	1. Mr. Nihal Anwar	Director
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Action:  
Actuarial  
Marketing  
Divisions

Action:  
Secretary  
(Board)

CHAIRMAN'S  
INITIALS




MINUTES OF 226<sup>TH</sup> MEETING OF THE BOARD OF DIRECTORS

DIRECTORS	HELD AT	ON	TIME																								
MINUTE BOOK	KARACHI	4 <sup>TH</sup> JULY, 2012																									
	<p>pursuance of the Prime Minister's Secretariat (Public) U.O.No.1998/PSPM/12 dated 18<sup>th</sup> June, 2012, Mr. Shahid Aziz Siddiqi, Chairman, State Life Insurance Corporation of Pakistan has been granted extension in his contract appointment for a period of one year w.e.f. 12-06-2012 on existing terms and conditions and until further orders.</p> <p>8. The Board of Directors congratulated Mr. Shahid Aziz Siddiqi, Chairman, SLIC on extension of his contract appointment and expressed their appreciation to the Government of Pakistan, Ministry of Commerce for having agreed to the resolution of the Board passed at its 224<sup>th</sup> meeting held on 10<sup>th</sup> April, 2012 recommending extension in the services of the Chairman for a further period. The Board assured the Chairman of full support and assistance in the smooth running of the Corporation. The Board appreciated the excellent service being rendered by the Chairman in the growth and continued progress of the Corporation during his tenure in which the first year premium, second year premium, renewal premium, life fund, bonus to policyholders, number of policies (individual life) and number of lives insured under group life insurance respectively has increased as under:-</p> <table border="1"><thead><tr><th>Title</th><th>2007</th><th>2011</th></tr></thead><tbody><tr><td>First Year Premium</td><td>Rs. 3.698 billion</td><td>Rs. 11.642 billion</td></tr><tr><td>Second Year Premium</td><td>Rs. 2.737 billion</td><td>Rs. 8.011 billion</td></tr><tr><td>Renewal Premium</td><td>Rs. 8.845 billion</td><td>Rs. 19.258 billion</td></tr><tr><td>Life Fund</td><td>Rs. 156.737 billion</td><td>Rs.270.070 billion</td></tr><tr><td>Bonus to Policyholders</td><td>Rs. 9.940 billion</td><td>Rs. 19.505 billion</td></tr><tr><td>No. of Policies(Individual life)</td><td>2,348,791</td><td>3,774,325(estimated)</td></tr><tr><td>No. of Policies(Group life)</td><td>4,061,865</td><td>8,112,644</td></tr></tbody></table> <p><b>ITEM (2) IMPLEMENTATION REPORTS ON DECISION TAKEN IN 225<sup>TH</sup> MEETING OF BOARD HELD ON 30<sup>TH</sup> APRIL, 2012.</b></p> <p>9. Implementation report of 225<sup>th</sup> meeting held on 30<sup>th</sup> April, 2012 of the Board of Directors were placed before the Board which were noted.</p> <p>10. Mr. Husain Lawai, Director pointed out that an opinion be obtained by P&amp;GS Division in coordination with Legal Affairs Division from a corporate lawyer in the matter of VRSS and a detailed report be submitted at its next meeting to the Board of Directors together with significant liability that may arise in case of any adverse decision.</p> <p>11. The Board also desired that the final draft of delegation of financial powers after incorporation of changes if any be submitted to the Board of Directors for review and approval in the 227<sup>th</sup> meeting of the Board.</p> <p>12. The Board also directed that henceforth the terms of reference and the date by which the assignment is to be completed should be incorporated in the Office Order through which Committees are constituted to carry out an assignment given by the Board from time to time.</p> <p>13. P&amp;GS Division was requested to ensure that all the existing Committees currently involved in carrying out assignments given by the Board should complete their task at the earliest but not later than 31<sup>st</sup> August, 2012. The terms of reference</p>			Title	2007	2011	First Year Premium	Rs. 3.698 billion	Rs. 11.642 billion	Second Year Premium	Rs. 2.737 billion	Rs. 8.011 billion	Renewal Premium	Rs. 8.845 billion	Rs. 19.258 billion	Life Fund	Rs. 156.737 billion	Rs.270.070 billion	Bonus to Policyholders	Rs. 9.940 billion	Rs. 19.505 billion	No. of Policies(Individual life)	2,348,791	3,774,325(estimated)	No. of Policies(Group life)	4,061,865	8,112,644
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Action: P&GS Legal Affairs Divisions																											
Action: F&A Division																											
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Action: P&GS Division																											
	<div>CHAIRMAN'S INITIALS</div> 																										



MINUTES OF 226<sup>TH</sup> MEETING OF THE BOARD OF DIRECTORS

DIRECTORS	HELD AT	ON	TIME
MINUTE BOOK	KARACHI	4 <sup>TH</sup> JULY, 2012	
F&A P&GS F&A P&GS  IA&C/ P&GS  LAD/F&A  P&GS/LAD Marketing P&GS  RE F&A  LAD  Action: P&GS R&A Division	<p>of the Committees include:-</p> <ul style="list-style-type: none"> <li>• Delegation of Financial Powers ✓</li> <li>• Delegation of Administrative Powers ✓</li> <li>• Policy/SOPs for making provision and identification of contingent liabilities. ✓</li> <li>• Position as to why F&amp;A Division was not informed to make provision in respect of restoration of Officers Pension Scheme 1984 in the final accounts of the Corporation for the year 2010. ✓</li> <li>• Anti Fraud Program and Controls including a Whistle Blowing Policy for reporting of frauds and protection of whistle blower. ✓</li> <li>• Review of all the existing cases of State Life in the court of law and to work out any significant liability that may arise from adverse decision if any and making necessary provision in the books of accounts.</li> <li>• Status of VRSS cases.</li> <li>• Write off of long outstanding commission payable to agents.</li> <li>• Drafting of a Pension Scheme in consultation with the Appointed Actuary for the existing officers of the Corporation. ✓</li> <li>• Matter of State Life Property in Faisalabad pending in court of law.</li> <li>• Inquiry report to fix responsibility of the executives and staff responsible for not making any provision of pension liability in the accounts of State Life.</li> <li>• Restructuring of Legal Affairs Division. ✓</li> </ul> <p>14. The Board further directed that P&amp;GS Division should evolve a policy to induct qualified and experienced professionals in the R&amp;A Division to carry out assignments that may be given from time to time to develop new products and plans to be marketed by State Life.</p> <p><b>ITEM (3) CONSIDERATION AND APPROVAL OF MINUTES OF 22<sup>ND</sup> MEETING OF REAL ESTATE AND INVESTMENT COMMITTEE HELD ON 10<sup>TH</sup> MAY, 2012</b></p> <p>15. The minutes of the 22<sup>nd</sup> meeting of Real Estate and Investment Committee held on 10<sup>th</sup> May, 2012 were presented before the Board of Directors for consideration and approval of decisions/recommendations made by the Committee were placed before the Board. A copy of the minutes duly signed by the Chairman(REIC) is placed at Annexure-A to the Minutes.</p> <p>16. Accordingly, the Board resolved as under:</p> <p><b>RESOLVED:</b>  "that the minutes of 22<sup>nd</sup> meeting of Real Estate and Investment Committee held on 10<sup>th</sup> May, 2012 together with observations/recommendations for Agenda Item 1 to 4 are confirmed."</p> <p>"that the Memorandum in respect of full and final settlement of investment of Rs. 100 million of COIs with First Dawood Investment Bank Limited be resubmitted to the Board as per directives given by the Board at the next meeting of the Board for final decision."</p>		
Action: Secretary (REIC) Investment Division	CHAIRMAN'S INITIALS 		


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DIRECTORS	HELD AT	ON	TIME
MINUTE BOOK	KARACHI	4 <sup>TH</sup> JULY, 2012	
<p><b>ITEM (4) <u>POSITION PAPER ON FIRST DAWOOD INVESTMENT BANK.</u></b></p> <p>17. Divisional Head(Investment) presented before the Board, a Position Paper on First Dawood Investment Bank. The salient features of the Memorandum are as under:-</p> <p><b>1. Issue:</b></p> <p>Real Estate Investment Committee of the Board in its meeting held on 10<sup>th</sup> May 2012, advised Divisional Head Investment to place proposal for full &amp; final settlement of loan defaulted by First Dawood Investment Bank to the Board for consideration.</p> <p><b>2. Background of the Case:</b></p> <p>On request of First Dawood Investment Bank, Investment Committee approved placement of Rs.100 mn in COIs of FDIBL @ 17% p.a. for a period of three months. The bank was rated "A" by PACRA at the time of investment. The funds were placed on 8<sup>th</sup> October 2008.</p> <p>A cheque of Rs.4,378,082 was received on 24<sup>th</sup> January 2009 from FDIBL as markup on Rs.100 mn accrued from 12<sup>th</sup> Oct 2008 to 11<sup>th</sup> Jan 2009.</p> <p>Since then, the various requests and proposals for further rescheduling were received from the Bank which were considered and conditionally approved in view of liquidity problems faced by the banking industry as a whole and by the Bank in particular. However, no final agreement was arrived at and the bank was repeatedly advised to pay the principal and markup thereon.</p> <p>A similar proposal of FDIBL was submitted to the Board in its 220<sup>th</sup> meeting held on 30<sup>th</sup> May 2011 which was not accepted, however, advised for valuation of Dawood Family Takaful. Valuation was carried out by M/s: Riaz &amp; Company, Chartered Accountants, which valued shares of the company in a range of Rs.1.00 to Rs.1.50 per share, thereby, rendering the proposition stated above unviable for further consideration.</p> <p>Consequently, Investment Committee in its meeting held on 15<sup>th</sup> May 2009 decided to initiate legal action against the bank for recovery of loan. A Court case was filed on 19<sup>th</sup> December 2009 against the bank. There have been two hearings so far. Statements of both the parties have been recorded. It is to be noted that the FDIBL had categorically accepted its liabilities to State Life for Principal payment of Rs.100 mn and mark up accrued so far @ 17% p.a. The case is to be proceeded for arguments in the next hearing.</p> <p><b>3. An effort to settle the issue by adopting non-traditional platform.</b></p> <p>State Life entered into mediation with First Dawood Investment Bank to reach an amicable out of court settlement under the supervision of Karachi Centre for Dispute Resolution. KCDR; a Mediation Centre established under the law and with the approval of the Sindh High Court. Various meetings held between State Life and FIDBL in the presence of designated mediator by KCDR which ultimately led to submission of following proposal by FDIBL through its letter no.</p>			

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<p>FDIBL/MBD/3023 dated 7<sup>th</sup> May 2012 as a full &amp; final settlement with FIDBL:</p> <ul style="list-style-type: none"><li>• To pay Rs.20 million as upfront payment.</li><li>• Offered =8.4= million shares of Burj Bank at a price of Rs.10.00 per share totaling to Rs.84.00 mn.</li><li>• Offered residential Flat No. 7, 4<sup>th</sup> Floor, Madina Height, Block 7 &amp; 8 of CP Berar Cooperative Society, Karachi, valuing Rs. 4.5 million.</li></ul> <p>The proposal submitted before Real Estate Investment Committee of Board in its meeting held on 10<sup>th</sup> May 2012, wherein the issue was deliberated in detail. Copy of the memo submitted to REIC is attached as Annexure "A". The committee deliberated on the issue and resolved as follows:</p> <p><i>"That the full &amp; final settlement offered by the First Dawood Investment Bank may be presented to Board of Directors i.e.</i></p> <table><tr><td>a- Upfront Cash payment</td><td>Rs. 20.0 million</td></tr><tr><td>b- Residential Flat at price of</td><td>Rs 4.50 million</td></tr><tr><td>c- Share of Burj Bank (8.4 mn @ Rs.10 each)</td><td><u>Rs. 84.0 million</u></td></tr><tr><td>Total</td><td>Rs.108.50 million</td></tr></table> <p><i>However, the first and the only interest received from FDIBL amounting to Rs.4.378 mn should also be considered as part of the final settlement. The Committee also advised that presentation of the case before Board must proceed following actions on part of concerned authority.</i></p> <p><i>a- Real Estate Division to get the Property, Flat No.7 &amp; 8 of CP Barar Society, offered by FDIBL be evaluated and ensured that the title of the property is in name of FDIBL and is free from any encumbrances. Further to this it is transferrable to State Life in vacant possession.</i></p> <p><i>b- In view of acceptance of =13.5= million shares of Burj Bank by Allied Bank Ltd., at Rs.10 per share in settlement of their long term financing facilities of Rs. 135.0 mn, State Life may also accept =8.4= million shares of Burj Bank at the same price totaling to Rs. 84.0 mn.</i></p> <p><i>c- Advised DH Investment to assure that consent agreement to be prepared by KCDR must include a clause that in case of non-compliance to the implementation of settlement agreement by FDIBL after the issuance of decree, the FDIBL would be liable to pay the Principal plus the interest accrued till the date of violation of the agreement and that will lead to restoration of original claim as per terms of COIs from the date of placement of funds with them.</i></p>				a- Upfront Cash payment	Rs. 20.0 million	b- Residential Flat at price of	Rs 4.50 million	c- Share of Burj Bank (8.4 mn @ Rs.10 each)	<u>Rs. 84.0 million</u>	Total	Rs.108.50 million
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<p><i>d- State Life will not enter into any type of transactions with FDIBL or any of its directors or its subsidiaries for the next five years.</i></p> <p>4. Admissibility of assets offered by FDIBL to settle the loan.</p> <p>a. The Burj Bank.</p> <p>As per 309(K)/1972 the Corporation can purchase share of listed or non listed companies provided that the company has track record of dividend five years in consecutive or it has declared dividend five years out of seven years. However, the Board may take into cognizance that Burj Bank though incorporated in Pakistan in 2005 but in fact started its commercial operation in 2007 after acquiring major equity stake in Dawood Islamic Bank. During first two initial years of its operations, the bank was in profit but reported loss consecutively from 2009 to 2011 due to financial meltdown in global financial market and unprecedented flood in the country in 2010. Thereby, no dividend declared by the bank. The bank has reported profit of Rs.23.5 million for the first quarter of 2012. As shares of Burj Bank have been offered against the settlement of loan, thereby, it should not be considered as a regular investment where adherence to compliance is ensured maximally.</p> <p>b. The Real Estate Property, Flat No. 7, 4<sup>th</sup> Floor, Madina Height, Block 7 &amp; 8 of CP Berar Cooperative Society, Karachi.</p> <p>Clause 32(a) of Insurance Ordinance 2000 permits the Corporation in investing in Real Estate. Though a restriction has been placed on government entities from investing/purchasing Real Estate Property without prior approval from Ministry of Commerce but the acquisition of aforesaid property is not a straight purchase rather is being accepted as a settlement against defaulted loan and again acceptance of which is subject to compliance of regulatory and non regulatory requirements such as clearance of title, valuation report from NESPAK and physical possession status.</p> <p>5. Implementation of Settlement:</p> <p>The procedure State Life will be required to pursue, in case, the Board approves the proposed Settlement Resolution as under:</p> <p>Legally the approved settlement would be formally reduced in writing at KCDR which will be signed by the competent and nominated persons from both the sides in presence of Mediators in the form of settlement Agreement. Then an application under Order 23 CPC will be filed in the High Court, (where the suit between the parties relating to the dispute is pending) jointly by the parties and their advocates along with the original signed settlement deed for passing a decree in terms of the settlement deed. The court will finally pass an order on the application under Order 23 CPC with the consent of the parties and their advocates accordingly and the suit will be decreed in terms of settlement deed with no order to the costs. (Annexure B).</p> <p>6. Board's authority to waive/write off mark up.</p> <p>In the REIC meeting held on 10<sup>th</sup> May 2012, issue of authority of Board to waive off remaining amount of markup came under consideration. After reviewing the functions of the Corporation as stated in LINO in para-14 Chapter-IV, it was decided</p>			

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<p>by the REIC that Investment Division/Legal Affairs Division may refer the matter to well reputed corporate lawyer/firm seeking legal opinion as to whether under the Life Insurance Nationalization Order (LINO), the Board of Directors is competent to waive the referred amount of remaining markup.</p> <p>The opinion of Legal Affairs Division sought, which suggested that LINO is silent about process of write off of doubtful receivable. However, past practice and precedent of writing off such receivable by the Board may be ascertained with help of Finance &amp; Account Division. In this regard delegation of Financial Chart of the Corporation and Code of Corporate Governance may also be consulted.</p> <p>Upon receipt of opinions from Legal Affairs Division the matter was referred to F&amp;A Division for comments; have furnished extract of guideline No.87 of the Delegation of Financial Powers and Chart of Delegation. Both the documents clearly suggest that the Board has authority of write off-Bad Debts (Annexure "B").</p> <p><b><i>"Bad debts can only be written off after approval of the Board of Directors of the Corporation."</i></b></p> <p>Further to this, there are precedents on which the Board has waived off Bad-debts in the past, such as:</p> <ul style="list-style-type: none"><li>a- In its 40<sup>th</sup> meeting held on 8<sup>th</sup>/15<sup>th</sup> May 1976, the Board approved waive off interest and other charges on loan taken by Mr. Nasir Ahmad Sheikh, write off outstanding interest of Mrs. Shams Khaleeli and waived off markup and cost of suit of Brigadier Hamed Shah amounting to Rs.5,824.02, Rs.10,000 and Rs.10,757.07 respectively.</li><li>b- In its 44<sup>th</sup> meeting held on 9<sup>th</sup> to 15<sup>th</sup> June 1977, the Board written off penal interest on mortgage of Mr. Nooruddin Ahmed and Dr. S.S.A. Zaidi.</li><li>c- In its 102<sup>nd</sup> meeting held on 11<sup>th</sup> November 1990, written off balance amount of Rs.13,124/- mortgage loan of Mr. Wajiudding.</li></ul> <p>7. Recommendation:</p> <p>Therefore, the Board is requested to pass the following resolution:</p> <p><b><i>Resolved that:</i></b></p> <p><b><i>"The settlement package with First Dawood Investment Bank is approved for the settlement of Rs.157.986 million, inclusive of Principal of Rs.100 million along with accrued interest therein of Rs.57.986 million as at 30<sup>th</sup> June 2012, against investment in COIs of FDIBL amounting to Rs.100 million at rate of 17% per annum on 8<sup>th</sup> October 2008 against settlement package carrying face value of Rs.112.87 million with break up appearing as under:</i></b></p> <table><tr><td>a- Upfront Cash payment</td><td>Rs. 20.00 million</td></tr><tr><td>b- Share of Burj Bank (8.4 mn @ Rs.10 each)</td><td>Rs. 84.00 million</td></tr><tr><td>c- Residential Flat*</td><td>Rs. 4.50 million</td></tr><tr><td>d- Interest paid</td><td>Rs. 4.37 million</td></tr><tr><td>Total</td><td>Rs.112.87 million</td></tr></table> <p>*Valuation report from NESPAK will be submitted in the meeting</p>				a- Upfront Cash payment	Rs. 20.00 million	b- Share of Burj Bank (8.4 mn @ Rs.10 each)	Rs. 84.00 million	c- Residential Flat*	Rs. 4.50 million	d- Interest paid	Rs. 4.37 million	Total	Rs.112.87 million
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	<p><i>The difference of Rs. 45.12 million ( 157.986 – 112.87 ) is waived off under the head of "Accrued Interest" in view of the above settlement package offered by FIDBL through KCDR.</i></p> <p><i>The approval is subject to meeting following conditions:</i></p> <p>a- <i>That the consent agreement prepared by KCDR must contained a clause that in case of non-compliance to the implementation of consent agreement by FDIBL after the issuance of decree, the FDIBL would be liable to pay the Principal plus the interest accrued thereon till the date of violation of the agreement and that will lead to restoration of original claim as per terms of COIs from the date of placement of funds with them."</i></p> <p>b- <i>That State Life will not enter into any type of transactions with FDIBL or any of its directors or its subsidiaries for the next five years."</i></p> <p>18. After deliberations, the Board directed DH(Investment) to resubmit the Memorandum at its next meeting after reviewing the status of the outstanding interest in the books of accounts in the light of the existing investment and accounting policy of State Life Insurance Corporation of Pakistan, chart of delegation of financial powers of the Corporation and the International Accounting Standards alongwith a certificate obtained from the external auditors certifying the amount of mark up to be written off and waived by the Directors.</p> <p>19. The Board requested DH(Investment) to examine the existing SLIC investment policy approved by the Board in the matter of write off and waiver of mark up and principal amount.</p> <p><b>ITEM (5) PRESENTATION OF BUSINESS REVIEW OF MARKETING, GULF ZONE, GROUP &amp; PENSION, HEALTH INSURANCE AND INVESTMENT DIVISIONS FOR THE PERIOD ENDED 31<sup>ST</sup> MAY, 2012.</b></p> <p>20. The business review of Marketing, Gulf Zone, Group &amp; Pension, Health Insurance and Investment Divisions for the period ended on 31<sup>st</sup> May, 2012 were placed before the Board which was noted.</p> <p>21. The Board was informed that State Life has involved a policy whereby realization of capital gains is being carried out on a continuous basis and representatives of Stock Brokerage Houses i.e. BMA, AKD and KASB are assisting Investment Division of State Life in this regard. The Investment Division was also look into the possibility of making investments in T-bills on a regular basis on short term so as to achieve current prevalent rate of mark up.</p> <p><b>ITEM (6) POSITION PAPER ON CURRENT STATUS OF IMPLEMENTATION OF PRE-PACKAGED SOFTWARE SOLUTION.</b></p> <p>22. Divisional Head (IT) presented before the Board, a Position Paper on current status of implementation of pre-packaged software solution which is placed at Annexure-B to the Minutes.</p>		
Action: Investment Division			
Action: Investment Division			
Action: Marketing G&P Investment Divisions			
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Action: IT Division			
	<div>CHAIRMAN'S INITIALS</div> 		




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DIRECTORS	HELD AT	ON	TIME
MINUTE BOOK	KARACHI	4 <sup>TH</sup> JULY, 2012	
<p>Action: IT Division</p> <p>Action: Marketing Division</p> <p>Action: F&amp;A Division</p> <p>Action: F&amp;A Division</p>	<p>23. The information given in the Position Paper was noted by the Board with direction that a monthly report on progress of the project be submitted to the Members of the Board.</p> <p><b>ITEM (7) <u>ENHANCEMENT OF STAFF SALARIES ENGAGED BY ELIGIBLE SALES MANAGERS/SALES OFFICERS.</u></b></p> <p>24. Due to paucity of time, the above item was deferred to the next meeting of the Board.</p> <p><b>ITEM (8) <u>APPROVAL OF INTERNET BANKING.</u></b></p> <p>25. Executive Director (F&amp;A) presented before the Board, a Memorandum dated 25<sup>th</sup> June, 2012 pertaining to Internet Banking.</p> <p>26. Habib Bank Ltd., has a large network of branches and is providing online services through internet. Many zones have been maintaining their collection accounts with HBL at zonal level and at remote collection centres. They are also operating zonal disbursement accounts with Habib Bank Ltd. Hyderabad and Bahawalpur zones have requested HBL for providing them Internet Banking facility which is offered by HBL to their clients.</p> <p>27. HBL authorities have shown their inability to accede to their request for the reason that the national tax number of both the zone is same. Their system does not accept duplication of tax number. The issue was discussed with officials of HBL, Head Office. The officials of Bank guided that, State Life can avail the Internet Banking facility at corporate level free of charge. Through centralized facility, zones can also access and avail the benefit of viewing their Account statements through Internet Banking and can retrieve necessary data for bank reconciliation. However, for providing the said facility, the Bank requires Board's Resolution, allowing the Corporation to use Internet Banking facility for viewing the accounts and nomination of the authorized signatories, who will sign the HBL IB forms for viewing the accounts statements only. Bank's requirement is placed at Annex "A" to the Memorandum.</p> <p>28. It was therefore requested that the Board of Directors may allow to avail Internet Banking of HBL at corporate level. The Board may further authorize ED (F&amp;A) to sign HBL Internet Banking form(s).</p> <p>29. Accordingly, the Board resolved as under:</p> <p><b><u>RESOLVED:</u></b></p> <p>"that the recommendation of ED(F&amp;A) to avail internet banking facility of HBL at corporate level for viewing the accounts statement only and to retrieve necessary data for bank reconciliation free of charge is hereby approved."</p> <p>"that Ms. Yasmin Saud, ED(F&amp;A) and Mr. Muhammad Rashid, DH(F&amp;A) of State Life Insurance Corporation of Pakistan be and are hereby authorized to sign jointly the application forms for HBL internet banking viewing facility for the provision of the balance/statement reporting service from the bank for and on behalf of State Life Insurance Corporation of Pakistan for its Account(s) at corporate level. "</p>		

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DIRECTORS	HELD AT	ON	TIME
MINUTE BOOK	KARACHI	4 <sup>TH</sup> JULY, 2012	
<p>Action: F&amp;A Division</p> <p>Action: F&amp;A Division</p> <p>Action: P&amp;GS F&amp;A Divisions</p>	<p>"that the aforesaid signatories are further authorized to issue jointly all or any instruction/authorization in respect of above Internet Banking viewing facility services relating to company's Internet Banking Accounts."</p> <p>"further resolved that a certified copy of this resolution signed by the Secretary Board/Chairman be furnished to HBL for its record."</p> <p><b>ITEM (9) CONSIDERATION AND APPROVAL OF MINUTES OF 10<sup>TH</sup> MEETING OF HUMAN RESOURCES COMMITTEE HELD ON 8<sup>TH</sup> JUNE, 2012.</b></p> <p>30. The minutes of the 10<sup>th</sup> meeting of Human Resources Committee held on 8<sup>th</sup> June, 2012 were presented before the Board of Directors for confirmation and for consideration and approval of decisions/recommendations made by the Committee. A copy of the minutes duly signed by the Chairman(HRC) is placed at Annexure-C to the Minutes.</p> <p>31. Accordingly, the Board resolved as under:</p> <p><b>RESOLVED:</b> "that the minutes of 10<sup>th</sup> meeting of Human Resources Committee held on 8<sup>th</sup> June, 2012 are confirmed and only the following recommendations are approved:-"</p> <p><b>REVISION OF PAY SCALES AND FRINGE BENEFITS FOR OFFICERS.</b></p> <p>The Board of Directors discussed at length the recommendation of HR Committee vis -a-vis revision of Pay Scales of Officers which would be effective for a period of two years i.e. 2012 - 2013.</p> <p>The salient features of the recommendations of the HR Committee were that:</p> <ul style="list-style-type: none"> <li>Initially the existing pay scales of the officers be adjusted w.e.f. 1-1-2012 for adhoc relief allowance of 50% allowed w.e.f. 1-7-2010 and 15% w.e.f. 1-7-2011 as budgetary relief measures to the Federal Government Employees. <u>Originally the pay scales of the officers as per practice were last revised on 1-7-2008 and were due for revision on 1-1-2010 but no such revision was given because of the adhoc relief allowance allowed by the Government. After adjustment of the adhoc relief allowance into basic pay at 38.5% w.e.f. 1-1-2012, the adhoc relief allowance @ 65% of basic pay will no longer be payable.</u></li> <li>The HR Committee had also recommended revision in the pay scales w.e.f. 1-1-2012 against the pay package which was originally due on 1-1-2010 to EO, AM, DM upto Manager @ 35% and to AGM, DGM and GM @ 30%.</li> </ul>		
			<p>CHAIRMAN'S INITIALS</p> 



MINUTES OF 226<sup>TH</sup> MEETING OF THE BOARD OF DIRECTORS

DIRECTORS	HELD AT	ON	TIME
MINUTE BOOK	KARACHI	4 <sup>TH</sup> JULY, 2012	

a. Pay Scales:

"After extensive deliberations and taking into account that the pay scales of the officers have not been revised since the 198<sup>th</sup> meeting of the Board held on 4<sup>th</sup> December, 2008 in which the basic pay scales were revised w.e.f. 1-7-2008, the recommendation of HR Committee in its 10<sup>th</sup> meeting held on 8<sup>th</sup> June, 2012, for revision and rationalization in Pay Scales of Officers to mitigate the impact of the inflationary trends and to bridge difference with the prevalent market compensation and to ensure that trained personnel of the Corporation are not lost to the competing insurance companies, as follows is approved w.e.f. 1<sup>st</sup> January, 2012:-

- The Adhoc Relief Allowance earlier being paid to officers @ 50% and 15% of basic pay will cease w.e.f. 1-1-2012 and instead the revised pay structure after taking into account the above adhoc relief will be fixed at 38.5% above the existing pay scales w.e.f. 1-1-2012, resulting in no additional financial impact on the Corporation.
- 20% increase in basic pay to State Life officers w.e.f. 1-1-2012 as allowed to government employees in the 2012 Federal Budget to overcome inflationary effect.
- 10% increase in basic pay w.e.f. 1-1-2012 (after adhoc relief allowance is discontinued and pay structure is revised @ 38.5% and 20% increase is given in basic pay) to ensure market salaries and to make the State Life Remuneration competitive for the purpose of retention of experienced and competent officers who are otherwise leaving the organization for better prospects.
- No further increase in pay scales will be given to the officers for the next two years i.e. 2012 and 2013.

"that after deliberations, the following revised pay scales on a point to point basis worked out by P&GS/F&A Division to give effect to the approval of the Board on the recommendations of HR Committee for increase in basic pay w.e.f. 1<sup>st</sup> January, 2012 is approved:-

Design	Grade	Revised Pay Scales w.e.f. 1-1-2012 allowed by the Board		
		Initial Pay	Annual Increment	Maximum Pay
E.O.	8	16775	1199	45551
A.M.	9	24198	1666	64182
D.M.	10	30139	2059	79555
MGR	11	42443	2169	94499
AGM	12	45899	2306	101243
DGM	13A	53658	2396	111162
GM	13B	61886	3036	134750

"that the revised pay scales be referred to the Ministry of Commerce by the Corporation for approval."

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b. Utility Allowance:

"that as recommended by HR Committee in its 10<sup>th</sup> meeting the increase in Utility Allowance to 20% on basic pay w.e.f. 1-1-2012, is approved."

c. Conveyance Allowance:

"that as recommended by HR Committee in its 10<sup>th</sup> meeting the increase in Conveyance Allowance to Rs.2,800 pm w.e.f. 1-1-2012, is approved."

d. Car Maintenance Allowance for Managers

"that as recommended by HR Committee in its 10<sup>th</sup> meeting, the increase in Car Maintenance Allowance for Managers to Rs.2,500 pm w.e.f. 1-1-2012, is approved."

e. Late Sitting Allowance for EOs, AMs, DMs and Managers

"that as recommended by HR Committee in its 10<sup>th</sup> meeting, the increase in Late Sitting Allowance for Eos, AMs, DMs and Managers, is approved as under with immediate effect:

Approved

Rs.100/- for 2 hours

Rs.200/- for 4 hours

Rs.300/- for above 4 hours

f. Car Rental

"that as recommended by HR Committee in its 10<sup>th</sup> meeting, the increase in Car Rental and Driver's Subsidy w.e.f. 1-1-2012, is approved as under:

Car Rental	
Designation	Approved
General Managers	Rs.6,000/-
Dy. General Managers	Rs.5,000/-
Asstt. General Managers	Rs.4,500/-
Manager (Dev.)	Rs.4,500/-
Dy. Manager, G&P (Dev.)	Rs.2,500/-
Asstt. Manager, G&P (Dev.)	Rs.2,500/-

Driver's Subsidy	
Designation	Approved
G.Ms /D.Hs	Rs.10,000/- p.m.
R.Cs / Z.Hs.	Rs.10,000/- p.m.

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DIRECTORS	HELD AT	ON	TIME
MINUTE BOOK	KARACHI	4 <sup>TH</sup> JULY, 2012	

DGMs (Mktg)	Rs.6,000/- p.m.
DGMs (Office)	Rs.5,500/- p.m.
AGMs / Mgr (Mktg)	Rs.4,000/- p.m.

g. Scholarship Scheme

"that as recommended by HR Committee in its 10<sup>th</sup> meeting, the following Scholarship Scheme for children of the in service officers who will pass the examination to be held in 2012 onwards, is approved.

Scholarship Scheme	
It is approved that in line with staff also to allow one time payment of the under mentioned scholarship to those children of the in service officers who secure 90% and above marks in Matriculation & Intermediate examination as per following details on submission of continued education certificate from the institution where further studies is carried out:	
Qualification	Approved
After Matriculation / Equivalent – provided the examination are cleared within 2 years.	Rs. 15,000/-
After Intermediate / Equivalent – provided the examination are cleared within 2 years.	Rs. 30,000/-

h. Daily Allowance

"that as recommended by HR Committee in its 10<sup>th</sup> meeting, the following Daily Allowance, is approved as under with immediate effect:-

Designation	Approved	
	Special Rates (Admissible at Isb, Kar, Lhr, Rwp, Pesh, Quetta, Multan, Faisalabad, Hyd, Gujranwala, Mirpur-A.K)	Ordinary Rates for other Stations
Asstt. General Managers & above	Rs.1,500/-	Rs.1,050/-
Dy. Managers / Managers	Rs.1,250/-	Rs.940/-

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Executive Officers / Asstt. Managers	Rs.960/-	Rs.750/-
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**i. Car Mileage Expenses**

"that as recommended by HR Committee in its 10<sup>th</sup> meeting, the following Car Mileage Expenses is approved as under with immediate effect:-

	Approved
Car Mileage Expenses	Rs. 12 / km

**j. Long Service Award and Superannuation Allowance**

"that as recommended by HR Committee in its 10<sup>th</sup> meeting, the following Long Service Award and Superannuation Allowance, is approved as under with immediate effect :-

a) It is approved that officers in service as on 1-1-2012 be allowed the cash award on length of service as follows:-	
On Completion of Service (Years)	Approved
15	Rs.5,000/-
20	Rs.7,500/-
25	Rs.10,000/-
b) It is also approved that in service officers as on 1-1-2012 be allowed Rs.25,000/- at the time of retirement on attaining the age of superannuation, as allowed to Unionized Staff.	

**k. Employment Opportunity**

"that as recommended by HR Committee in its 10<sup>th</sup> meeting, the following employment opportunity to children of in service officers, is approved as under with immediate effect:-

**Employment Opportunity**

Only one son / daughter of an in service Officer retiring within 5 years be appointed according to qualification / experience subject to no other son / daughter of the officer is already employed in the Corporation, availability of posts and requirement of the Corporation.

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DIRECTORS	HELD AT	ON	TIME										
MINUTE BOOK	KARACHI	4 <sup>TH</sup> JULY, 2012											
GM (Medical)	<p><b>I. <u>Post Retirement Medical Facility</u></b> "that as recommended by HR Committee in its 10<sup>th</sup> meeting, the following post retirement medical facility to officers, is approved as under w.e.f. 1-1-2012:-</p> <p>The allowable limit equivalent to three (3) basic pay be merged and be utilized for any of the head of account i.e. Consultation, Medicines, Hospitalization or Investigations.</p> <p>"that the annual financial impact of revision of pay scales and fringe benefits at corporate level approved by the Board will be Rs.741.239 million."</p> <p><b><u>OVERSEAS ALLOWANCE FOR OFFICERS POSTED AT GULF ZONE:</u></b></p> <p>32. Due to paucity of time, the above item was deferred to the next meeting of the Board.</p> <p><b><u>APPOINTMENT OF FINANCIAL/ACCOUNTING PROFESSIONALS AND UPGRADATION SCHEME.</u></b></p> <p>33. Due to paucity of time, the above item was deferred to the next meeting of the Board.</p> <p><b><u>EXTENSION OF CONTRACT OF ENGR. ANWAR ALI BALOCH(AGM)RE</u></b></p> <p>34. The HR Committee at its 10<sup>th</sup> meeting held on 8<sup>th</sup> June, 2012 recommended for approval of Board of Directors of two years extension in contract of Engr. Anwar Ali Baloch (AGM) RE on existing terms and conditions w.e.f. 1<sup>st</sup> June, 2012.</p> <p>35. Mr Anwer Ali Baloch was engaged on contract basis in State Life, Real Estate Division, Principal Office, Karachi as Assistant General Manager. He was offered contractual appointment initially for a period of six months w.e.f 01.06.2009 which was further extended for six months up to 31.05.2010. The Board of Directors in its 214<sup>th</sup> meeting held on 07.09.2010 approved extension in his contractual employment for a period of one year and upon expiry of extension on 31.05.2011, another extension in contractual employment was allowed upto 31<sup>st</sup> May 2012 with the approval of Board.</p> <p>36. Real Estate Division has informed that owing to his enriched experience of 35 years of Pak-PWD. He is looking after the following buildings &amp; projects:</p> <table><tr><td>a. State Life Building</td><td>Gujranwala</td></tr><tr><td>b. State Life Tower</td><td>Islamabad</td></tr><tr><td>c. State Life Building</td><td>Rahimyar Khan</td></tr><tr><td>d. State Life Building</td><td>Sialkot</td></tr><tr><td>e. State Life Building</td><td>Sargodha</td></tr></table> <p>37. Real Estate Division has further informed that being a senior and well groomed Civil Engineer; Mr. Anwar Ali Baloch has displayed far satisfactory</p>			a. State Life Building	Gujranwala	b. State Life Tower	Islamabad	c. State Life Building	Rahimyar Khan	d. State Life Building	Sialkot	e. State Life Building	Sargodha
a. State Life Building	Gujranwala												
b. State Life Tower	Islamabad												
c. State Life Building	Rahimyar Khan												
d. State Life Building	Sialkot												
e. State Life Building	Sargodha												
Action: P&GS Division													
Action: P&GS Division													

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RECTORS	HELD AT	ON	TIME
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	<p>performance in project management and handling of civil engineering works including recently completed Gujranwala Building and ongoing Islamabad project strictly in accordance with PPRA/PEC rules. The officer is undertaking all engineering assignments with complete dedication and professions.</p> <p>38. According to Real Estate Division, they have shortage of Civil Engineers. Due to forthcoming restructuring of Real Estate, the services of Mr. Anwar Ali Baloch are essentially required by State Life, because of his three years experience of SLIC procedures.</p> <p>39. The Real Estate Division has therefore, requested and recommended Human Resources Committee for approval of the Board that the services of Eng. Anwar Ali Baloch (AGM) should be extended for further period of 02 years in the best interest of the Corporation / Project Management Unit.</p> <p>40. After deliberation, the Board resolved as under:</p> <p><b><u>RESOLVED:</u></b></p> <p>"that the recommendation of HR Committee to extend the services of Engr. Anwar Ali Baloch, AGM(RE) for a further period of two years w.e.f. 1<sup>st</sup> June, 2012 on existing terms and conditions in the best interest of the Corporation/Project Management Unit is hereby approved."</p> <p><b><u>REVISION OF UTILITY ALLOWANCE FROM RS.25,000 TO RS.35,000 TO THE CHAIRMAN, RS.15,000 TO RS.25,000 TO EXECUTIVE DIRECTORS AND REVISION IN PERQUISITES TO THE EXECUTIVE DIRECTORS.</u></b></p> <p>41. Due to paucity of time, the above item was deferred to the next meeting of the Board.</p> <p><b><u>REVISION OF APPROVED STRENGTH OF GENERAL MANAGERS.</u></b></p> <p>42. Due to paucity of time, the above item was deferred to the next meeting of the Board.</p> <p><b><u>REVISED CRITERIA OF ANNUAL PERFORMANCE APPRAISAL REPORT (APAR) FOR MARKETING PERSONNEL.</u></b></p> <p>43. Due to paucity of time, the above item was deferred to the next meeting of the Board.</p> <p><b><u>ENHANCEMENT OF STRENGTH OF AREA MANAGERS(MARKETING)</u></b></p> <p>44. Due to paucity of time, the above item was deferred to the next meeting of the Board.</p> <p><b><u>PROTECTION OF SALARY OF SUPERINTENDENTS ON PROMOTION AS AM DURING THE YEAR 2011 IN TERMS OF CBA AGREEMENT 2011-12.</u></b></p> <p>45. Due to paucity of time, the above item was deferred to the next meeting of the Board.</p>		
Action: P&GS Division			
Action: P&GS Division			
Action: P&GS Division			
Action: P&GS Division			
Action: P&GS Division			
	<div style="text-align: right;">CHAIRMAN'S INITIALS</div> 		



MINUTES OF 226<sup>TH</sup> MEETING OF THE BOARD OF DIRECTORS

DIRECTORS	HELD AT	ON	TIME
MINUTE BOOK	KARACHI	4 <sup>TH</sup> JULY, 2012	
<p>Action: F&amp;A Division</p>	<p><b>ITEM (10) INTRODUCTION OF INTERN-SHIP SCHEME FOR STUDENTS OF ACCOUNTING PROFESSIONAL BODIES.</b></p> <p>46. Due to paucity of time, the above item was deferred to the next meeting of the Board.</p> <p><b>ITEM (11) EXTENSION IN CONTRACTUAL APPOINTMENT OF MR. JAMSHED MUJIB AS PRINTING/PUBLICATION CONSULTANT.</b></p> <p>47. Executive Director(P&amp;GS) presented before the Board, a Memorandum dated 27<sup>th</sup> June, 2012 regarding extension in contractual appointment of Mr. Jamshed Mujib as Printing/Publication Consultant.</p> <p>48. State Life Insurance Corporation of Pakistan has a large volume of documents and stationery items being printed and processed in a centralized mechanism to ensure quality and specifications. Mr. Jamshed Mujib having professional experience in this field was hired on the recommendations of Human Resource Committee and the Board at a fixed remuneration of Rs. 60,000/- w.e.f. 11.05.2009 with further extension for six months w.e.f. 18.11.2009 with the approval of Chairman, State Life, which ended on 17.04.2010. Subsequently the extension of the contractual appointment was approved by the Board of Directors in its 210<sup>th</sup> meeting held on 07.04.2010 for further one year which was granted from 18.05.2010 at remuneration of Rs. 75,000/- per month.</p> <p>49. The last extension is his contract was granted by BoD in its 221<sup>st</sup> meeting held on 25-07-2011, w.e.f. 18-05-2011 at a monthly remuneration of Rs. 75000/-, which has now ended on 17-05-2012. His presence as Consultant with the Corporation is also helping in capacity building of officers/staff dealing with Printing/Publication, quality, standards and procurement process.</p> <p>50. 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. Therefore, it is proposed that Mr. Jamshed Mujib may further be hired for a period of one year effective from 18.05.2012 at remuneration of Rs. 75,000 /- per month for continuation of his consultancy in "Printing and Publication" sector General Services Department, Principal Office.</p> <p>51. Accordingly, the Board resolved as under:</p> <p><b>RESOLVED:</b> "that the recommendation of ED(P&amp;GS) to hire Mr. Jamshed Mujib for a further period of one year effective from 18-05-2012 at a remuneration of Rs.75,000/- per month as Printing/Publication Consultant is hereby approved."</p> <p><b>ITEM (12) RECOVERY NOTICE/LETTER IN TERMS OF DECISION OF LAHORE HIGH COURT, LAHORE UPHELD BY THE SUPREME COURT OF PAKISTAN REGARDING RESTORATION OF PENSION SCHEME.</b></p> <p>52. Due to paucity of time, the above item was deferred to the next meeting of the Board.</p>		
<p>Action: P&amp;GS Division</p>	<p>CHAIRMAN'S INITIALS</p> 		

MINUTES OF 226<sup>TH</sup> MEETING OF THE BOARD OF DIRECTORS

DIRECTORS	HELD AT	ON	TIME
MINUTE BOOK	KARACHI	4 <sup>TH</sup> JULY, 2012	
<p><b>ITEM (13) <u>ANY OTHER ITEM WITH THE PERMISSION OF THE CHAIRMAN</u></b></p> <p><b>(I) <u>REGULARIZATION OF EXPENDITURE INCURRED ON EMPLOYMENT OF A RETIRED OFFICER AMOUNTING TO RS.0.569 MILLION.</u></b></p> <p>53. Executive Director(P&amp;GS) presented before the Board, a Memorandum dated 2<sup>nd</sup> July, 2012 regarding regularization of expenditure incurred on employment of a retired officer amount to Rs.0.569 million.</p> <p>54. State Life was operating in Kingdom of Saudi Arabia from 1994 to 2003. The Saudi Government introduced Insurance Law to organize insurance business activities in the Kingdom. As per new law, to establish a Company with a capital of one million Saudi Riyal and 30% of the profit was to be retained in Kingdom of Saudi Arabia. In February 2005, the management of State Life decided not to proceed for registration as a Joint Stock Company in view of huge financial investment.</p> <p>55. A comprehensive report was submitted by the Ex-Divisional Head (Marketing) after carrying out a detailed study and suggesting modus operandi to continue State Life Operations in the Kingdom of Saudi Arabia in the light of new laws.</p> <p>56. The proposal and study of establishing the branch office in KSA was under way, meanwhile, the Divisional Head(Marketing) retired on attaining the age of superannuation. The matter was taken up in the 197<sup>th</sup> Board of Director's meeting held on 3<sup>rd</sup> November 2008 and the had then resolved as under:-</p> <p>(i) "that the proposal of ED(Marketing) for opening and registering of a branch office of State Life in the Kingdom of Bahrain is approved in principle and Chairman/ED(Marketing) is authorized to do all such acts as are necessary for the above purpose."</p> <p>(ii) "that Mr. Manzoor Ahmed, Ex-GM(Marketing) be appointed as Consultant for the period of six months at the same salary which he was drawing at the time of retirement to follow-up the establishment of business in Kingdom of Saudi Arabia under the newly introduced insurance laws."</p> <p>57. As per Regulation No.6 of State Life Employees (Service) Regulation 1973, the Chairman may create temporary posts within the budget provision for a period not exceeding six months.</p> <p>58. In pursuance to the Board's decision and State Life Employees (Service) Regulation 1973, Mr. Manzoor Ahmed, Ex-GM(Marketing) was engaged as Consultant for six(06) months to accomplish the job of opening branch office at Kingdom of Bahrain vide letter dated 30<sup>th</sup> December, 2008. On expiry of his employment contract his services were not renewed. Government Auditors made an Audit Para during the Audit of the year 2009, that the powers to employ the officer on superannuation retirement lies with the Prime Minister. The matter was</p>			

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DIRECTORS	HELD AT	ON	TIME
MINUTE BOOK	KARACHI	4 <sup>TH</sup> JULY, 2012	
<p>Action: P&amp;GS Division</p> <p>Action: P&amp;GS Division</p> <p>Action: Real Estate Division</p>	<p>discussed in DAC and decided to obtain post-facto approval from the Establishment Division. References were sent dated 15.12.2010, 25.10.2011, 26.03.2012 and 14.06.2012 to Ministry of Commerce for ex-post facto approval.</p> <p>59. The matter was again discussed in detail in the Departmental Account Committee (DAC) meeting held on 28.06.2012 at Karachi and it was decided to regularize the expenses from the Board to settle the Audit Para.</p> <p>60. Since the engagement was in line with the approval of the Board of Directors and as per State Life (Service) Regulation 1973, it is therefore, requested for approval to regularize the expenditure of Rs.0.569 million for the settlement of Audit Para.</p> <p>61. Accordingly, the Board resolved as under:</p> <p><b><u>RESOLVED:</u></b>          "that as proposed by ED(P&amp;GS) in his Memorandum and discussed in detail in the Departmental Account Committee meeting held on 28-06-2012, regularization of expenditure of Rs.0.569 million incurred on an employment of Mr. Manzoor Ahmed, Ex-GM(Marketing) appointed as Consultant for a period of six months on attaining the age of superannuation to follow up the establishment of business in Kingdom of Saudi Arabia under the newly introduced Insurance Laws whose appointment as Consultant was earlier approved by the Board at its 197<sup>th</sup> meeting is hereby approved."</p> <p>(II) <b><u>EX-POST FACTO APPROVAL OF CAPITAL EXPENDITURE OF RS.8,856,160/- ON INSTALLATION OF SPLIT UNITS-LAHORE CENTRAL ZONE.</u></b></p> <p>62. Due to paucity of time, the consideration of the above items were deferred to the next meeting of the Board.</p> <p>(III) <b><u>COMMERCIAL AUDIT OBSERVATIONS IN RESPECT OF RECOVERY OF OUTSTANDING DUES FROM VACATED TENANTS - WRITING OFF OF THE OUTSTANDING AMOUNT OF RS.2.883 MILLION.</u></b></p> <p>63. Due to paucity of time, the consideration of the above items were deferred to the next meeting of the Board.</p> <p>(IV) <b><u>INCREASE OF DIRECTOR'S FEE</u></b></p> <p>64. On a query from the Members of the Board, the Board was informed that the matter relating to the increase of Director's Fee for attending Board/Executive Committee or other meetings is governed by Rule 5 of State Life Directors (Remuneration) Rules 1973. The jurisdiction to issue or amend these rules is vested with Federal Government and the same is governed by Article 48 of State Life Insurance Corporation (Nationalization) Order 1972.</p> <p>65. As per Rule 5 of the State Life Directors(Remuneration) Rule 1973, initially the fee for attending the Board meeting and other meetings was Rs.100 and Rs.50</p>		

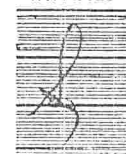
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MINUTES OF 226<sup>TH</sup> MEETING OF THE BOARD OF DIRECTORS

DIRECTORS	HELD AT	ON	TIME
MINUTE BOOK	KARACHI	4 <sup>TH</sup> JULY, 2012	
<p>respectively. However, in 157<sup>th</sup> meeting of the Board of Directors held on 11<sup>th</sup> November, 2000, the Board resolved to pay Rs.2,000 for attending meetings of the Board/Executive Committee. For the amendment of the status/rules the matter was referred to the Federal Government, Ministry of Commerce which only accepted the increase to the tune of Rs.1,000 for attending above referred meetings. To this effect SRO No.202(1)/2001 dated 30<sup>th</sup> March, 2001 was issued by the Federal Government.</p> <p>66. As done in the past, Federal Government, Ministry of Commerce has the legal jurisdiction to amend the rules 5(I) and 5(II) of SI IC Directors (Remuneration) Rules 1973, to substitute the figures and words of Director's Fee by issuing a Gazette Notification as per laid down laws/procedure.</p> <p>67. The Board of Directors at its 184<sup>th</sup> meeting held on 15<sup>th</sup> March, 2006 had approved increase in Director Fee from Rs.1,000 to Rs.5,000 which was notified in the Gazette of Pakistan on 8<sup>th</sup> February, 2007 vide SRO No.109(I)/2007 dated 7<sup>th</sup> February, 2007.</p> <p>68. The Board of Directors at its 197<sup>th</sup> meeting held on 3<sup>rd</sup> November, 2008 had approved increase in Director Fee from Rs.5,000 to Rs.10,000 which was notified in the Gazette of Pakistan on 11<sup>th</sup> July, 2009 vide SRO No.655(I)/2009.</p> <p>69. The Board of Directors at its 203<sup>rd</sup> meeting held on 30<sup>th</sup> September, 2009 had approved increase in Director's Fee in line with such scales of fee prevalent in other public entities for attending Board/Committee's meetings from Rs.10,000 to Rs.20,000 per meeting. The Finance Division, Government of Pakistan agreed to increase fee of Directors w.e.f. which was notified in the Gazette of December 10, 2010 effective vide SRO No.1121(I)/2010 dated 27<sup>th</sup> October, 2010.</p> <p>70. The value of Pak Rupee has depreciated resulting in decrease in purchasing power of Rupee and inflation has gone up and it has also been noted that most comparable organizations in the public sector are paying a much higher Director's Fee ranging from Rs.25,000 per meeting. It was therefore proposed that the Director's Fee for attending Board/Committee's meetings be increased from the present Rs.20,000 to Rs.30,000 per meeting to bring it in line with the prevalent Director's Fee paid by the corporate entities as compensation for valuable time given by the Directors.</p> <p>71. Accordingly, the Board resolved as under:</p> <p><b>RESOLVED:</b></p> <p>a) "that the increase in the Director's Fees in line with such scale of fees prevalent in other public entities for attending Board/Committee's meetings from Rs.20,000 to Rs.30,000 per meeting, is approved from the date of SRO to be notified by the Ministry of Commerce in the Gazette of Pakistan. This decision was also made applicable to the Director appointed on behalf of Ministry of Commerce, Federal Government."</p> <p>b) "that the Ministry of Commerce, Federal Government would be requested by P&amp;GS Division for issuance of Gazette Notification for the increase mentioned in resolution (a) above."</p>			

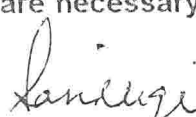
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MINUTES OF 226<sup>TH</sup> MEETING OF THE BOARD OF DIRECTORS

DIRECTORS	HELD AT	ON	TIME
MINUTE BOOK	KARACHI	4 <sup>TH</sup> JULY, 2012	
	<p>(V) <b>ISSUE OF INDEMNITY TO NON EXECUTIVE DIRECTORS</b></p> <p>72. On a query from one of the Directors, the Board was informed that the Board of Directors at its 205<sup>th</sup> meeting held on 22<sup>nd</sup> December, 2009 had deliberated on the issue and had decided that an indemnity insurance cover be taken by State Life Insurance Corporation of Pakistan from Alpha Insurance Company Limited to cover financial penalty/liability that may be imposed on the Directors for decision/action taken by them in good faith in the interest of the Corporation. The Board had then resolved as under:-</p> <p><u>RESOLVED:</u></p> <p>"that a consolidated Director Liability Insurance Policy be taken by State Life Insurance Corporation of Pakistan from Alpha Insurance Company Limited to indemnify the Directors upto a maximum amount of Rs. 10 million per Director for any liability that may be imposed on the Directors for decision/action taken by them in good faith in the interest of the Corporation, unless the nature of the liability does not permit it to be indemnified under Section-194 of the Companies Ordinance, 1984."</p> <p>"that the indemnifiable loss will not include taxes, fines and penalties, uninsurable events under the local law, any restitutionary payments, environmental damage claims against the Directors, claims against the Directors due to bodily injuries sustained by third party, prior and pending litigations, willful misconduct/fraud by Directors, war, strike, riot, civil commotion, terrorism and related acts."</p> <p>"that DH(P&amp;GS) is hereby authorized to do all such acts as are necessary for issue of the above insurance policy."</p> <p>73. After deliberations, the Board of Directors resolved as under:-</p> <p><u>RESOLVED:</u></p> <p>"that a consolidated Director Liability Insurance Policy be taken by State Life Insurance Corporation of Pakistan from Alpha Insurance Company Limited to indemnify the Directors upto a maximum amount of Rs. 5 million per Director for any liability that may be imposed on the Directors for decision/action taken by them in good faith in the interest of the Corporation, unless the nature of the liability does not permit it to be indemnified under Section-194 of the Companies Ordinance, 1984."</p> <p>"that the indemnifiable loss will not include taxes, fines and penalties, uninsurable events under the local law, any restitutionary payments, environmental damage claims against the Directors, claims against the Directors due to bodily injuries sustained by third party, prior and pending litigations, willful misconduct/fraud by Directors, war, strike, riot, civil commotion, terrorism and related acts."</p> <p>"that ED(P&amp;GS) is hereby authorized to do all such acts as are necessary for issue of the above insurance policy."</p> <p>74. The meeting ended with vote of thanks to the chair.</p> <p style="text-align: right;">             (CHAIRMAN)         </p>		

MINUTES OF 226<sup>TH</sup> MEETING OF THE BOARD OF DIRECTORS

DIRECTORS	HELD AT	ON	TIME
MINUTE BOOK	KARACHI	4 <sup>TH</sup> JULY, 2012	

Minutes of 22<sup>nd</sup> REIC MeetingAnnexure-A

1. 22<sup>nd</sup> Meeting of the REIC was held on 10<sup>th</sup> May, 2012 at PO, SLIC Karachi; attended by the following:-

- |                                     |                             |
|-------------------------------------|-----------------------------|
| a. Mr. Shahid Aziz Siddiqi          | - Chairman                  |
| b. Mr. Hussain Lawai                | - Director                  |
| c. Mr. Wazir Ali Khoja              | - Director                  |
| d. Mr. Nihal Anwar                  | - Director                  |
| e. Mr. Mohsin S. Haqqani            | - Executive Director (RE)   |
| f. Mr. Attaullah A. Rasheed         | - DH (Investment)/Member    |
| g. Lt.Col. @ Mohsin Ali Shah, TI(M) | - DH (RED)/Member/Secretary |

2. After recitation from the Holy Quran, the Chairman welcomed the participants and commenced the proceedings as follows:-

Discussion on Agenda PointsAgenda Points # 1.Implementation Report of 21<sup>st</sup> Meeting of REIC dated 13<sup>th</sup> March, 2012.

3. REIC was satisfied with Compliance Report on Minutes of 21<sup>st</sup> REIC Meeting.

Agenda Point # 2.Confirmation of Minutes of 21<sup>st</sup> Meeting of REIC

4. Mr. Wazir Ali Khoja proposed confirmation of Minutes of 21<sup>st</sup> meeting of REIC; seconded by Mr. Hussain Lawai.

Agenda Point # 3Presentation Tenancy Issues – Real Estate Division

5. DH apprised REIC about status of vacant spaces as follows:-

REAL ESTATE ZONES	RENTABLE AREA	VACANT	(%)	REMARKS
Karachi (22 Buildings)	1,507,674	276,908	18.37%	Due to Hashoo Centre
Islamabad (10 Buildings)	343,979	52,431	15.24%	Due to Gujrat Building
Lahore (12 Buildings)	450,268	34,863	7.74%	Satisfactory. However, rental yield is visibly low due to old/inherited rates and legal cases.
Peshawar (2 Buildings)	168,423	21,749	12.91%	Due to D.I. Khan
Interior Sindh (6 Buildings)	209,808	90,093	42.94%	Due to Mirpur Khas Building
Total:-	2,680,152	476,044	17.76%	Over all status

6. REIC was also updated about critical buildings which are main contributors to vacant spaces follows:-


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MINUTES OF 226<sup>TH</sup> MEETING OF THE BOARD OF DIRECTORS

DIRECTORS	HELD AT	ON	TIME																																																																
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	<p>7. As per earlier directions of REIC, DH (RED) proposed three phased plan to mitigate the vacant status and enhance rental yield:-</p> <p>a. Phase-I Karachi Buildings.</p> <p>b. Phase-II Islamabad and Lahore Buildings. Requires separate studies through Consultant (To be submitted later) .</p> <p>c. Phase-III Interior Sinding Buildings -- Later</p> <p><b>Phase-I,</b> Karachi Buildings:-</p> <table border="1"> <thead> <tr> <th>S #</th> <th>Building #</th> <th>Land (sq.yd)</th> <th>Rentable Area</th> <th>Vacant</th> <th>%</th> <th>Income Per Month</th> <th>Remarks</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>SLB # 5</td> <td>11,524</td> <td>148,541</td> <td>26,750</td> <td>18%</td> <td>1,474,148</td> <td>( 4 portion buildings)</td> </tr> <tr> <td>2</td> <td>SLB # 11</td> <td>3,181</td> <td>149,190</td> <td>9,058</td> <td>6%</td> <td>13,358,185</td> <td></td> </tr> <tr> <td>3</td> <td>SLB # 12</td> <td>2,097</td> <td>116,046</td> <td>116,046</td> <td>100%</td> <td>Nil</td> <td></td> </tr> <tr> <td>4</td> <td>SLB # 1</td> <td>16,535</td> <td>312,605</td> <td>69,719</td> <td>22%</td> <td>16,482,438</td> <td>(5 portion buildings) Parking plaza in open space can be constructed</td> </tr> <tr> <td>5</td> <td>SLB # 2</td> <td>9,276</td> <td>274,950</td> <td>39,214</td> <td>14%</td> <td>4,785,626</td> <td>(3 portion buildings) SLB-2B demolish/constr uct</td> </tr> <tr> <td>6</td> <td>SLB # 6</td> <td>3,577</td> <td>100,555</td> <td>16,723</td> <td>17%</td> <td>485,749</td> <td>(3 portion buildings) Creations of parking at Ground Floor</td> </tr> <tr> <td>7</td> <td>SLB # 7</td> <td>13,400</td> <td>78,286</td> <td>2,340</td> <td>3%</td> <td>225,488</td> <td>Parking + additional Construction</td> </tr> </tbody> </table> <p><b>Note:</b> SLIC earning Rs. 36,811.634 per month from 1,180,173 sft space of 18 Buildings which is extremely low @ 31 per sft (average)</p> <p>8. DH (RED) apprised REIC that:-</p> <p>a. Above buildings need due diligence to make these more financially viable in terms of parking spaces, future expansion and general improvement.</p> <p>b. <b>Building # 11</b> is seriously poised against extensive vacation by KESC and other tenants due to parking issues (78,314 sft approximately as per their recent notice).</p> <p>c. <b>Buildings # 5 &amp; 6</b> needs elaborate parking issues and settlement of legal cases.</p> <p>d. <b>Building # 7</b> has notional construction hence wastage of 3 acres of most valuable commercial plot.</p>			S #	Building #	Land (sq.yd)	Rentable Area	Vacant	%	Income Per Month	Remarks	1	SLB # 5	11,524	148,541	26,750	18%	1,474,148	( 4 portion buildings)	2	SLB # 11	3,181	149,190	9,058	6%	13,358,185		3	SLB # 12	2,097	116,046	116,046	100%	Nil		4	SLB # 1	16,535	312,605	69,719	22%	16,482,438	(5 portion buildings) Parking plaza in open space can be constructed	5	SLB # 2	9,276	274,950	39,214	14%	4,785,626	(3 portion buildings) SLB-2B demolish/constr uct	6	SLB # 6	3,577	100,555	16,723	17%	485,749	(3 portion buildings) Creations of parking at Ground Floor	7	SLB # 7	13,400	78,286	2,340	3%	225,488	Parking + additional Construction
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CHAIRMAN'S INITIALS  


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MINUTES OF 226<sup>TH</sup> MEETING OF THE BOARD OF DIRECTORS

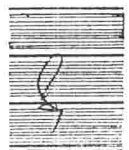
DIRECTORS	HELD AT	ON	TIME
MINUTE BOOK	KARACHI	4 <sup>TH</sup> JULY, 2012	
	<p>e. The case is placed before REIC for disposal please.</p> <p><b>Resolved</b></p> <p>9. Status of Karachi Buildings was discussed in details. REIC Resolved the following:-</p> <p>a. <b>Building # 5.</b> The following to be done:-</p> <ol style="list-style-type: none"> <li>(1) Some portion of the building is declared as heritage building. Damaged Domb be got analysed for prompt repairs from an expert architect.</li> <li>(2) Mrs. Yasmeen Lari (Heritage) be coordinated to formalize her earlier proposal to jointly get uplifted the heritage portions of the building.</li> <li>(3) RED Should carry out financial and technical feasibility studies on enhancement of parking spaces together with its financial returns and submit proposal to the REIC for consideration.</li> <li>(4) Legal cases pertaining to Building # 5 be settled / expedited for quick disposal.</li> </ol> <p>b. <b>Building # 11.</b></p> <ol style="list-style-type: none"> <li>(1) Huge vacancy of the building # 11 due to recent vacation by KESC and others should be filled up immediately.</li> <li>(2) Lack of parking space should be addressed as visitors / tenants do not enter in the most busy and choked street, which is becoming a visible demerit of this valuable building SLIC asset.</li> <li>(3) Proposal of hiring parking floors of adjacent building be formalized to enhance our parking space to attract tenants.</li> <li>(4) Local Administration and Cantt Board be approached to discourage / ban parking in the road stretch in front of Zainab Market and Building # 11.</li> <li>(5) Proposal to annex some rentable floors of the adjacent buildings be evaluated in overall business plan of RED and presented in the next REIC Meeting.</li> </ol> <p>c. <b>Building # 12.</b> Efforts be made to rent out the building; preferably to big tenants.</p> <p>d. <b>Building # 1.</b> RED should carry out financial and technical feasibility on enhancement of parking spaces and submit proposal to the REIC for consideration.</p> <p>e. <b>Building # 2.</b> RED should carry out financial and technical feasibility on enhancement of parking spaces and submit proposal to the REIC for consideration. Additionally, proposed demolition of old structure in Building # 2 should also be examined.</p> <p>f. <b>Building # 6.</b> RED should carry out financial and technical feasibility on enhancement of parking spaces and submit proposal to the REIC for consideration.</p> <p>g. <b>Building # 7.</b> Elaborate parking plan alongwith financial / technical feasibility study be submitted by RED to REIC.</p> <p>h. RED should submit details of all SLIC plots with proposals of construction or related disposals.</p> <p>i. Proposal on Amalgamation of plots already coordinated with AWP.</p>		

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MINUTES OF 226<sup>TH</sup> MEETING OF THE BOARD OF DIRECTORS

DIRECTORS	HELD AT	ON	TIME
MINUTE BOOK	KARACHI	4 <sup>TH</sup> JULY, 2012	
<p><u>Agenda Point # 4</u> <u>Presentation on Islamabad Tower Project</u></p> <p>10.</p> <ol style="list-style-type: none"> <li>M/s. Suhail and Pasha; the Consultants of Islamabad Tower presented to REIC about the architectural renderings, present progress and project related issues with satisfactory progress.</li> <li>The Consultants apprised REIC that gray structure is scheduled to be completed by mid June.</li> <li>Tenders for Lifts are in process.</li> <li>As per original design approved by the BOD, the building should be fully air-conditioned which must be followed.</li> <li>Security system of the building needs to be reviewed as per prevailing security/threat perception.</li> <li>The Consultant apprised REIC that EPA Islamabad as pressing for Environmental Mitigation Plans of the Building being a precondition for approval of environmental studies (EIA).</li> </ol> <p><u>Resolved</u></p> <p>11. REIC resolved that:</p> <ol style="list-style-type: none"> <li>Project to be timely completed as per design.</li> <li>Consultant to submit a technical brief for fully air-conditioned building as previously approved by BOD.</li> <li>Security apparatus to be reviewed as per prevailing security situation in Islamabad/country.</li> <li>Consultants to incorporate mitigation measures to meet requirement of Environment Protection Agency's (EPA) Islamabad.</li> <li></li> </ol> <p><u>Agenda Point # 5.</u> <u>Investment of Rs.100 Million of COIs with First Dawood Investment Bank Limited.</u></p> <p>12. DH (Investment) submitted the point with permission of the chair as per preceding paras</p> <p>13. Divisional Head Investment presented memorandum to the Committee containing brief background of Investment in COIs of First Dawood Investment Bank along with the final proposition received from the Bank through KCDR for full &amp; final settlement of the defaulted loan.</p> <p>14. It was placed before Real Estate Investment Committee of the Board as per directive of Investment Committee meeting held on 8<sup>th</sup> May 2012 wherein it was agreed upon by members to place the proposal before REIC for its consideration and approval for subsequent placing of the same to Board of Director.</p> <p>15. DH Investment apprised members of REIC that on request of First Dawood Investment Bank, Investment Committee approved placement of Rs.100 mn in COIs of FDIBL @ 17% p.a. for a period of three months. The bank was rated "A" by PACRA at the time of investment. The funds were placed on 8<sup>th</sup> October 2008. On 9<sup>th</sup> January 2009, the bank approached with a request to rollover the entire amount i.e. Principal plus accrued interest for another three months at the same rate. The request was approved by Investment Committee subject to meeting following conditions:</p> <ol style="list-style-type: none"> <li>FDIBL will pay the interest accrued from 12<sup>th</sup> Oct 2008 to 12<sup>th</sup> Jan 2009, immediately.</li> <li>Rollover of principal i.e. Rs.100 mn for another three months @ 17% p.a. effective from 12<sup>th</sup> January 2009.</li> <li>The total amount, Principal plus interest thereon will be payable on declining balance within the next three months starting from 12<sup>th</sup> February 2009.</li> </ol>			

CHAIRMAN'S  
INITIALS


MINUTES OF 226<sup>TH</sup> MEETING OF THE BOARD OF DIRECTORS

DIRECTORS	HELD AT	ON	TIME
MINUTE BOOK	KARACHI	4 <sup>TH</sup> JULY, 2012	
<p>16. A cheque of Rs.4,378,082 was received on 24<sup>th</sup> January 2009 from FDIBL as markup on Rs.100 mn accrued from 12<sup>th</sup> Oct 2008 to 11<sup>th</sup> Jan 2009. A request for further rescheduling received from the Bank on 21<sup>st</sup> January 2009 which was considered and conditionally approved to rollover by the Investment Committee in its meeting held on 28<sup>th</sup> January for another six months at the same rate and to be paid in six equal monthly installments including of markup keeping in view of liquidity problems faced by the banking industry as a whole and by the Bank in particular. However, on 4<sup>th</sup> February 2009, the Bank again requested for fresh rescheduling instead of paying the first installment due on 12<sup>th</sup> February 2009. While the matter was still under deliberation of Investment Committee, the Bank again approached with a fresh proposal for full and final settlement of loan by offering TFCs of Bunnys Ltd., Pak Hye Oil Ltd., Gharibwal Cement Ltd and Three Star Hosiery. Investment Committee rejected all the TFCs as none of them were fulfilling investment criteria of the Corporation. Various meetings held between State Life and FDIBL concluded without any positive results. Consequently, Investment Committee in its meeting held on 15<sup>th</sup> May 2009 decided to initiate legal action against the bank for recovery of loan. Consequently, Court case was filed on 19<sup>th</sup> December 2009 against the bank. There have been two hearings so far. Statements of both the parties have been recorded. It is to be noted that the FDIBL had categorically accepted its liabilities to State Life for Principal payment of Rs.100 mn and mark up accrued so far @ 17% p.a. The case is to be proceeded for arguments in the next hearing to be held in the current month.</p> <p>17. In an attempt to reach an out of court settlement the Bank approached State Life offering management control in Dawood Family Takaful through selling =11.5= mn shares of the very company valued at Rs.94.270 million along with two Directorships in the company coupling with equity injection of Rs.250 million under strategic alliance agreement or =11.5= mn of preferred shares FDIBL or combination of both. However, the Board in its 220<sup>th</sup> meeting held on 30<sup>th</sup> May 2011 rejected the proposal and advised for valuation of Dawood Family Takaful. Valuation was carried out by M/s: Riaz &amp; Company, Chartered Accountants, which valued shares of the company in a range of Rs.1.00 to Rs.1.50 per share making the proposition unviable for further consideration.</p> <p>18. State Life entered into mediation with First Dawood Investment Bank to reach an amicable out of court settlement under the supervision of Karachi Centre for Dispute Resolution. KCDR is a Mediation Centre established under the law and with the approval of the Sindh High Court. Both the entities are in advance negotiation stage. Progress made so far is as under:</p> <ul style="list-style-type: none"> <li>a- Negotiation has reached to a stage whereby assets offered by FIDBL for full and final settlement against the defaulted amount have been shortlisted and are considered for evaluation and verification for further negotiation of price.</li> <li>b- The options and the assets provisionally identified and communicated to FDIBL by State Life for the out of court settlement subject to approval of the Board are as under: <ul style="list-style-type: none"> <li>(1) Rs.20 million as upfront payment.</li> <li>(2) =9,695,817= shares of Burj Bank at a price of Rs.7.89 per share totaling to Rs.76.5 mn.</li> <li>(3) Acceptance of Flat No. 7, 4<sup>th</sup> Floor, Block 7 &amp; 8, of CP Berar Cooperative Society, Karachi, valuing Rs. 4.5 million, subject to verification of valuation by an independent and reputable valuator, production of its documents, clearance of title with vacant possession.</li> <li>(4) Accrued interest of Rs. 55.472 million as at that date was proposed to be paid by FDIBL atleast 50% in cash or in form of shares of Burj Bank.</li> </ul> </li> </ul> <p>19. KCDR forward copy of letter no. FDIBL/MBD/3023 dated May 7, 2012 of First Dawood Investment Bank Ltd., addressed to KCDR which contains proposal from the Bank for full &amp; final settlement of the dispute. The fresh proposal is in line with the terms of conditions proposed by State Life for the settlement of dispute but with amendments on few aspects. (Annexure A)</p> <ul style="list-style-type: none"> <li>a- Agreed to pay Rs.20 million as upfront payment, against of initial offer of Rs.7.0 million.</li> </ul>			

CHAIRMAN'S  
INITIALS



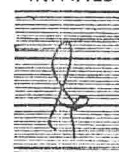

MINUTES OF 226<sup>TH</sup> MEETING OF THE BOARD OF DIRECTORS

DIRECTORS	HELD AT	ON	TIME								
MINUTE BOOK	KARACHI	4 <sup>TH</sup> JULY, 2012									
<p>b- Offered of =8.40= million shares of Burj Bank at original offered price of Rs.10 per share against =9,695,817= shares of Burj Bank at Rs.7.89 per share as proposed by State Life</p> <p>c- Offered with no change in price i.e. Rs.4.5 million of residential flat no. 7, 4<sup>th</sup> Floor, Block 7 &amp; 8, of CP Berar Cooperative Society, Karachi.</p> <p>d- Silent on payment of 50% of accrued interest amounting to Rs. 55.472 million either in cash or shares of Burj Bank at a price of Rs.7.89 per share valuing the same.</p> <p>20. It is to be noted that State Life has strong case against the First Dawood Investment Bank on following reasons:</p> <p>a- That in the cross examination held on 1<sup>st</sup> August 2011, First Dawood Investment Bank has categorically accepted its liabilities to State Life for Principal payment of Rs.100 mn and mark up accrued so far @ 17% p.a. before the Commissioner appointed by the Court.</p> <p>b- In a legal opinion of our counsel Mr. Sultan A. Allana explicitly stated that:</p> <p>(1) State Life has a good and strong case in its favor.</p> <p>(2) State Life can recover the amount through Execution Application in case of decision in its favor. For that purpose assets of the bank are to be supplied to the court.</p> <p>21. Reason for adopting an alternative course of action to reach an out of court settlement is based on presumptions first, that a decree from High Court may take a long time and can be challenged in Supreme Court leading to further dragging of case, second that even a decree by the court in favor of State Life stands little chance in recovering the claimed amount due to non-existence of quality assets on the Balance Sheet of the Company. Now the offer of First Dawood Investment Bank Limited is placed before REIC for consideration and for approval for placement of the same before Board of Directors of State Life in its next meeting as appearing below:</p> <table><tr><td>a. Upfront Cash payment</td><td>Rs. 20.0 million</td></tr><tr><td>b. Residential Flat at price of</td><td>Rs 4.50 million</td></tr><tr><td>c. Share of Burj Bank (8.4 mn @ Rs.10 each)</td><td>Rs. 84.0 million</td></tr><tr><td>Total</td><td>Rs.108.50 million</td></tr></table> <p>22. The procedures State Life will be required to pursue, in case, the Board approves the proposed Settlement Resolution are as under:</p> <p>Legally the approved settlement would be formally reduced in writing at KCDR which will be signed by the competent and nominated persons from both the sides in presence of Mediators in the form of settlement Agreement. Then an application under Order 23 CPC will be filed in the High Court, (where the suit between the parties relating to the dispute is pending) jointly by the parties and their advocates along with the original signed settlement deed for passing a decree in terms of the settlement deed. The court will finally pass an order on the application under Order 23 CPC with the consent of the parties and their advocates accordingly and the suit will be decreed in terms of settlement deed with no order to the costs. (Annexure B).</p> <p>23. One of the members of the committee enquired about the listing status the Burj Bank and method employed to calculate fair value i.e of Rs.7.89 per share. DH Investment explained to the member that Burj Bank is an unlisted islamic bank and its per share value has been calculated</p>				a. Upfront Cash payment	Rs. 20.0 million	b. Residential Flat at price of	Rs 4.50 million	c. Share of Burj Bank (8.4 mn @ Rs.10 each)	Rs. 84.0 million	Total	Rs.108.50 million
a. Upfront Cash payment	Rs. 20.0 million										
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c. Share of Burj Bank (8.4 mn @ Rs.10 each)	Rs. 84.0 million										
Total	Rs.108.50 million										

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MINUTES OF 226<sup>TH</sup> MEETING OF THE BOARD OF DIRECTORS

DIRECTORS	HELD AT	ON	TIME										
MINUTE BOOK	KARACHI	4 <sup>TH</sup> JULY, 2012											
<p>on principle of Book value as at 31<sup>st</sup> December 2011, minus the adjustment of unrealizable assets such as deferred tax assets plus the 10% hair cut. At this point, Chairman apprised the members that in subsequent meeting First Dawood Investment Bank has expressed its inability to offer =8.4= mn shares of Burj Bank at price of Rs.7.89 per share as they have already sold =13.5= mn shares to Allied Bank at a price of Rs.10.0 per share. DH Investment presented the copy of the letter of Allied Bank in which the bank has confirmed receipt of the same as part of settlement of long term financing facilities to FDIBL of Rs.135.0 mn.</p> <p>24. Committee observed that in calculating amount receivable from FDIBL the first and the only interest i.e. =Rs.4.3= mn received from FIDBL on 24<sup>th</sup> January 2009 has not been included. DH Investment clarified to the members that the interest received has been recorded in the books of account, therefore will be made part of full &amp; final settlement.</p> <p>25. The committee also deliberated on possible consequences of not settling the dispute in terms and conditions finally offered by FDIBL. Members observed that the rationale presented by DH Investment in his memo is quite convincing and is in line with prudent management. Committee principally agreed that the matter may please be referred to Board for consideration subject to condition that title of the property (Flat at CP Barar Society) is cleared, free from any encumbrances and the valuation is confirmed by Real Estate Division of State Life.</p> <p>26. Committee also observed that resolution of the dispute will result into waiver of Rs.42.59 mn by the Board of Directors. One of the members enquired about the authority of the Board to waive remaining amount of mark up. After reviewing the functions of the Corporation as stated in LINO in para-14 Chapter-IV, it was decided by the REIC that Investment Division/Legal Affairs Division may refer the matter to well reputed corporate lawyer/firm seeking legal opinion as to whether under the Life Insurance Nationalization Order (LINO), the Board of Directors is competent to waive the referred amount of remaining mark up as mentioned above in the minutes.</p> <p><u>Resolved:</u></p> <p>27. It was resolved that:-</p> <table><tr><td>a. "That the full &amp; final settlement offered by the First Dawood Investment Bank may be presented to Board of Directors i.e.</td><td></td></tr><tr><td>b. Upfront Cash payment</td><td>Rs. 20.0 million</td></tr><tr><td>c. Residential Flat at price of</td><td>Rs. 4.50 million</td></tr><tr><td>d. Share of Burj Bank (8.4 mn @ Rs.10 each)</td><td>Rs. 84.0 million</td></tr><tr><td>Total</td><td>Rs.108.50 million</td></tr></table> <p>28. However, the first and the only interest received from FDIBL amounting to Rs.4.378 mn should also be considered as part of the final settlement. The Committee also advised that presentation of the case before Board must proceed following actions on part of concerned authority.</p> <p>a. Real Estate Division to get the Property, Flat No.7 &amp; 8 of CP Barar Society, offered by FDIBL be evaluated and ensured that the title of the property is in name of FDIBL and is free from any encumbrances. Further to this it is transferrable to State Life in vacant possession.</p> <p>b. In view of acceptance of =13.5= million shares of Burj Bank by Allied Bank Ltd., at Rs.10 per share in settlement of their long term financing facilities of Rs. 135.0 mn, State Life may also accept =8.4= million shares of Burj Bank at the same price totaling to Rs. 84.0 mn.</p> <p>c. Advised DH Investment to assure that consent agreement to be prepared by KCDR must include a clause that in case of non-compliance to the implementation of settlement agreement by FDIBL after the issuance of decree, the FDIBL would be liable to pay the Principal plus the interest</p>				a. "That the full & final settlement offered by the First Dawood Investment Bank may be presented to Board of Directors i.e.		b. Upfront Cash payment	Rs. 20.0 million	c. Residential Flat at price of	Rs. 4.50 million	d. Share of Burj Bank (8.4 mn @ Rs.10 each)	Rs. 84.0 million	Total	Rs.108.50 million
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## MINUTES OF 226<sup>TH</sup> MEETING OF THE BOARD OF DIRECTORS

DIRECTORS	HELD AT	ON	TIME
MINUTE BOOK	KARACHI	4 <sup>TH</sup> JULY, 2012	
	<p><i>accrued till the date of violation of the agreement and that will lead to restoration of original claim as per terms of COIs from the date of placement of funds with them.</i></p> <p>d. <i>State Life will not enter into any type of transactions with FDIBL or any of its directors or its subsidiaries for the next five years.</i></p> <p>29. On conclusion of the meeting all the members thanked the Chair.</p> <p>Secretary REIC: _____ Chairman _____</p>		
	<p>CHAIRMAN'S INITIALS</p> 		

MINUTES OF 226<sup>TH</sup> MEETING OF THE BOARD OF DIRECTORS

DIRECTORS	HELD AT	ON	TIME
MINUTE BOOK	KARACHI	4 <sup>TH</sup> JULY, 2012	
	<p style="text-align: right;"><u>Annexure-B</u></p> <p><b>POSITION PAPER ON CURRENT STATUS OF IMPLEMENTATION OF PRE-PACKAGED SOFTWARE SOLUTION.</b></p> <p>The Board of Directors in its 218<sup>th</sup> meeting held on March 21, 2011 desired to present updated project progress report on implementation of Pre-Packaged Software Solution in every Board Meeting. In compliance of the board directives, subject position is furnished as under:</p> <p><b><u>1. Module-wise implementation status of Pre-packaged Software Solution:</u></b></p> <p><b><u>1.1. Group Life Administration System Module - (GLAS)</u></b></p> <ul style="list-style-type: none"> <li>• Gap Analysis Document for this module was got signed-off from relevant users of G&amp;P Zones, PHS &amp; Claims departments and their in-charges. Subsequently it was signed-off by Divisional Head (G&amp;P) and Divisional Head (IT) on 10<sup>th</sup> February 2011.</li> <li>• As per process said document was forwarded to SHMA for subsequent activities. SHMA completed work on customization of this module and technical users of G&amp;P Zone started review of customized module from July 14<sup>th</sup> 2011. This is being carryout with following activities: <ul style="list-style-type: none"> <li>▪ Pre-implementation Preparation</li> <li>▪ Pre-implementation sessions with Technical Users</li> <li>▪ Entry of parameters &amp; printing of reports</li> <li>▪ Data Mapping / Data Migration</li> <li>▪ Preparation &amp; verification of Data Mapping Documents</li> <li>▪ Development of Migration Scripts</li> <li>▪ Cleaning, rectification &amp; verification of converted policy data</li> </ul> </li> <li>• The implementation team completed testing of functions with real data &amp; Pre-UAT with subject matter specialists. The implementation team has been performing pre-UAT activities; Test-Run and user Training in Karachi G&amp;P Zone since 1<sup>st</sup> week of March 2012.</li> <li>• The formal Users Trainings (to properly hand-over the GLAS module to functional users) for UAT and parallel Run is expected to start from 1<sup>st</sup> week of July 2012.</li> </ul> <p><b><u>1.2. Individual Life Administration System Module - (ILAS)</u></b></p> <ul style="list-style-type: none"> <li>• The Individual Life Administration System Module (ILAS) covers almost 80% of the core functions of State Life which includes following sub modules: <ul style="list-style-type: none"> <li>▪ New Business</li> <li>▪ Policy Conservation &amp; Alterations</li> <li>▪ Reinsurance</li> <li>▪ Claim &amp; Loan Management</li> <li>▪ Agency Admn./Commissions</li> </ul> </li> <li>• The Gap Analysis Document for New Business, Policy Alterations, Reinsurance and Claims</li> </ul>		

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MINUTES OF 226<sup>TH</sup> MEETING OF THE BOARD OF DIRECTORS

DIRECTORS	HELD AT	ON	TIME
MINUTE BOOK	KARACHI	4 <sup>TH</sup> JULY, 2012	
	<p>Management was prepared/reviewed and signed-off on June 3, 2011 and the same was provided to SHMA to initiate customization. Since diversification of functions in different life insurance product associated with various supplementary riders is very high; therefore Gap Document was provided to SHMA with an understanding that any improvement suggested by the stakeholders during customization process will be accommodated accordingly.</p> <ul style="list-style-type: none"> <li>IT Project Office in collaboration with subject matter specialists from PHS Division are reviewing and elevating the various products for further improvements and incorporation of new functionalities in the system.</li> <li>SHMA started following activities for New Business &amp; Underwriting from 26<sup>th</sup> December 2011. <ul style="list-style-type: none"> <li>Pre-implementation Preparation</li> <li>Incorporation of additional features</li> <li>Generation of compliance Document</li> <li>Pre-implementation sessions with Technical Users/IT team</li> <li>Entry of parameters &amp; validation of Reports</li> <li>Testing of functions with real data</li> <li>UAT with subject matter specialists</li> <li>Initiate user Training</li> </ul> </li> <li>SHMA delivered Claims sub-module after customization of gaps on 22<sup>nd</sup> June 2012 for Pre-UAT activities</li> <li>Testing of functions with real data &amp; Pre-UAT with subject matter specialists of New Business &amp; Underwriting is progress and about to complete. The expected date for implementation of this module on pilot site for UAT &amp; Test Run is 30<sup>th</sup> July 2012.</li> </ul> <p><b>1.3. GL Module</b></p> <ul style="list-style-type: none"> <li>Final Gap Document was reviewed by functional users of F&amp;A Division and got signed-off on 20<sup>th</sup> July 2011. In light of identified gaps, SHMA completed customization of this module and delivered for its review and validation in March 2012.</li> <li>During the month of March &amp; April 2012, functional users of (F&amp;A) Division remained fully occupied due to quarter &amp; annual accounts closing and preparation Annual Budget &amp; Accounts which delayed to initiate Pre-UAT of said module. Unfortunately, in the 1<sup>st</sup> week of May 2012 Mr. Muhammad Ali Chohan (the nominated focal person from F&amp;A Division for implementation of pre-packaged software solution who contributed a lot during Gap Analysis phase) has left F&amp;A Division/SLIC, due to which implementation committee was unable to start Pre-UAT of GL module.</li> <li>A status review meeting for said module held on 7<sup>th</sup> June 2012 between Divisional Head (F&amp;A), Divisional Head (IT) and PD – (IT) in which Divisional Head (F&amp;A) nominated new resources for coordination &amp; implementation of software solution and designated team has started Pre-UAT activities from 19<sup>th</sup> June 2012.</li> <li>The expected date to start test run on pilot site for this module is mid of the July 2012.</li> </ul> <p><b>1.4. Investment Module</b></p> <ul style="list-style-type: none"> <li>In a routine Project Status review meeting held in June 2011, Mr. Omer Morshad, GM</li> </ul>		

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DIRECTORS	HELD AT	ON	TIME
MINUTE BOOK	KARACHI	4 <sup>TH</sup> JULY, 2012	
	<p><i>Investment &amp; Divisional Head (IT) along with relevant resources reviewed progress of this module. During the discussion, GM Investment acknowledged that most of the functions available in the pre-packaged software are almost compliant with user requirements. Therefore, he suggested that rather than conducting Gap Analysis through discussion/demonstration sessions; SHMA should deploy available application and enable implementation committee (comprising Investment &amp; IT Division resources) to run application and identify gaps, if any, in parallel with the customization process. This approach will expedite the implementation process and minimize time required for UAT phase. SHMA agreed to the suggestion.</i></p> <ul style="list-style-type: none"> <li>• <i>The implementation committee (comprising Investment &amp; IT Division resources) started work in July 2011 to run application and identify gaps, if any, in parallel with the customization of following sub-modules:</i> <ul style="list-style-type: none"> <li>▪ <i>T – Bill = (Treasury Bills)</i></li> <li>▪ <i>TDR = (Terms Deposits Refinance)</i></li> <li>▪ <i>TFC = (Term Finance Certificates)</i></li> <li>▪ <i>PIB (Pakistan Investment Bonds)</i></li> <li>▪ <i>Equity (Money Market)</i></li> </ul> </li> <li>• <i>T – Bill &amp; TDR sub-modules were signed-off on 15th September 2011 and 2<sup>nd</sup> February 2012 respectively.</i></li> <li>• <i>Work on testing of Equity sub-module is in progress.</i></li> <li>• <i>A status review meeting for IPAMS module was held on 12<sup>th</sup> June 2012 which was attended by Divisional Head (Investment) along with his team, Divisional Head (IT) and PD – (IT) and designated implementation committee in which newly joined Divisional Head (Investment) was upraised about work done so far and on-going implementation activities. Divisional Head (Investment) suggested few improvements and encouraged the implementation team to continue their work for timely completion of the job.</i></li> <li>• <i>The review of Equity sub-module is in progress and sign-off is expected by the end of June 2012.</i></li> <li>• <i>Development of TFC sub-module is in progress, its deployment is expected by end of July 2012.</i></li> </ul> <p><b>1.5. HRM &amp; Payroll Module – (HRM)</b></p> <ul style="list-style-type: none"> <li>• <i>Based on detailed walk-through sessions, product demonstrations and Gap documentation sessions; draft Gap Document for HRM &amp; Payroll Modules were prepared.</i></li> <li>• <i>The drafts Gap Document were circulated for review of respective User Divisions and other stakeholders. Implementation Committee for these modules conducted various sessions with relevant users for comprehensive user review &amp; validation of said Gap Documents. The final sets of changes identified during these sessions were communicated to SHMA.</i></li> <li>• <i>SHMA submitted final Gap Analysis Document for this module on 19th July 2011, Gap Document was reviewed by relevant stakeholders and got signed-off on 25th October 2011.</i></li> <li>• <i>Due to shortage of human resources and focus on implementation of Core Business modules, it is planned to initiate pre-implementation activities for said module from July 2012.</i></li> </ul>		

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MINUTES OF 226<sup>TH</sup> MEETING OF THE BOARD OF DIRECTORS

DIRECTORS	HELD AT	ON	TIME
MINUTE BOOK	KARACHI	4 <sup>TH</sup> JULY, 2012	
<p><b>1.6. Fixed Assets Module – (FA)</b></p> <ul style="list-style-type: none"> <li>Detailed walk through &amp; Gap Analysis sessions were conducted for users of P&amp;GS Division PO, Karachi South Zone &amp; Real Estate Division PO. This resulted in preparation of draft Gap Analysis Document.</li> <li>The Gap Document was reviewed by the concerned stakeholders and signed-off on 14th April 2011. As per process said document has been forwarded to SHMA for onward activities.</li> <li>Presently, SHMA is working for customization of Fixed Assets sub-module and its completion will lead to resume work on Procurement &amp; Inventory Management System which is expect to initiate in August 2012.</li> </ul> <p><b>1.7. Real Estate Module</b></p> <ul style="list-style-type: none"> <li>Functional Specification Document for this module was prepared by SHMA and reviewed by the IT implementation Committee and subsequently forwarded to Real Estate Division for domain specific review. IT implementation committee in consultation with SHMA arranged detailed discussion &amp; walk-through sessions with user (Real Estate) for better understanding of the said document. The review of this document will enable to initiate the designing and development of this module which is planned to start in August 2012.</li> <li>In parallel with stock Procurement &amp; Inventory, working on requirement specification of Fixed &amp; consumable Assets has already been completed. The work on "Real Estate Project Management" &amp; "Tenancy" sub-modules is deferred till the completion of Gap Analysis phase of Stock Procurement &amp; Inventory module.</li> <li>It is worth mentioning here that that Real Estate Management System is dependent on Fixed Assets, Stock Inventory &amp; Procurement Module. Therefore, it was decided that SHMA &amp; IT Project team will resume work on next activity of this module from August 2012.</li> </ul> <p>It is worth mentioning here that due to shortage of human resources and focus on Implementation of Core Business modules, it is planned to initiative pre-implementation activities for (HRM &amp; Pay Roll, Fixed Assets &amp; Real Estate) support function modules from August 2012</p> <p><b>2. Deployment of New ICT Infrastructure:</b></p> <p><b>2.1. Preparation of SLIC - Data Centre:</b></p> <ul style="list-style-type: none"> <li>The Board of Directors in its 224<sup>th</sup> meeting held on April 10, 2012 approved the tender to award the job for Establishment of SLIC – Data Centre.</li> <li>Letter of Intent (LOI) was issued to M/S. Interactive Convergence (Pvt.) limited on 4<sup>th</sup> April 2012. The vendor has accepted (LOI) and started work on the assignment.</li> <li>As per work plan submitted by the vendor, activity is expected to be completed by 15<sup>th</sup> December 2012.</li> </ul> <p><b>2.2. Procurement of Branded Servers, Storage Solution and License Software:</b></p> <ul style="list-style-type: none"> <li>Survey completed to identify requirements in December. 2011</li> <li>RFP was prepared to float Tender Notice</li> <li>IT Steering Committee in its 9<sup>th</sup> meeting held on 25<sup>th</sup> May 2012, approved to publish Tender Notice in press and PPRA &amp; SLIC's websites</li> </ul>			

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MINUTES OF 226<sup>TH</sup> MEETING OF THE BOARD OF DIRECTORS


DIRECTORS	HELD AT	ON	TIME
MINUTE BOOK	KARACHI	4 <sup>TH</sup> JULY, 2012	
	<ul style="list-style-type: none"> <li>• Tender was published in press &amp; SLIC &amp; PPRA's websites on 10<sup>th</sup> June 2012.</li> <li>• Deadline for collection of bids and technical bids opening is 19<sup>th</sup> July 2012.</li> <li>• Time required to finish Technical Evaluation is 4-weeks from the date of tender opening.</li> <li>• Finalization of Technical cum Financial Evaluation will take 2-weeks from the date of announcing technical scores and opening Financial bids</li> <li>• Preparation of memorandum to seek approval from BoD to issue LOI will take 4-weeks Activity is expected to be completed by December 2012.</li> </ul> <p style="text-align: center;">=====</p>		
			<div style="text-align: right;"> CHAIRMAN'S INITIALS   </div>



MINUTES OF 226<sup>TH</sup> MEETING OF THE BOARD OF DIRECTORS

DIRECTORS	HELD AT	ON	TIME												
MINUTE BOOK	KARACHI	4 <sup>TH</sup> JULY, 2012													
	<p style="text-align: right;"><u>Annexure-C</u></p> <p style="text-align: center;">MINUTES OF 10<sup>TH</sup> MEETING OF HUMAN RESOURCES COMMITTEE <u>HELD ON 8<sup>TH</sup> JUNE, 2012 AT KARACHI.</u></p> <p>The 10<sup>th</sup> meeting of the Human Resources Committee of the Board of Directors of State Life Insurance Corporation of Pakistan was held on 08<sup>th</sup> June 2012 at 02.30 p.m. in the Board Room, State Life Building No. 9, Principal Office, Karachi.</p> <p>2. The following attended the meeting:</p> <table><tr><td>Mr. Shahid Aziz Siddiqi</td><td>Chairman</td></tr><tr><td>Mr. Farooq Hadi</td><td>Director</td></tr><tr><td>Mr. Wazir Ali Khoja</td><td>Director</td></tr><tr><td>Mr. Furqan A. Shaikh</td><td>Director</td></tr><tr><td>Mr. Abdul Hafeez Shaikh</td><td>ED (P&amp;GS) / Secretary</td></tr><tr><td>Mr. Mohsin Abbas</td><td>Divisional Head (P&amp;GS)</td></tr></table> <p>Mr. Muhammad Rashid D.H. (F&amp;A) attended the meeting on request</p> <p><u>Leave of absence</u></p> <p>Mr. Kamran Ali Qureshi Director</p> <p>3. Meeting started with the Recitation of Holy Quran at 02:30 p.m.</p> <p><u>CONFIRMATION OF MINUTES OF 9<sup>th</sup> MEETING OF HUMAN RESOURCES COMMITTEE HELD ON 13<sup>th</sup> March 2012.</u></p> <p>4. The minutes of 9<sup>th</sup> meeting held on 13<sup>th</sup> March 2012 were placed before the Committee.</p> <p><u>RESOLVED</u></p> <p>5. The committee unanimously agreed and approved the minutes of 9<sup>th</sup> HR Committee meeting held on 13<sup>th</sup> March 2012.</p> <p>ITEM (02) <u>IMPLEMENTATION REPORTS OF 9<sup>th</sup> MEETING OF HUMAN RESOURCES COMMITTEE HELD ON 13<sup>th</sup> March 2012.</u></p> <p>6. The minutes of 9<sup>th</sup> meeting held on 13<sup>th</sup> March 2012 were placed before the Committee.</p> <p><u>RESOLVED</u></p> <p>7. "The committee showed its satisfaction on the implementation of decisions."</p> <p>ITEM (03) <u>REVISION OF PAY PACKAGE FOR OFFICERS OF STATE LIFE</u></p> <p>8. The Officer's Federation of State Life Insurance Corporation submitted proposals to the Chairman for revision of Pay Scales and perks of officers of the Corporation with effect from 01-01-2010 and 01-01-2012 respectively.</p>			Mr. Shahid Aziz Siddiqi	Chairman	Mr. Farooq Hadi	Director	Mr. Wazir Ali Khoja	Director	Mr. Furqan A. Shaikh	Director	Mr. Abdul Hafeez Shaikh	ED (P&GS) / Secretary	Mr. Mohsin Abbas	Divisional Head (P&GS)
Mr. Shahid Aziz Siddiqi	Chairman														
Mr. Farooq Hadi	Director														
Mr. Wazir Ali Khoja	Director														
Mr. Furqan A. Shaikh	Director														
Mr. Abdul Hafeez Shaikh	ED (P&GS) / Secretary														
Mr. Mohsin Abbas	Divisional Head (P&GS)														

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MINUTES OF 226<sup>TH</sup> MEETING OF THE BOARD OF DIRECTORS

RECTORS	HELD AT <b>KARACHI</b>	ON <b>4<sup>TH</sup> JULY, 2012</b>	TIME													
UTE BOOK																
<p>9. In order to examine, evaluate and submit recommendations to the Chairman on the proposals of the Federation, a Committee was constituted vide Office Order No. P&amp;GS/PO/136/2012 dated 04-04-2012. The Committee held several meetings on various dates and deliberated all the proposals and issues in details keeping in view the increase in salaries of the Government servants and staff and the anomalies noticed in pay fixation between staff and some cadres of officers because of such increase as well as the inflationary trend in the economy.</p> <p>10. In the light of recommendations submitted by the pay committee, following recommendation was proposed;</p> <p><b>A. <u>Adjustment of Adhoc Allowances of 50% paid w.e.f. 01-07-2010 and 15% paid w.e.f. 01-07-2011</u></b></p> <p>Officers' Pay Package was due w.e.f. 01-01-2010, as per practice, allowed @ 65% adhoc allowance (50% allowed w.e.f. 01-07-2010 and 15% allowed w.e.f. 01-07-2011), was required to be adjusted on 01-01-2012 by increasing the salary @ 38.5%.</p> <p><b>B. <u>Pay Package (Revision of Pay Scales) with effect from 01-01-2012</u></b></p> <p>As per practice in vogue, the Pay Package of the officers is revised after every two years, which is due with effect from 1<sup>st</sup> January 2012. The proposals of pay packages are as under:</p> <p><b>i) <u>BASIC PAY</u></b></p> <p>An increase in Basic Pay either @ 35%, 30% or 25% with effect from 01-01-2012, is suggested.</p> <p><b>ii) <u>UTILITIES</u></b></p> <p>Utilities are being paid at the @15%. There is no doubt that there is tremendous increase in the utility cost and every year, due to upward revision several times; hence it is proposed that Utilities charges % may be revised as under;</p> <table border="1"><tr><th>Existing</th><th>Proposed</th></tr><tr><td>15% on Basic Pay</td><td>20% on Basic Pay</td></tr></table> <p><b>iii) <u>CONVEYANCE AND CAR MAINTAINANCE ALLOWANCE</u></b></p> <p>The present Conveyance of Rs. 2,000 for E.Os, A.Ms., D.Ms and Managers was fixed w.e.f. 01-07-2008. During these five years, the cost of fuel has increased from Rs. 53 per liter to Rs. 103 with resultant increase in fares. Keeping in view, the increase in fuel cost/fare as well as increase in cost of engine/gear/brake oil along with maintenance cost, it was recommended to revise the conveyance allowance and Car Maintenance allowance as follows:</p> <table border="1"><tr><th>Description</th><th>Existing</th><th>Proposed</th></tr><tr><td>Conveyance Allowance</td><td>Rs.2,000/- p.m.</td><td>Rs.2,800/- p.m.</td></tr><tr><td>Car Maintenance Allowance for Managers</td><td>Rs.1,650/- p.m.</td><td>Rs.2,500/- p.m.</td></tr></table> <p><b>iv) <u>LATE SITTING</u></b></p> <p>In crucial months and specially during last days of every month and during finalization of Accounts, the officers have to sit late. At present, they were getting insufficient amount for refreshment. This amount was fixed during the year 1995; which is inconsonance with the price of the consumer items. On the other hand the staff and even Naib Quasids were getting higher over-time than their bosses. it was proposed that existing limit of reimbursement of meals/refreshment charges may be</p>				Existing	Proposed	15% on Basic Pay	20% on Basic Pay	Description	Existing	Proposed	Conveyance Allowance	Rs.2,000/- p.m.	Rs.2,800/- p.m.	Car Maintenance Allowance for Managers	Rs.1,650/- p.m.	Rs.2,500/- p.m.
Existing	Proposed															
15% on Basic Pay	20% on Basic Pay															
Description	Existing	Proposed														
Conveyance Allowance	Rs.2,000/- p.m.	Rs.2,800/- p.m.														
Car Maintenance Allowance for Managers	Rs.1,650/- p.m.	Rs.2,500/- p.m.														

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MINUTES OF 226<sup>TH</sup> MEETING OF THE BOARD OF DIRECTORS

DIRECTORS	HELD AT	ON	TIME
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re-visited as:

Designation	Existing	Proposed
Executive Officers, Assistant Managers, Deputy Managers & Managers	Rs.50/- for 2 hours	Rs.100/- for 2 hours
	Rs.100/- for 4 hours	Rs.200/- for 4 hours
	Rs.200/- for above 4 hours	Rs.300/- for above 4 hours

v) CAR RENTAL

Car Rental to entitled Executives was fixed during 1998, therefore keeping the increase in cost of maintenance and prices of car in view, it was proposed the revision of Car Rental as under;

Designation	Existing	Proposed
General Managers	Rs.4,000/-	Rs.6,000/-
Dy. General Managers	Rs.3,600/-	Rs.5,000/-
Asstt. General Managers	Rs.3,400/-	Rs.4,500/-
Manager (Dev.)	Rs.3,250/-	Rs.4,500/-
Dy. Manager, G&P (Dev.)	Rs.2,000/-	Rs.2,500/-
Asstt. Manager, G&P (Dev.)	Rs.2,000/-	Rs.2,500/-

vi) DRIVER SUBSIDY

The Board of Directors in its 198<sup>th</sup> meeting held on 04-12-2008 had approved the existing limit of Driver Subsidy. Due to increase of wage rate in market, it was proposed for revision in Driver Subsidy as under;

Designation	Existing	Proposed
Sr. G.Ms /G.Ms /DHs	Rs.8,000/- p.m.	Rs.10,000/- p.m.
R.Cs / Z.Hs.	Rs.8,500/- p.m.	Rs.10,000/- p.m.
DGMs (Mktg)	Rs.5,000/- p.m.	Rs.6,000/- p.m.
DGMs (Office)	Rs.4,500/- p.m.	Rs.5,500/- p.m.
AGMs / Mgr (Mktg)	Rs.3,000/- p.m.	Rs.4,000/- p.m.

vii) SCHOLARSHIP

- a) It was proposed that in line with staff also to allow scholarship to those children of the officers who would secure 90% and above marks in Matriculation & Intermediate examination as per following details:

Education	Existing	Proposed Scholarship per Year
After Matriculation / Equivalent (for two years)	Nil	Rs. 15,000/-
After Intermediate / Equivalent (for two years)		Rs. 30,000/-

- b) Similarly like staff, those children of the officers who fall among the 1<sup>st</sup> three positions of the SSC &HSC Board examination shall be awarded Rs. 60,000 for SSC and Rs.90,000 for HSC Examination.

viii) LONG SERVICE AWARD

- a) It was proposed for Cash Award to officers on length of service as under;

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# MINUTES OF 226<sup>TH</sup> MEETING OF THE BOARD OF DIRECTORS STATE LIFE

INSURANCE CORPORATION OF PAKISTAN

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DIRECTORS	h) It	On Completion HELD AT Year	Existing	Proposed	TIME
MINUTE BOOK		15	Nil	Rs.5,000/-	was also proposed that officers may be allowed
		20	1500	Rs.7,500/-	
		25	Nil	Rs.10,000/-	

Rs. 25,000/- at the time of retirement on attaining the age of superannuation, as allowed to Unionized Staff.

## ix) Car Mileage Expenses

The present car mileage during travelling was fixed a decade ago. During this period the fuel charges and car maintenance expenses have increased manifold. It was suggested to revise the care mileage as under:

Existing	Proposed
Rs. 3 / km	Rs. 12 / km

## x) Daily Allowance

The existing Daily Allowance for Officers may be revised with immediate effect as per following:

Designation	Existing		Proposed	
	Special Rates (Admissible at Isb, Kar, Lhr, Rwp, Pesh, Quetta, Multan, Faisalabad, Hyd, Gujranwala, Mirpur-A.K)	Ordinary Rates for other Stations	Special Rates (Admissible at Isb, Kar, Lhr, Rwp, Pesh, Quetta, Multan, Faisalabad, Hyd, Gujranwala, Mirpur- A.K)	Ordinary Rates for other Stations
Asstt. General Managers & above	Rs.1,000/-	Rs.700/-	Rs.1,500/-	Rs.1,050 /-
Dy. Managers / Managers	Rs.825/-	Rs.625/-	Rs.1,250/-	Rs.940/-
Executive Officers / Asstt. Managers	Rs.640/-	Rs.500/-	Rs.960/-	Rs.750/-

## xi) Employment Opportunity

Only one son / daughter of an Officer retiring within 5 years may be appointed according to qualification / experience subject to no other son / daughter of the officer was already employed in the Corporation, subject to the availability of posts and requirement of the Corporation.

## xii) Medical Facility

### Post Retirement Medical facility.

The present post-retirement medical facility is restricted to one last drawn basic pay for each head i.e. Medicine, Hospitalization and consultation / investigation (total three basic pay per annum). In case the limit is not utilized during the year, the remaining balance of the limit stands lapsed at the year end and cannot be carried forward to next year.

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The allowable 3 basic limit may be merged and can be utilized for any of the Head of Account i.e. Consultation or Medicines or Hospitalizations or Investigations.

11. The matter was placed before the Human Resources Committee of the Board of Directors for consideration of adjustment of 65% adhoc allowance & revision in Pay Scales w.e.f. 01-01-2012 and submit its recommendations for Board of Directors.

**12.RESOLVED**

"that the Committee observed that in view of inflationary trends and Compensation Packages in the market, the salaries of officers are lower. Further, it was observed that Officers Pay Package was not revised for the term 2010-11, which was due with effect from 01-01-2010 and only adhoc allowances @ 50% & 15% (total 65%) were allowed w.e.f. 01-07-2010 & 01-07-2011 respectively. Therefore, the Committee with a view to compensate equitably and fairly, agreed to recommend absorption of total 65% adhoc allowance in the basic pay of Officers with effect from 01-01-2012 by revising the Pay Scales @ 38.5% against the Pay Package due w.e.f. 01-01-2010. The Committee also agreed to recommend revision in the Pay Scales against the Pay Package due w.e.f. 01-01-2012 at following rate:

EOs, AMs, DMs	35%
Upto Managers	
AGM and Onwards	30%

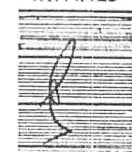
The Committee also recommended revision in following allowances w.e.f. 01-01-2012:

Description	Existing	Proposed
Utilities Allowance	15% on Basic Pay	20% on Basic Pay
Conveyance Allowance	Rs.2,000/- p.m.	Rs.2,800/- p.m.
Car Maintenance Allowance for Managers	Rs.1,650/- p.m.	Rs.2,500/- p.m.

Late Sitting for EOs, AMs, DMs & Managers	Rs.50/- for 2 hours	Rs.100/- for 2 hours
	Rs.100/- for 4 hours	Rs.200/- for 4 hours
	Rs.200/- for above 4 hours	Rs.300/- for above 4 hours

Car Rental		
General Managers	Rs.4,000/-	Rs.6,000/-
Dy. General Managers	Rs.3,600/-	Rs.5,000/-
Asstt. General Managers	Rs.3,400/-	Rs.4,500/-
Manager (Dev.)	Rs.3,250/-	Rs.4,500/-
Dy. Manager, G&P (Dev.)	Rs.2,000/-	Rs.2,500/-
Asstt. Manager, G&P (Dev.)	Rs.2,000/-	Rs.2,500/-

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Driver's Subsidy		
Sr. G.Ms /G.Ms /DHs	Rs.8,000/- p.m.	Rs.10,000/- p.m.
R.Cs / Z.Hs.	Rs.8,500/- p.m.	Rs.10,000/- p.m.
DGMs (Mktg)	Rs.5,000/- p.m.	Rs.6,000/- p.m.
DGMs (Office)	Rs.4,500/- p.m.	Rs.5,500/- p.m.
AGMs / Mgr (Mktg)	Rs.3,000/- p.m.	Rs.4,000/- p.m.

## Scholarship Scheme

To allow scholarship to those children of the officers who would secure 90% and above marks in Matriculation & Intermediate examination as per following rates:

After Matriculation / Equivalent (for two years)	Nil	Rs. 15,000/-
After Intermediate / Equivalent (for two years)		Rs. 30,000/-

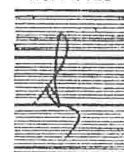
Daily Allowance	Special Rates (Admissible at Ish, Kar, Lhr, Rwp, Pesh, Quetta, Multan, Faisalabad, Hyd, Gujranwala, Mirpur-A.K)	Ordinary Rates for other Stations	Special Rates (Admissible at Ish, Kar, Lhr, Rwp, Pesh, Quetta, Multan, Faisalabad, Hyd, Gujranwala, Mirpur-A.K)	Ordinary Rates for other Stations
Asstt. General Managers & above	Rs.1,000/-	Rs.700/-	Rs.1,500/-	Rs.1,050/-
Dy. Managers / Managers	Rs.825/-	Rs.625/-	Rs.1,250/-	Rs.940/-
Executive Officers / Asstt. Managers	Rs.640/-	Rs.500/-	Rs.960/-	Rs.750/-

Car Mileage Expenses	Rs. 3 / km	Rs. 12 / km
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## Employment Opportunity

Only one son / daughter of an Officer retiring within 5 years may be appointed according to qualification / experience subject to no other son / daughter of the officer was already employed in the

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Corporation, subject to availability of posts and requirement of the Corporation.

## LONG SERVICE AWARD

It is proposed that officers may be allowed the cash award on length of service as follows:

On Completion of Service (Years)	Existing	Proposed
15	Nil	Rs.5,000/-
20	1500	Rs.7,500/-
25	Nil	Rs.10,000/-

- b) It was also proposed that officers may be allowed Rs. 25,000/- at the time of retirement on attaining the age of superannuation, as allowed to Unionized Staff.

## Post Retirement Medical facility

The allowable three (3) basic limit may be merged and can be utilized for any of the head of Account i.e. Consultation, Medicines, Hospitalizations or Investigations in the same particular year.

## ITEM (04) DIFFERENCE OF OVERSEAS ALLOWANCE PAYABLE TO THE OFFICERS POSTED IN GULF ZONE

13. The Officers performing duties in Gulf Zone are remunerated as per terms and conditions decided by the Board in its 152<sup>nd</sup> meeting held on 4-5 March 2000, while rationalizing pay and allowances of overseas officers. Reproduced below is an extract of said decision of the Board with particular reference to Overseas Allowance as made permissible to Overseas Officers, as per rates variable with the post:

(ii) Overseas Allowance for Gulf Chief	US \$ 1502/- per month i.e. equal to the rates paid to the second Secretary of the respective foreign mission offices subject to revision as and when Government revises overseas allowance for their Foreign office, Government of Pakistan, Islamabad.
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14. The extract reproduced above is related with the Officers holding the post of "Assistant General Managers", descending as under with the lower posts:

For Managers: US \$ 1136/- per month subject to revision along the Government

For Deputy Managers: US \$ 947/- per month subject to revision along the Government

15. The Federal Government revised the rate of overseas allowance twice in the year 2005; i) With effect from 01-01-2005 again, with effect from 01-07-2005 onwards. Third revision was effective from 01-07-2007. The last revision was made in 2011; with effect from 01-10-2011.

16. Said revisions were not promulgated by State Life to its overseas officers inspite of being part of their "Terms & Conditions" for posting abroad. The dues on account of unpaid difference have accumulated to US \$ 427,013/- till 30-04-2012, as worked out by Gulf Zone.

17. Later, the provision of "revision in overseas allowance" was discontinued for incorporating in the "Terms & Conditions" of the officers being posted abroad, in violation of the policy of the Board.

18. One of the affected Officers, Dr. Bakht Jamal, ex-Manager (PHS) after expatriation to

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<p>Pakistan submitted representation to State Life for payment of difference on account of revisions, but it was avoided by the management on the reasons incompatible with the status and legality of the Board's corresponding decision as taken in its 152<sup>nd</sup> meeting. Dr. Bakht Jamal, later, approached the Hon'ble Court of Law whereby his case was decided in his favour. The difference of overseas allowance as evolved due to enhancements thrice, was disbursed to him, accordingly. Remaining Officers have also filed appeals/ representations for payment of difference of overseas allowance.</p> <p>19. In order to analyze the Board's decision and subsequent terms and conditions for overseas officers, a Committee was formed consisting of officers of Principal Office, Karachi. The Committee held its meeting on 18<sup>th</sup> April 2012 and found itself incompetent for examination of Board's decision and further viewed the variance in terms &amp; conditions inconsistent with the Board's decision. The Committee further viewed that the difference evolved as a result of revision by Government is payable to existing overseas officers including appellants and any amendment in the policy of overseas allowance, if required, should be effective from the day it is amended on, by the Board, instead of dating it back against the spirit of decision of the Board's 152<sup>nd</sup> meeting. Upholding the Board's decision taken in its 152<sup>nd</sup> meeting, the Committee has decided to invite indulgence of the Human Resource Committee of the Board for further deliberations and settlement of the issue, once for all.</p> <p>20. The HR committee was requested to consider the representations of the affected officers in the light of decision taken by Board in its 152<sup>nd</sup> meeting held on 04-03-2000 and forward its recommendations to the Board.</p> <p><b>RESOLVED</b></p> <p>"21. The Committee observed that the Board of Directors in its 152<sup>nd</sup> meeting held on 4-5 March 2000 approved overseas allowance for its Officers with the provision of subsequent increases/revisions, whenever, announced by the Federal Government.</p> <p>22. The HR Committee recommended that the decision taken in its 152<sup>nd</sup> meeting held on 4-5 March 2000 should be revived and payment of difference should be made to officers remained posted and currently working in the Gulf Zone.</p> <p><b>ITEM (05) APPOINTMENT OF QUALIFIED ACCOUNTANTS AND ACCELERATED PROMOTIONS/UPGRADATION OF THOSE EARNING QUALIFICATION OF CA/ACMA/CIMA/ACCA.</b></p> <p>23. State Life is a financial and commercial organization heavily depending upon its skilled manpower especially professionals. In 1995-1996, the Corporation recruited a number of officers who were either fully or partly qualified Chartered Accountants / Cost and Management Accountants with a view to induct professionals in the organization in compliance with the International Accounting / Auditing Standards. Such personnel were posted in Finance &amp; Accounts, IA&amp;C and Investment Divisions. Their presence in the organization resulted in the betterment of processes, effective service, adherence to rules &amp; regulations and strengthening of internal controls.</p> <p>24. With the passage of time, some partly qualified Accountants passed their final examinations and became Associate Members of their respective Institutes i.e. ICMA or ICAP. These qualified Accountants could not be elevated to suitable position after qualifying their Professional Examinations due to non – availability of vacancies. Moreover, their counter – parts working in private sector are receiving higher &amp; attractive salary packages along with lucrative perquisites. Resultantly, some of the qualified Accountants officer who qualified their CA examinations after recruitment and some of those who qualified ICMA examinations after the appointment left the service of State Life for better prospects due to wide gap in the salary package and allowance drawn by them in State Life in comparison to those organizations.</p> <p>25. The dearth of Accounting professionals was being felt in the Corporation, the intensity of which has been multiplied many fold with the implementation of Insurance Ordinance, 2000. The new Insurance Ordinance 2000 requires insurance companies to submit the quarterly and</p>			


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<p>audited annual accounts to the Securities &amp; Exchange Commission of Pakistan (SECP). Further, some reports are to be submitted on quarterly basis and the Regulator's queries are also attended. The implementation of IFRS has further necessitated the need to have qualified Accounting personnel in the Corporation with a potential to accomplish the task efficiently, effectively and within the prescribed &amp; accepted Accounting Standards.</p> <p>26. Above issue can be addressed through following two strategies:</p> <p><b>a) <u>Recruitment of Qualified / Partly Qualified Accounting Professionals</u></b></p> <p>(1) The Accounting Professionals may be recruited against following vacancies worked out by F&amp;A, Investment and IA&amp;C Divisions on the basis of need worked out communicated by these divisions:</p> <table border="1"> <tr> <th rowspan="2">Division</th> <th colspan="2">Manager</th> <th colspan="2">Deputy Manager</th> </tr> <tr> <th>Number of Posts</th> <th>Criteria</th> <th>Number of Posts</th> <th>Criteria</th> </tr> <tr> <td>F&amp;A</td> <td>10</td> <td>CA / ACMA / CIMA / ACCA 4-5 years experience Max. age 45 years</td> <td>09</td> <td>CA Inter / 3 parts of ACMA and equivalent for ACCA/CIMA Experience will be preferred Max. age 45 years</td> </tr> <tr> <td>Investment</td> <td>2</td> <td>CA / ACMA / CIMA / ACCA 4-5 years experience (Those having relevant experience will be preferred) Max. age 45 years</td> <td>Nil</td> <td>Nil</td> </tr> <tr> <td>IA&amp;C</td> <td>3</td> <td>CA / ACMA / CIMA / ACCA 4-5 years experience Max. age 45 years</td> <td>Nil</td> <td>Nil</td> </tr> </table> <p>27. Above posts will be additional to already approved strength and needs approval of the Board of Directors. The recruitment will be subject to fulfillment of codal formalities i.e. placement of advertisement, short listing of the candidates, selection through test / interview or both, formation of Selection Committees, observance of provincial / regional / other quotas, Medical fitness and verification of antecedents/credentials.</p> <p><b>b) <u>Devising of career growth for those serving the Corporation and have earned / completed the Associate degree of Chartered Accountancy and Cost &amp; Management Accountancy</u></b></p>				Division	Manager		Deputy Manager		Number of Posts	Criteria	Number of Posts	Criteria	F&A	10	CA / ACMA / CIMA / ACCA 4-5 years experience Max. age 45 years	09	CA Inter / 3 parts of ACMA and equivalent for ACCA/CIMA Experience will be preferred Max. age 45 years	Investment	2	CA / ACMA / CIMA / ACCA 4-5 years experience (Those having relevant experience will be preferred) Max. age 45 years	Nil	Nil	IA&C	3	CA / ACMA / CIMA / ACCA 4-5 years experience Max. age 45 years	Nil	Nil
Division	Manager		Deputy Manager																								
	Number of Posts	Criteria	Number of Posts	Criteria																							
F&A	10	CA / ACMA / CIMA / ACCA 4-5 years experience Max. age 45 years	09	CA Inter / 3 parts of ACMA and equivalent for ACCA/CIMA Experience will be preferred Max. age 45 years																							
Investment	2	CA / ACMA / CIMA / ACCA 4-5 years experience (Those having relevant experience will be preferred) Max. age 45 years	Nil	Nil																							
IA&C	3	CA / ACMA / CIMA / ACCA 4-5 years experience Max. age 45 years	Nil	Nil																							

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(1) The remaining qualified officers who are presently working in State Life, with the passage of time have acquired reasonable experience of State Life working and are discharging their responsibilities up to the mark but they are dissatisfied with their present position and emoluments as they have not been upgraded in position after qualifying the Accountancy examinations. In case they leave the service of the Corporation, it would be a great loss to the investment of the Corporation in training and grooming these officers for such a long period of time i.e. about 5 to 6 years. Therefore, it is imminent to think about the prospective brain drain and try to retain them in the best interest of the Corporation.

(2) In view of the aforesaid facts, it is also recommended as under:

- All officers who were appointed in the cadre of EO & AM and have improved their qualification and are now fully qualified Accountants possessing more than 3 years of experience in State Life may be upgraded as Deputy Manager upon qualification of ICMA/ACCA(UK)/CIMA(UK). It is added that those officers who qualify as per above criteria and presently hold the position of Deputy Manager, will be considered for upgradation as Manager.
- All those officer who were appointed in the cadre of DM and have improved their qualification and are now fully qualified Accountants possessing more than 3 years of experience in State Life may be upgraded as Manager upon qualification of ICMA/ACCA(UK)/CIMA(UK).
- As a matter of policy, in future all officers who after their induction in State Life acquire the qualification of ICMA/ACA/CIMA/ACCA will be upgraded as under:
- After qualification of ACMA/ACA/CIMA/ACCA and are Executive Officer / Assistant Manager will be upgraded as Deputy Manager after three years of service.
- After qualification of ACMA/ACA/CIMA/ACCA and are Executive Officer / Assistant Manager / Deputy Manager will be upgraded as Manager after six years of service.
- The P&GS Division will consider cases of these qualified Accountants for upgradation each case individually on the recommendations given by the respective Divisional Head i.e. F&A/Investment/IA&C. No case will be turned down or kept pending due to non-availability of vacancy. In such instances, the case will be processed without any delay and the post will stand upgraded.

28. Matter was placed before the HRC for consideration and recommendation to the Board of Directors.

**RESOLVED**

29. "The Committee realizing shortage of qualified professional in the field of Accounting / Finance recommended for appointment of professionals, subject to observance of codal formalities, and approval of additional posts, detailed as under:

Division	Manager		Deputy Manager	
	Number of Posts	Criteria	Number of Posts	Criteria
F&A	10	CA / ACMA / CIMA / ACCA 4-5 years experience Max. age 45 years	09	CA Inter / 3 parts of ACMA and equivalent for ACCA/CIMA Experience will be preferred Max. age 45

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				years
Investment	2	CA / ACMA / CIMA / ACCA  4-5 years experience (Those having relevant experience will be preferred)  Max. age 45 years	Nil	Nil
IA&C	3	CA / ACMA / CIMA / ACCA  4-5 years experience  Max. age 45 years	Nil	Nil

30. The Committee further advised to allow existing SLIC employees having compatible qualifications to apply through proper channel and compete with those applying in response to advertisement."

**ITEM (06) PREPARATION OF GRADEWISE SENIORITY TABLES**

31. State Life Insurance Corporation of Pakistan is maintaining and issuing the grade wise Seniority tables for each year ending on 31<sup>st</sup> December, in following manner:

- Grade Wise Seniority of Officers is being maintained on Corporate Basis at Principal Office.
- Grade Wise Seniority of Staff Members posted at Principal Office, Real Estate (Karachi), Group & Pension (Divisional Office-P.O) and Group & Pension (Karachi Zone) is being maintained at Principal Office. All the individual life Zones are maintaining grade wise Seniority of their Staff Members on Zonal / Station Level.

32. The existing principles for determination of seniority are as followings:

1. Seniority lists are to be prepared separately for each grade (at the 31<sup>st</sup> day of December each year).
2. Seniority in a grade shall be governed by the date of entry in that grade.
3. If two or more employees have the same date of entry in a grade, their seniority in this grade shall be governed by their inter-se seniority in the grade immediately below the present grade.
4. In case of employees who were placed in State Life Employees (Service) Regulations in 1973 and have the same date of entry in a grade, the total length

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	<p><i>of continuous service will determine seniority. If the total length of continuous service at the time of entry is also the same, then seniority will be governed by the seniority in age.</i></p> <p>5. <i>Date of appointment would mean the date of appointment in the component from where the service were transferred to the Corporation under LINO.</i></p> <p>6. <i>In case of employees appointed in a grade after Nationalization with the benefit of continuity of service rendered in a component prior to Nationalization, the date of entry in the grade shall be deemed to be 01.01.1973, the date from which the State Life Employees (Service) Regulations, 1973 were made effective.</i></p> <p>33. The existing practice for placement of personnel in their relevant grade on seniority list was approved in the 29<sup>th</sup> (emergent) meeting of the Executive Committee held on 01.01.1980, wherein the prime criteria for determination of seniority in a grade was decided "Date of Entry in Grade", irrespective the mode of entry i.e. Direct Recruitment or Regular Promotion.</p> <p>34. The Judgment, passed by the Apex Court in two verdicts reported in the PLD 1988 Supreme Court 131 and 1993 SCMR 2258 fixed the dictum of SENIORITY and in both the cases had formulated the following principle of seniority:-</p> <p><u>Civil Service.</u></p> <p><i>"Seniority---Officers promoted to a higher grade in a continuous arrangement and as a regular measure in a particular year would as a class be senior to those appointed by direct recruitment in the same year---Where, however, one of the employees instead of waiting for his turn for promotion, opted to apply against quota of direct recruitment and was selected and afterwards the other employee was promoted, promotee would be senior to the employee who was appointed against direct quota."</i></p> <p><u>ESTACODE:-</u> Chapter 2, Sl.No. 157,</p> <p><i>"Departmental promotees vis-à-vis direct recruits—Officers promoted to the higher grade in a continuous arrangement and as a regular measure in a particular year shall as a class be senior to those appointed by direct recruitment in the same year."</i></p> <p>35. It may be observed that above referred decision of the honorable court is in line with principles of natural justice and recognizes right of senior /old (experienced) hand employees who are present in the organization prior to employees recruited later. However, existing practice / Rules for Determination of Seniority prevailing in the State Life are not in line with above decision of honorable High Court.</p> <p>36. It is added that the Corporation, recently, applied above decision of the Supreme Court in case of one officer and placed him at higher rank of seniority in the year he was promoted than those getting inducted into the Corporation in that year. Nonetheless, it was felt that if the above referred judgment and ESTACODE Policy is incorporated and applied in State Life with its existing rules retrospective effect, then all the seniority tables are required to be revised which would result in a mass and complicated situation as many of the employees, whose seniority would require to be refreshed have already been once or twice promoted and their reversion/revised placement would create unrest and may lead to unnecessary</p>		

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	<p>litigations.</p> <p>37. However, neither the Corporation can escape implementation of above decision of Supreme Court nor it is prudent to avoid its implementation. In order to cope – up this situation it is feasible to implement the seniority placement in lines with the Supreme Court decision with effect from 01-01-2010 and place those recruited in 2010 junior to those got promoted in 2010 as it does not have any adverse implication.</p> <p>38. The amended present principles for determination of seniority incorporating the Supreme Court decision are as follows:</p> <ol style="list-style-type: none"> <li>1. Seniority lists are to be prepared separately for each grade at the 31<sup>st</sup> day of December each year.</li> <li>2. Seniority in a grade shall be governed by the date of entry in that grade, however, regular employees promoted/elevated to the higher grades in a particular year, shall as a class be senior to those, appointed by direct recruitment in the same year.</li> <li>3. If two or more employees have the same date of entry in a grade, their seniority in this grade shall be governed by their inter-se seniority in the grade immediately below the present grade.</li> <li>4. In case of employees who were placed in State Life Employees (Service) Regulations in 1973 and have the same date of entry in a grade, the total length of continuous service will govern seniority. If the total length of continuous service at the time of entry is also the same, then seniority will be governed by the seniority in age.</li> <li>5. Date of appointment would mean the date of joining the service in Corporation as a regular employee. In case of induction of Area Manager as Manager Development, the date of appointment as "A" Category Area Manager would mean the date of appointment.</li> <li>6. For those who appointed before LINO, Date of appointment would mean the date of appointment in the component from where the service was transferred to the Corporation under LINO.</li> <li>7. In case of employees appointed in a grade after Nationalization with the benefit of continuity of service rendered in a component prior to Nationalization, the date of entry in the grade shall be deemed to be 01.01.1973, the date from which the State Life Employees (Service) Regulations, 1973 were made effective.</li> <li>8. These revised principles be made effective from 01.01.2010.</li> </ol> <p>39. The matter was placed before the Human Resources Committee for its consideration and recommendations for the Board of Directors.</p> <p><b>RESOLVED</b></p> <p>40. The Committee declined the proposal and recommended to continue with the existing procedure."</p> <p><b>ITEM (07) <u>Extension of Contract of Engr. Anwar Ali Baloch (A.G.M), R.E.D</u></b></p> <p>41. Mr Anwer Ali Baloch was engaged on contract basis in State Life, Real Estate Division, Principal Office, Karachi as Assistant General Manager. He was offered contractual appointment initially for a period of six months w.e.f 01.06.2009 which was</p>		

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	<p>further extended for six months up to 31.05.2010. The Board of Directors in its 214<sup>th</sup> meeting held on 07.09.2010 approved extension in his contractual employment for a period of one year and upon expiry of extension on 31.05.2011, another extension in contractual employment was allowed upto 31<sup>st</sup> May 2012 with the approval of Board.</p> <p>42. Real Estate Division has informed that owing to his enriched experience of 35 years of Pak-PWD. He is looking after the following buildings &amp; projects:</p> <table><tr><td>f. State Life Building</td><td>Gujranwala</td></tr><tr><td>g. State Life Tower</td><td>Islamabad</td></tr><tr><td>h. State Life Building</td><td>Rahimyar Khan</td></tr><tr><td>i. State Life Building</td><td>Sialkot</td></tr><tr><td>j. State Life Building</td><td>Sargodha</td></tr></table> <p>43. Real Estate Division has further informed that being a senior and well groomed Civil Engineer; Mr. Anwar Ali Baloch has displayed far satisfactory performance in project management and handling of civil engineering works including recently completed Gujranwala Building and ongoing Islamabad project strictly in accordance with PPRA/PEC rules. The officer is undertaking all engineering assignments with complete dedication and professions.</p> <p>44. According to Real Estate Division, they have shortage of Civil Engineers. Due to forthcoming restructuring of Real Estate, the services of Mr. Anwar Ali Baloch are essentially required by State Life, because of his three years experience of SLIC procedures.</p> <p>45. The Real Estate Division has therefore, requested and recommended that the services of Eng. Anwar Ali Baloch (AGM) should be extended for further period of 02 years in the best interest of the Corporation / Project Management Unit.</p> <p>46. The matter was placed before the Human Resources Committee for consideration and recommendation to the BOD for further extension effective from 01.06.2012 under the existing terms and conditions.</p> <p><b>RESOLVED</b></p> <p>47. "The committee recommended the matter for approval of Board of Directors for two years extension in contract of Eng. Anwar Ali Baloch (A.G.M) RED on existing terms and conditions."</p> <p><b>ITEM (08) <u>APPEAL AGAINST THE PUNISHMENT AWARDED BY COMPETENT AUTHORITY.</u></b></p> <p>48. Mr. Riaz Ahmed Shahzad Bodla, Manager (560452), RC Office, Multan, was issued Charge Sheet No. IA&amp;C/LCZ/MTN/10 dated 29.12.2010 along with Statement of Allegations for promoting of thirty One (31) SRs and SOs illegally by making forged signatures of R.C Multan and GM (Marketing), PO, Karachi in the capacity of the Zonal Head Rahim Yar Khan Zone. The charges were scrutinized and established by the Enquiry Officer.</p> <p>49. On the basis of the report of the Enquiry Officer Final Show Cause Notice was issued vide letter dated 09.06.2011. Copy of Enquiry Report was provided. After personal hearing the Competent Authority i.e. ED (P&amp;GS) awarded the punishment of Demotion to a Lower Grade i.e. from Assistant General Manager to Manager for the periods of five years under Regulation No. 30(1)(g)(iii) of State Life Employees (Service) Regulations, 1973 the same was communicated vide letter dated 12.03.2012.</p>			f. State Life Building	Gujranwala	g. State Life Tower	Islamabad	h. State Life Building	Rahimyar Khan	i. State Life Building	Sialkot	j. State Life Building	Sargodha
f. State Life Building	Gujranwala												
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<p>50. An employee has a right to file appeal under Regulation No. 33 of State Life Employees (Service) Regulations, 1973 to review the order passed by the Competent Authority.</p> <p>51. A brief of the case along with the rebuttal of appeal is enclosed.</p> <p>52. Members of the HR Committee were requested to consider his appeal and give recommendations to the Board for final decision on his appeal.</p> <p><b>RESOLVED</b></p> <p>53. "the Appellant was heard by the HR Committee and he failed to submit any valid reason for consideration to waive off the punishment. Therefore, the Committee unanimously agreed to uphold the decision taken by competent authority and maintain the punishment."</p> <p><b>ITEM (09) APPEAL AGAINST THE PUNISHMENT AWARDED BY COMPETENT AUTHORITY</b></p> <p>54. Mr. Muhammad Farid Maharvi, Deputy Manager (F&amp;A)/Zonal Accountant Bahawalpur Zone was issued Charge Sheet along with Statement of Allegations vide letter dated 20.09.2011 in the Bahawalpur Financial scam. The charges were scrutinized by the Enquiry Officer and reported that Mr. Muhammad Farid admitted that serious lapses have occurred in his supervisory work, which resulted in fraud.</p> <p>55. On the basis of the report of the Enquiry Officer Final Show Cause Notice was issued vide letter dated 23.11.2011. Copy of Enquiry Report was provided. After personal hearing the Competent Authority i.e. ED (P&amp;GS) awarded the punishment of Reduction to lower pay scale for one year under Regulation No. 30(1)(g)(iii) of State Life Employees (Service) Regulations, 1973 the same was communicated vide letter dated 23.02.2012.</p> <p>56. An employee has a right to file appeal under Regulation No. 33 of State Life Employees (Service) Regulations, 1973 to review the order passed by the Competent Authority.</p> <p>57. A brief of the case along with the rebuttal of appeal was presented.</p> <p>58. Members of the HR Committee was requested to consider his appeal and give recommendations to the Board for final decision on his appeal.</p> <p><b>RESOLVED</b></p> <p>59. "the Appellant was heard by the HR Committee and he failed to submit any valid reason for consideration to waive off his punishment. Therefore, the Committee unanimously agreed to uphold the decision taken by competent authority and maintain the punishment."</p> <p><b>Item (10) APPEAL OF MR. ASLAM PERVAIZ AGAINST THE DECISION OF COMPETENT AUTHORITY</b></p> <p>60. Mr. Aslam Pervaiz, Deputy Manager, G&amp;P KZ was awarded punishment of Censure vide letter dated 02.03.2011 under Regulation No. 30, after adopting laid down procedure as mentioned in Regulation No. 31 of State Life Employees (Service)</p>			

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<p>Regulations, 1973.</p> <p>61. An employee has right to file appeal against the decision of the Competent Authority under Regulation 33 of State Life Employees (Service) Regulations, 1973 within 30 days from the date of the receipt of impugned order.</p> <p>62. Mr. Aslam Pervaiz filed appeal dated 05.05.2011 against the punishment awarded by the Competent Authority communicated vide letter dated 02.03.2011. The appeal is slightly time barred as per Regulation 33. It is the prerogative of Appellate Authority i.e. HR Committee to condone the delay in filing appeal or reject the appeal being time barred and recommended to the Board as deem fit.</p> <p>63. Mr. Aslam Pervaiz was awarded punishment for not adhering laid down procedure of delivery cheque through concerned department instead of delivering the cheque directly to the claimant. Appellant in his appeal stated that the act was purely on humanitarian ground to help the poor lady in prompt payment of death claim. No financial fraud or misappropriation was committed.</p> <p>64. Brief of the case along with rebuttal of appeal is enclosed.</p> <p>65. The members of the Human Resource Committee were requested for consideration and recommendation the representation of Mr. Aslam Pervaiz to the Board for final decision on his appeal.</p> <p><b>RESOLVED</b></p> <p>66. "the Appellant was heard by the HR Committee and he failed to submit valid reason for consideration to provide him relief. Therefore, the Committee unanimously agreed to uphold the decision taken by competent authority and maintain the punishment."</p> <p>Item (11) <u>APPEAL OF MR. PERVAIZ TAHIR AGAINST THE DECISION OF COMPETENT AUTHORITY</u></p> <p>67. Mr. Pervaiz Tahir was awarded punishment of Reduction to a lower post i.e. from Deputy General Manager to Assistant General</p> <p>68. Manager vide letter dated 27.12.2011 under Regulation No. 30, after adopting laid down procedure as mentioned in Regulation No. 31 of State Life Employees (Service) Regulations, 1973.</p> <p>69. An employee has right to file appeal against the decision of the Competent Authority under Regulation 33 of State Life Employees (Service) Regulations, 1973 within 30 days from the date of the receipt of impugned order.</p> <p>70. Mr. Pervaiz Tahir filed appeal dated 11.01.2012 against the punishment awarded by the Competent Authority.</p> <p>71. Mr. Pervaiz Tahir was prosecuted for unauthorized absent from 06.09.2010 to 26.04.2011, leaving the country without obtaining NOC and obtaining passport showing private service. Allegations were established by the Enquiry Officer. In the representation Mr. Pervaiz Tahir stated that the finding of Enquiry Officer is based on presumption, surmises and conjectures and not on facts which was also relied upon by the Executive Director (P&amp;GS) without applying his judicious mind to the facts and peculiar</p>			

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<p>circumstances of his case.</p> <p>72. The members of the Human Resource Committee are requested to consider the representation of Mr. Pervaiz Tahir in the light of the decision taken by the Competent Authority i.e. ED (P&amp;GS) and appeal filed.</p> <p><b>RESOLVED</b></p> <p>73. "the Appellant was heard by the HR Committee and he failed to submit any valid reason for consideration of any relief. Therefore, the Committee unanimously agreed to uphold the decision taken by competent authority and maintain the punishment."</p> <p><b>Item (12) <u>Award on Exceptional Performance to Mr. Tanveer A. Anjum, Manager / Zonal Auditor, G&amp;P (Rawalpindi)</u></b></p> <p>74. A Key to Principal Office Circulars to all Zonal Auditors of State Life Insurance Corporation of Pakistan is prepared by Mr. Tanveer A. Anjum, Manager / Zonal Auditor, Group &amp; Pension (Rawalpindi Zone).</p> <p>75. The Regional Chief (North Region) has strongly recommended that in recognition of meritorious services performed by Mr. Tanveer A. Anjum, he may be rewarded with a shield, appreciation certificate and cash award of Rs. 25000/- as he has compiled a useful booklet as a guide for other functionaries as well as for the Marketing Personnel since 2007.</p> <p>76. The matter was submitted before the honorable members of Human Resources Committee for consideration and recommendation.</p> <p><b>RESOLVED</b></p> <p>77. "The Committee remarked that such awards fall under the purview of Chairman who would decide and recommend to the BoD."</p> <p><b>Item (13) Other Items</b></p> <p><b>(a) <u>General Manager (Marketing)</u></b></p> <p>78. The Sector Heads, working usually under the cadre of Manager (Marketing) and Assistant General Manager (Marketing) are those officers of the Corporation who are directly responsible for development of Corporation's business in particular areas where our Zonal Offices are located.</p> <p>79. Their duties and responsibilities, though, encompass comprehensively almost all facets of field mobilization and activities, but in general, their prime responsibilities are focused on following business factors:</p> <ul style="list-style-type: none"> <li>a) progressive increase in new business each year against last year's new business to target inflation and to seed for future year's renewals</li> <li>b) conservancy of each year's new business by securing maximum second year's premium</li> <li>c) conservancy of old business by ensuring collection of third year and over renewal premium</li> <li>d) induction of new blood into field strength by recruitment of new insurance agents each year</li> </ul>			

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e) maximizing clientele by reflecting increase in number of Policies, each year

80. As a practice and being part of service rules, performance of all employees including Sector Heads is judged through immediate Reporting Officer by way of Annual Performance Appraisal Reports as per existing format being used for all Officers. It includes following 10 different factors to assess overall performance in a calendar year, but it is unable to reflect business performance of a Sector Head, precisely:

**EXISTING FORMAT**

S#	ITEMS	Maximum Marks
1	Knowledge of Job	10
2	Planning and Organizing Ability	10
3	Results	10
4	Controlling Ability	10
5	Leadership Style	10
6	Integrity and Dependability	10
7	Creativity and Intelligence	10
8	Cost Control	10
9	General Attitude and Behaviour	10
10	Social Habits, General Demeanor Health	10
Overall Grading / Rating		

81. Prima-facie, it looks like a suitable tool for assessment of performance of officers working on non-marketing side, but for those Officers whose primary performance is based on business parameters as mentioned at para-2/n, it requires substitution by business indicators to some extent so as to enable the Reporting and Countersigning Officer to evaluate the performance of Manager / AGM (Marketing) to allocate marks in its true perspective besides the assessment of potential to do marketing of life insurance of individual and group life. The existing format has a regular potential of reflecting even higher marks inspite of low performance in business by a Sector Head, and vice-versa, merely on the basis of ten factors of performance other than those concerning with business indicators. In addition, seniority of Sector Heads is also merged/centralized as per existing system with non-marketing Managers/Assistant General Managers, which affects the elevation of Sector Heads adversely. This is controllable by maintaining separate seniority of marketing people in Zones/Regions/Principal Office.

82. In order to rectify and have a true picture of Sector Heads' performance, a new APAR Format has been designed by Marketing Division in consultation with Regional Chiefs. At the new format of APAR, the first five factors have been substituted with performance indicators placing appropriate rationale with the increase or decrease in business, whereas another change to countersign the report is also proposed. Unlike conventional evaluation, the proposed format is inclusive of second countersigning by the Divisional Head (Marketing) to minimize misreporting under the parameters other than those relating

to business which are proposed to remain the same for marking with minor changes in impact. Definition of "Grading & Numerical Rating", as outlined at Page-1 of existing format (Annexure-A) is proposed to be restricted to Total marks only, unlike defining all the ten factors as being treated separately under existing format.

83. Format of *Part-II* of the existing APAR is proposed to be revised as under:


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<p style="text-align: center;"><i>REVISED FORMAT (Proposed)</i></p> <table border="1"><thead><tr><th>S#</th><th>ITEMS</th><th>Maximum Marks</th></tr></thead><tbody><tr><td>1</td><td>Increase in First Year Premium: One Mark on every 1% increase in FYP over 20% increase:</td><td>20</td></tr><tr><td>2</td><td>Ratio of Second Year Persistency: One Mark on every 1% over 75% Persistency:</td><td>15</td></tr><tr><td>3</td><td>Ratio of Third &amp; Over years' Renewal Persistency: One Mark on every 1% over 88% Renewal Persistency:</td><td>8</td></tr><tr><td>4</td><td>Recruitment of Sales Representatives: One mark on every 1% increase over previous year's base recruitment:</td><td>7</td></tr><tr><td>5</td><td>No. of Policies sold: One Mark on every 1% increase over 20% increase over previous year's base:</td><td>10</td></tr><tr><td>6</td><td>Initiative &amp; Cooperation</td><td>8</td></tr><tr><td>7</td><td>General Attitude &amp; Behaviour</td><td>8</td></tr><tr><td>8</td><td>Integrity &amp; Dependability</td><td>8</td></tr><tr><td>9</td><td>Attendance</td><td>8</td></tr><tr><td>10</td><td>Health &amp; Social Habits</td><td>8</td></tr><tr><td colspan="2">Overall Grading / Rating by Reporting Officer (Zonal Head)</td><td></td></tr></tbody></table> <p>1<sup>st</sup> Countersigning Officer: (Regional Chief)</p> <p>2<sup>nd</sup> Countersigning Officer: (Divisional Head-Marketing)</p> <p>Note-1: Marks under items 1 through 5 will be based on Audited Business Figures.</p> <p>Note-2: <i>Only overall</i> "Grading &amp; Numerical Rating" is to be recorded against <i>total marks obtained</i>, right from 0 to 9 Points for E-Poor and 90 to 100 Points for A1-Most Outstanding, keeping mid-ranges intact on the same pattern.</p> <p>84. The revised format will take effect from the APARs for the year 2012 onwards, till further orders.</p> <p>85. The Board of Directors was requested to kindly consider and approve.</p> <p><b>RESOLVED</b></p> <p>86. "that the HR Committee after detailed discussion recommended for approval of the Board as follows:</p> <p>a) Since the job of Marketing Executives / Personnel is performance oriented in nature, therefore, discretionary portion of the assessment should be minimized and following amendment may be incorporated:</p> <p>Marks for Business Performance Evaluation: 80</p>				S#	ITEMS	Maximum Marks	1	Increase in First Year Premium: One Mark on every 1% increase in FYP over 20% increase:	20	2	Ratio of Second Year Persistency: One Mark on every 1% over 75% Persistency:	15	3	Ratio of Third & Over years' Renewal Persistency: One Mark on every 1% over 88% Renewal Persistency:	8	4	Recruitment of Sales Representatives: One mark on every 1% increase over previous year's base recruitment:	7	5	No. of Policies sold: One Mark on every 1% increase over 20% increase over previous year's base:	10	6	Initiative & Cooperation	8	7	General Attitude & Behaviour	8	8	Integrity & Dependability	8	9	Attendance	8	10	Health & Social Habits	8	Overall Grading / Rating by Reporting Officer (Zonal Head)		
S#	ITEMS	Maximum Marks																																					
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6	Initiative & Cooperation	8																																					
7	General Attitude & Behaviour	8																																					
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<p>Marks for Evaluation other than Business Performance: 20</p> <p>Marketing Division to revise the proposed format with the ratio of 80 &amp; 20 marks as elaborated above. New Appraisal system will be effective from 01-01-2012 onwards.</p> <p>b) Maintenance of separate seniority list in respect of Managers (Marketing) &amp; Assistant General Managers (Marketing) falling under the category of marketing personnel may be approved with effect from 01-01-2012 onwards.</p> <p><b>(b) Rationalization of Approved Strength of General Managers</b></p> <p>87. Staff strength was approved by the Board of Directors in its 162<sup>nd</sup> meeting held on 11.08.2001 with the directives that the grade-wise/ designation wise staff position to be rationalized by the Executive Committee. Subsequently the Executive Committee in its 266th meeting held on 30.10.2001 sanctioned allocation of staff strength as per grades/ designations. The EC also reserved some posts for direct recruitment.</p> <p>88. Since then, the staff strength has not been reviewed despite the fact that the business of the Corporation has increased at a considerable rate.</p> <p>89. According to the approved strength, 06 approved posts of General Managers were allocated at Principal Office, G&amp;P and R.E.D. for Divisional Heads, 04 posts were allocated to Regional Offices for Regional Chiefs and 02 approved posts were kept reserved for direct appointment in General Manager grade. Following Divisions at Principal Office have the approved post of General Managers for Divisional Heads:</p> <ul style="list-style-type: none"> <li>• Personnel Division</li> <li>• PHS Division</li> <li>• Investment Division</li> <li>• Marketing Division</li> <li>• Group &amp; Pension Division</li> <li>• Real Estate Division</li> </ul> <p>90. Following Divisions at Principal Office do not have any approved post of General Manager for Divisional Head:</p> <ul style="list-style-type: none"> <li>• F&amp;A Division</li> <li>• Actuarial Division</li> <li>• IA&amp;C Division</li> <li>• I.T. Division</li> <li>• Health Insurance Division (<i>newly created</i>)</li> </ul> <p>91. The increase in the business of the Corporation has necessitated up-gradation of posts for processing and according financial approvals in terms of limits specified by Chart of Delegation of Financial Powers in order to provide efficient service as well as effective internal controls. It is therefore proposed that the post of above five Divisional</p>			

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<p>Heads may be designated as General Manager by increasing total number of General Managers from twelve to 17. It is pertinent to highlight that Regulation 6 (2) of State Life Employees (Service) Regulations 1973 authorizes the Chairman for creation of permanent post with the prior approval of the Board.</p> <p>92. The matter was placed before the Human Resources Committee for its consideration and recommendations for the Board of Directors.</p> <p><b>RESOLVED</b></p> <p>93. "that the committee recommended the matter to the Board of Directors for approval of 05 additional posts of General Managers for F&amp;A Division, Actuarial Division, IA&amp;C Division, I.T. Division and Health Insurance Division at Principal Office."</p> <p><u>(A) Introduction of Personal Pay for Officers on Earning Annual Increment at the Saturation of Pay Scales.</u></p> <p><u>(B) Protection of Salary of Superintendents on promotion as Assistant Manager during the year 2011 in terms of CBA Agreement 2011-12.</u></p> <p><u>(A) Introduction of Personal Pay for Officers on Earning Annual Increment at the Saturation of Pay Scales.</u></p> <p>94. The Government of Pakistan in the basic scales scheme, 2001 has allowed fixing of pay of moved over Government servants in their original scale by extending the stages of relevant scale but these benefits were not extended to those Government servants who were holding original scale of the post. Such Government servants were stuck up at the maximum of their respective scales and have lost the benefits of usual annual increment as corresponding increase in pay scales from time to time.</p> <p>95. The Government of Pakistan w.e.f 01/12/2005 has resolved the said anomaly vide office memorandum No FD/SR-III(123)/06 dated 21<sup>st</sup> November, 2006 and allowed personal pay against the usual annual increment. That personal pay was also allowed to be treated as part of the pay for reckoning pension and other purpose.</p> <p>96. Similarly, on the basis of above, the SLIC has also extended the ceiling of pay scales of officers and abandoned the policy of move over for the officers to the next pay scale but the treatment of annual increment as personal pay for the officers who reached the maximum of their pay scales was not adopted by the Corporation.</p> <p>97. It was therefore proposed that same analogy may be adopted for the officers of the Corporation who were deprived from the annual grade increment after reaching the maximum of their pay scales w.e.f 01/01/2011.</p> <p><b>RESOLVED</b></p> <p>98. "that the HR Committee declined the proposal. "</p> <p><u>(B) Protection of Salary of Superintendents on promotion as Assistant Manager during the year 2011 in terms of CBA Agreement 2011-12.</u></p> <p>99. Furthermore, on award of 45% increase to the staff as a result of CBA Agreement 2011-12, the pay scale of Superintendents has become higher than the maximum of Pay Scales of Assistant Managers, therefore it is not possible to protect the salaries of</p>			

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	<p>superintendents promoted to the grade of Assistant Manager during the year 2011 as a result of CBA Agreement 1995-96; according to which the Corporation is bound to protect the salaries of these promoted superintendents, whatever, they were drawing except medical and children education allowance.</p> <p>100. It is to be noted that the Pay Scales of officers of SLIC were last revised w.e.f 01-07-2008, since then the Pay Scales for Staff were revised twice i.e 35% w.e.f 01.01.2009 and 45% w.e.f 01.01.2011.</p> <p>101. To resolve the issue, a committee was constituted vide memorandum dated: 25<sup>th</sup> May, 2012. After detailed deliberations the Committee resolved and recommended that these Superintendents may be allowed personal Pay up to the extent, that their salaries can be protected in terms of CBA Agreement. The personal pay so arrived shall be the first charged against any future adjustment / revision of pay that may take place as a result of any revision of Pay Scales of officers in future. That personal pay will also be reckoned for the purpose of Pension, Bonus and leave encashment.</p> <p>102. Both proposals at A&amp;B above were placed before the Human Resources Committee for consideration and recommendations to the Board of Directors for approval.</p> <p><u>RESOLVED</u></p> <p>103."that the proposal was deliberated in length and it was recommended to the Board that these Superintendents may be allowed personal Pay up to the extent, that their salaries can be protected in terms of CBA Agreement 1995-96. The personal pay so arrived shall be the adjusted in any revision of Pay Scales of officers in future. That personal pay would also be reckoned for the purpose of Pension, Bonus and leave encashment."</p> <p><u>(C) ENHANCEMENT OF STRENGTH/AREA MANAGERS &amp; MANAGERS (MARKETING)</u></p> <p>104. The Sector Heads, working usually under the cadre of Manager (Marketing) are those officers of the Corporation who are directly responsible for development of Corporation's business in particular areas where our 26 individual life zonal offices are located. A sector of Manager (Marketing) contains team of two or more Area Managers who are supervised by the Manager (Marketing). A Manager (Marketing) is a regular Officer as governed under State Life Employees' (Service) Regulations, 1973.</p> <p>105. The duties and responsibilities of Area Managers and Managers (Marketing), though, encompass comprehensively almost all facets of field mobilization and activities, but in general, their prime responsibilities are focused on the following business factors:</p> <ul style="list-style-type: none"> <li>f) progressive increase in new business each year against last year's new business to target inflation and to seed for future year's renewals</li> <li>g) conservancy of each year's new business by securing its maximum second year premium</li> <li>h) conservancy of old business by collection of its third and onward years' renewal premium</li> <li>i) induction of new blood into field strength by recruitment of new insurance agents each year</li> <li>j) maximizing clientele by reflecting increase in number of Policies, each year</li> </ul> <p>106. The Area Managers are, though, treated as employees of the Corporation as governed under State Life Employees' (Service) Regulations, 1973, but their performance</p>		

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is distinct from that of other employees, as the post of Area Manager is purely business related being run under the cadre of Deputy Manager. They are not appointed directly, rather existing Sales Managers after completion of predefined business criteria are promoted and appointed as Area Managers. On the same lines, an Area Manager is promoted as Manager (Marketing) after completing predefined business criteria.

107. Each year, a good number of Sales Managers and Area Managers do qualify for promotion and appointment as Area Manager and Manager (Marketing), respectively, by fulfilling laid down business criteria. These promotions always result into corporate increase in new business besides ensuring conservancy of old business. Since the year 2009, the Corporation's business is gradually increasing due to timely field promotions which is playing a vital role of spreading good sign of corporate image of excellence in its commitments.

108. This year, on the basis of performance as at 31-12-2011, more than 100 Sales Managers have completed business criteria for promotion as Area Manager, whereas 113 Area Managers have completed business criteria for promotion as Manager (Marketing). Selection and appointment is subject to clearance by the Selection Committee, after conducting interviews.

109. The approved and existing strength of Managers (Marketing) and Area Managers for business operation in 26 (individual life) Zones is as under:

	Approved	Existing	Difference	Last
	approved by the BOD in its			
i) Managers (Marketing)	150	145		Vacant: 5
	approved by the BoD in its 194 <sup>th</sup> Meeting held on 15-04-2008			
ii) Area Managers	897	883		Vacant 14
	approved by the BoD in its 221 <sup>st</sup> Meeting held on 25-07-2011			

110. For the year 2012, the Corporation has set a target First Year Premium (new business) of Rs 15600 Million. Present annual FYP quota per Area Manager is Rs 8.78 Million till 2013 which will be increased @ 25% from 2014 for three years, as per existing rules. Considering first year premium quota of Rs 8.78 Million required to be completed by each Area Manager in 2012, a strength of around 1700 Area Managers is required to achieve the target. Not to limit their performance upto the required quota, however, production of Area Managers is always urged upon maximizing beyond quota by way of performance related perks, incentives and cash prizes.

111. From the year 2012 onwards, the Corporation has set following projected first year premium (new business) targets with minimum 85% 2<sup>nd</sup> year persistency and 90% Renewal Persistency:

YEARS	2012	2013	2014	2015	2016
FYP Target:	15,672	19,59	24,488	30,609	38,262
(Rs in Millions)		0			

112. Marketing Division in its endeavors to achieve and handle the mammoth business targets in the years to come, requires enhancement of strength of Area Managers and Managers (Marketing), right from the year 2012. For scrutiny by financial impact on the enhancement of the strength, the position is stated hereunder:

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<p>i) An Area Manager is required to perform against an operating cost of 10% of the First Year Premium produced by the Area Manager in a year. At an aggregate, however, the Area Managers' average cost is incurring upto approximately 12%. The excess expenses are recovered as per adjusted cost formula approved by the Board. For 2012, the budget provision for 100 Area Managers has been provided by F&amp;A Division.</p> <p>ii) A Manager (Marketing) is presently operating against an annual remuneration of Rs 1.13 Million, approximately. For 2012, as such, the budget provision for 40 Managers (Marketing) has been provided by F&amp;A Division.</p> <p>113. Marketing Division, therefore, proposes enhancement of existing strength of Area Managers and Managers (Marketing) as under:</p> <p>i) Revision of Area Managers' strength from 897 to 997 for 2012 may be approved</p> <p>ii) Revision of strength of Managers (Marketing) from 150 to 190 for 2012 may be approved</p> <p>114. The Board of Directors were requested to kindly consider and approve para-10 with its sub-paragraphs.</p> <p><u>RESOLVED</u></p> <p>115. "That the HR Committee recommends revision of strength of Area Managers and Managers (Marketing) as under:</p> <p>a) Existing strength of Area Managers be revised from 897 to 997</p> <p>b) Existing strength of Managers (Marketing) be revised from 150 to 190."</p> <p>116. The meeting was ended with a vote of thanks to the Chair.</p> <p>(Chairman)</p>			
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