

MINUTES OF 242ND MEETING OF THE BOARD OF DIRECTORS

DIRECTORS	HELD AT	ON	TIME																		
MINUTE BOOK	KARACHI	8 TH DECEMBER, 2015																			
<u>CONFIDENTIAL AND RESTRICTED</u> The 242nd Meeting of the Board of Directors of State Life Insurance Corporation of Pakistan was held on Tuesday, 8th December, 2015 at 10.00 a.m. in the Board Room, State Life Building No.9, Dr. Ziauddin Ahmed Road, Karachi. <u>PRESENT:</u> <table><tr><td>1. Ms. Nargis Ghaloo</td><td>Chairperson</td></tr><tr><td>2. Mr. Saeed Chaman</td><td>Director</td></tr><tr><td>3. Mr. Saad Amanullah Khan</td><td>Director</td></tr><tr><td>4. Mr. Shafqaat Ahmed</td><td>Director</td></tr><tr><td>5. Dr. Aliya Hashmi Khan</td><td>Director</td></tr></table> <u>LEAVE OF ABSENCE:</u> <table><tr><td>1. Mr. Azher Ali Choudhry</td><td>Director</td></tr><tr><td>2. Mr. Naved Arif</td><td>Director</td></tr><tr><td>Mr. Akbar Ali Hussain</td><td>Company Secretary</td></tr><tr><td>Mr. Muhammad Rashid</td><td>CFO</td></tr></table> 2. The following officers also attended the meeting at the time of presentation and discussion of the items of their respective Divisions: 1. Mr. Jamil Anwar, ED(PHS/RE) 2. Mr. Muhammad Izqar Khan, ED(HI/INV/BANC) 3. Mr. Ataullah A. Rasheed, DH(Investment) 4. Mr. Mohsin Abbas, DH (Marketing) 5. Mr. Faisal Mumtaz, DH(Actuarial) 6. Mr. Muhammad Ali, DH(IT) 7. Mr. Riaz Ahmed Shaikh, DH(P&GS/RE) 8. Mr. Iftikhar Ahmed, DH(PHS/G&P) 9. Mr. Mehmood H. Malik, GM(Takaful) 10. Mr. Fazal-ur-Rehman DH(LAD) 11. Mr. Muhammad Shoaib Usmani, DH(IA&C) 12. Dr. Ahmed Farooq, DGM(HI) 13. Mr. Hafeezuddin, Manager(HI) 3. The meeting started with recitation of verses from the Holy Quran by Mr. Saeed Chaman, Director. 4. The Board expressed its serious concern over delay in MOC not nominating its Director on the Board of State Life and hoped that MOC would at the earliest appoint its representative on the Board of State Life. As per Rule-19 of the Code of Corporate Governance for Insurers, 2015 the CFO shall henceforth attend meeting of the Board of Directors however he shall not attend such part of a meeting of the Board of Directors which involves consideration of an agenda item relating to the CFO.				1. Ms. Nargis Ghaloo	Chairperson	2. Mr. Saeed Chaman	Director	3. Mr. Saad Amanullah Khan	Director	4. Mr. Shafqaat Ahmed	Director	5. Dr. Aliya Hashmi Khan	Director	1. Mr. Azher Ali Choudhry	Director	2. Mr. Naved Arif	Director	Mr. Akbar Ali Hussain	Company Secretary	Mr. Muhammad Rashid	CFO
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CHAIRMAN'S INITIALS



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Action: Company Secretary/ DH(P&GS)	ITEM (1) CONFIRMATION OF MINUTES OF 241ST MEETING OF THE BOARD OF DIRECTORS. 5. The minutes of the 241st meeting of the Board of Directors held on 20th October, 2015 were placed before the Board. 6. Mr. Shafqaat Ahmed, Director proposed and Mr. Saad Amanullah Khan, Director seconded that the minutes of 241st meeting of the Board of Directors be confirmed. 7. Accordingly, it was resolved as under:- RESOLVED: "that the Minutes of 241st meeting of Board of Directors held on 20th October, 2015 be and are hereby confirmed with the following amendments:- <u>Provision of Appliances for GMs and capping in entitlement of EDs/Chairman for appliances.</u> "that the following resolution erroneously left out, due to a typographical error in the minutes of the 241st meeting of the Board be incorporated in para-15 on page-4592 of the minutes under the above heading as follows:- "that the recommendation of HR Committee at its 17th meeting held on 13-10-2015, on the proposal of Acting ED(P&GS), keeping in view the directives of Ministry of Commerce regarding austerity measures for the year 2014-15 and to meet the prescribed renewal expense ratio limit for the year 2013-15 fixed by the SECP, that capping/limit for purchase of under mentioned appliances be fixed as follows for Chairman/Chairperson and for Executive Directors be and is hereby approved:- <table><tr><td colspan="2"><u>For Chairman/Chairperson</u></td></tr><tr><td>(i) Air Conditioner</td><td>For a maximum amount of Rs.90,000</td></tr><tr><td>(ii) TV/LED</td><td>For a maximum amount of Rs.90,000</td></tr><tr><td>(iii) Fridge</td><td>For a maximum amount of Rs.90,000</td></tr><tr><td colspan="2"><u>For Executive Directors</u></td></tr><tr><td>(iv) Air Conditioner</td><td>For a maximum amount of Rs.80,000</td></tr><tr><td>(v) TV/LED</td><td>For a maximum amount of Rs.80,000</td></tr><tr><td>(vi) Fridge</td><td>For a maximum amount of Rs.80,000</td></tr></table>			<u>For Chairman/Chairperson</u>		(i) Air Conditioner	For a maximum amount of Rs.90,000	(ii) TV/LED	For a maximum amount of Rs.90,000	(iii) Fridge	For a maximum amount of Rs.90,000	<u>For Executive Directors</u>		(iv) Air Conditioner	For a maximum amount of Rs.80,000	(v) TV/LED	For a maximum amount of Rs.80,000	(vi) Fridge	For a maximum amount of Rs.80,000
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Action: All DHs	ITEM (2) PRESENTATION OF IMPLEMENTATION REPORTS ON DECISION TAKEN IN 238TH, 239TH, 240TH AND 241ST MEETINGS OF BOARD. 8. Implementation reports of decisions pending in 238th, 239th, 240th and 241st meetings of Board of Directors were placed before the Board which was noted with the following directives to all the Divisional Heads that each Divisional Head would update the current status of implementation of various decisions taken by the Board and submit the same timely to the Corporate Affairs Division before the working papers are dispatched to the Members of the Board. The DHs will have to brief the Board in each meeting as to the current status of implementation of the decisions of the Board.																		

Action:
All DHs

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DIRECTORS	HELD AT	ON	TIME
MINUTE BOOK	KARACHI	8 TH DECEMBER, 2015	
	<u>238th meeting of the Board</u>		
Action: DH(P&GS)	<u>Revised Pension Scheme:</u> DH(P&GS) was advised to look into the aspect of allowing the gratuity option only to the new employees and brief the Board accordingly on this respect.		
Action: DH(IA&C)	<u>Gap Analysis and preparation of Audit Manual:</u> DH(IA&C) was directed to submit a draft audit manual to the Board for its review by February 28, 2016 and submit progress in this respect in each meeting of the Board Audit Committee.		
Action: DH(IT) DH(IA&C)	<u>IT Security Policy:</u> DH(IT) was advised to update the draft IT Security Policy and submit the same to the Board Audit Committee for its review.		
Action: DH(PHS)	<u>Early Death Claims:</u> A presentation in this respect be submitted to the Members of the Underwriting/Claims Settlement/Reinsurance and Co-Insurance Committee.		
Action: DH(P&GS)	<u>Approval of linking salaries with approved strength of officers/staff working in the Division, Regions and Zones:</u> The circular in this respect be issued by the DH(P&GS) by 1 st January, 2016.		
	<u>239th meeting of the Board</u>		
Action: DH(IT) DH(IA&C)	<u>Implementation of ERP System:</u> DH(IT) was advised to submit a progress report of implementation in this respect at the next Board Audit Committee meeting.		
	<u>240th meeting of the Board</u>		
Action: DH(Mkt)	<u>Financial Advisor Scheme:</u> DH(Marketing) was advised to write to all the participants of the Bhurbhan Convention incorporating therein the displeasure of the Chairperson in not providing feedback with directives to submit the feedback within one week of the Board meeting.		
Action: DH(Inv)	<u>First Dawood Investment Bank Limited – sale of Flat No.7, 4th floor Madina Height, Block-7 & 8, CP Berar Cooperative Society, Karachi.</u> The copy of the advertisement of sale of the above property be submitted to the Board Investment Committee at its next meeting.		
DH(Inv)	<u>Schon Refinery Limited:</u> DH(Investment) was advised to follow up the reply to State Life's letter.		
DH(LAD) DH(Inv)	<u>Liquidation/Merger of Abdullah Haroon Road Properties:</u> DH(LAD)/DH(Investment) was advised to follow up and complete the process.		
DH(Act.)	<u>New Financial Regulations 2015 for Insurance Companies Operating in UAE.</u> The assistance of Mr. Saeed Chaman, Director and Mr. Shafqaat Ahmed, Director was requested to help State Life in settlement of the above issue. DH(Actuarial) was advised to prepare a brief and submit the same to Mr. Saeed Chaman and Mr. Shafqaat Ahmed for study and necessary action.		

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	<u>Social Health Protection:</u> Chairperson informed the Board that soft inauguration of the social health protection scheme in KPK would take place on 15th December, 2015.		
DH(HI)			
	<u>Increase in Director's Fees:</u> DH(P&GS) was advised to follow up the case of increase in Director's Fees with MOC.		
DH(P&GS)			
	<u>241st meeting of the Board</u>		
	<u>Hiring of HR Consultant for preparing of Key Performance Indicators.</u> The Board of Directors advised to circulate TORs before issuing the letter of award to lower bidder in respect of above.		
DH(P&GS)			
	<u>Revision in Perquisites of Officers:</u> DH(P&GS) was requested to issue the necessary Office Orders.		
DH(P&GS)			
	<u>Restoration of Gratuity on last pay drawn:</u> Necessary Office Order be issued by P&GS Division.		
DH(P&GS)			
	Provision of appliances for GM and capping in entitlement of ED/Chairman for appliance: Necessary Office Order be issued by P&GS Division.		
DH(P&GS)			
	<u>Enhancement of scope of Internal Audit Activities:</u> Workshops have been held in Karachi and Multan Regions and more will be held in next financial year.		
DH(IA&C)			
	<u>Cash Management System:</u> DH(F&A) was advised to thoroughly follow up the implementation of the cash management system as suggested by Mr. Shafqaat Ahmed, Director.		
DH(F&A)			
	<u>Appointment of Statutory Auditors:</u> DH(F&A) was advised to follow up with the Ministry for obtaining concurrence of Auditor General of Pakistan.		
DH(F&A)			
	<u>Revision in guidelines and chart of financial powers:</u> Mr. Saad Amanullah, Director suggested that F&A Division should circulate the chart of delegation of financial powers to all concerned including EDs and DHS, RC, ZHs by 31st December, 2015.		
DH(F&A)			
	<u>Presentation on PHS Division:</u> Mr. Saeed Chaman, Director suggested that the possibility of using dispatch rider for delivery of premium notices to the policyholders be looked into besides postal service. DH(Actuarial) informed the Board that 3 months prior notice is to be given to the policyholders in respect of paid up policies.		
DH(PHS)			
	Mr. Saad Amanullah, Director suggested group e-mail be used in the Corporation.		
DH(PHS)			
	Mr. Saad Amanullah, Director was requested to help in finalization of a vision statement. The Board also desired that the employees of State Life be requested to suggest a vision statement of State Life Insurance Corporation of Pakistan and a prize would be awarded to the employee whose suggestion would be accepted.		
DH(P&GS)			

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DH(PHS)	Mr. Saad Amanullah suggested that e-mail address be incorporated in the policyholders file so that correspondence could be exchanged through e-mail.		
DH(PHS)	The Board was informed that a uniform set up of the policyholders service counters and departments is being planned to be implemented. Work is also being carried out for issuance of plastic cards which will not be magnetic.		
DH(PHS)	DH(PHS) was requested to submit progress on implementation of decisions taken on the PHS presentation given to the Board at its 241 st meeting.		
DH(Mkt)	<u>Establishment of SLIC Regional Office in the KPK with HQ at Peshawar:</u> The Board was also informed that the SLIC Regional Office in the KPK with HQ at Peshawar and Individual Life Zone in Gilgit within the territory of North Region would become active with effect from 1st January, 2016. <u>Appointment of a Chartered Accountant as CFO and a Chief Technology Officer</u> The Board was informed that a letter dated 26th November, 2015 has been written by DH(P&GS) to Mr. Moazzam Ali Haider, Section Officer(Ins), Ministry of Commerce, Government of Pakistan, Islamabad for forwarding the draft advertisement to Establishment Division in terms of Recruitment Policy Guideline issued vide O.M.No.F.53/1/2008-SP dated 22-10-2014. Reply is still awaited.		
DH(P&GS)	ITEM (3) RECONSTITUTION OF BOARD COMMITTEES: A) Board Audit Committee B) Human Resources/Remuneration Committee C) Nomination Committee D) Investment Committee E) Real Estate Committee F) Takaful Committee G) Risk Management/Ethics and or Compliance Committee H) Underwriting/Claims Settlement/Reinsurance and Co-Insurance Committee. I) <u>Appointment of Compliance Officer.</u> 9. Chairperson, State Life presented before the Board, Memorandums for reconstitution of the Committees of the Board in order to comply with draft Code of Corporate Governance for Insurers, 2015 issued by SECP vide SRO 1096(I)/2015 dated November 9, 2015 soliciting objections, suggestions and comments within 30 days of its publication for consideration. 10. The Board of Directors had earlier at its 235th meeting held on 1st December, 2014 constituted various Committees of the Board and at its subsequent meetings approved the terms of reference of the Committee as recommended by the respective Committee. 11. All the Committees would carry out the functions as given in the above mentioned Code of Corporate Governance for Insurers, 2015 and the procedures relating to meetings of the Board of Directors as given in State Life Insurance Corporation (General) Regulations, 1972. The Secretary of the various Board Committees would ensure that the time period for holding of meetings, chairing of meetings, written notices including agenda, working papers, proceedings of the meeting, quorum at the meeting, voting, resolutions passed or rejected and dissenting notes, circulation of draft minutes, and maintenance of minute book as laid down in the above laws is followed in letter and spirit.		

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Action: DH(P&GS) DH(IA&C)	12. The Board of Directors at its 228th meeting held on 19th September, 2012 and at 230th meeting held on 4th December, 2012 has directed that every page of the Memorandum including the annexures (working papers) circulated to the Members of the Board should be serially numbered and the name of the individual Director to whom the Memorandum is being sent should be water marked on each page including the annexures by the Divisions submitting the Memorandum.		
	13. The Secretary of the Committee will hand over a copy of the working paper of each meeting of the Committee to the Corporate Affairs Division for record purpose. The original working paper file will be retained and preserved by the Secretary of the Committee for future reference purpose.		
	14. The Board would remain the ultimate decision making authority and retains responsibility for all Board decisions even though the Board delegates some of its responsibilities to a Committee. There should be a Board report after each Committee meeting and in most cases Committees will make recommendations to the Board for approval.		
	15. After deliberation, the Board resolved as under:		
	<u>RESOLVED:</u> <u>Board Audit Committee</u> "that the reconstitution of the Board Audit Committee as proposed by the Chairperson to comprise of (1) Mr. Saeed Chaman, Chairman, (2) Ms. Nargis Ghaloo, Member, (3) Additional Secretary(MOC), Member, (4) Mr. Saad Amanullah Khan, Member, (5) Mr. Shafqaat Ahmed, Member and (6) Mr. Naved Arif, Member be and is hereby approved. Divisional Head (IA&C) will be the Non Member/Secretary of the Board Audit Committee." "that the CFO, the Head of Internal Audit and a Representative of the External Auditors shall attend meetings of the Board Audit Committee at which issues relating to accounts and audit are discussed: provided that at least once a year, the Audit Committee shall meet the external auditors without the CFO and the Head of Internal Audit being present. Provided further that at least once a year, the Board Audit Committee shall meet the Head of Internal Audit and other members of the internal audit function without the CFO and the external auditors being present." "that the terms of reference of the Board Audit Committee be resubmitted to the Board Audit Committee including therein the terms of reference given at (I) of Code of Corporate Governance For Insurers, 2015, for review and the same be then submitted with recommendation of the Board Audit Committee for approval by the Board." "that the Board Audit Committee shall meet once every quarter of the financial year prior to the approval of interim results of the insurers by its Board of Directors and before and after completion of external audit and on the request by the external auditors."		

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MINUTE BOOK	KARACHI	8 TH DECEMBER, 2015	
Action: DH(P&GS)	“that the Board Audit Committee will ensure that the internal control, significant issues to be placed for decision by Board of Directors reporting procedures, function of the internal audit, the details regarding external auditors, corporate and financial reporting framework, frequency of financial reporting, compliance with a code of corporate governance as given in ix, xiv, xix to xxii, li to lxii, lxx to lxxiv of the Code of Corporate Governance are implemented.” “that to constitute a quorum at the meeting of the Committee, not less than four Members representing more than 50% of the number of Members of the Committee shall be present.” Human Resources/Remuneration Committee that the reconstitution of the Human Resources/Remuneration Committee as proposed by the Chairperson to comprise of (1) Dr. Aliya Hashmi Khan, Chairperson, (2) Additional Secretary(MOC), (3) Mr. Saad Amanullah Khan, Member, (4) Mr. Shafqaat Ahmed, Member, (5) Mr. Naved Arif, Member and (6) Executive Director(P&GS), Member be and is hereby approved. Divisional Head (P&GS) will be the Non Member/Secretary of the Human Resources/Remuneration Committee.” “that the Human Resources/Remuneration Committee shall meet once every quarter.” “that the terms of reference of the Human Resources/Remuneration Committee be resubmitted to the Human Resources/Remuneration Committee including therein the terms of reference given at (xxxiv) of Code of Corporate Governance For Insurers, 2015, for review and the same be then submitted with recommendation of the Board Audit Committee for approval by the Board.” “that the Committee shall be responsible to propose a remuneration approach and related policies for the insurer for the insurer covering the remuneration policy, remuneration governance and structure (including approval policy for the level and composition of compensation), and the components of compensation (such as the amount of fixed remuneration, shares of options, other variable remuneration, pension rights, redundancy pay and other forms of compensation and benefits, as well as the performance criteria and their application). The committee shall also prepare remuneration reports of other required or voluntary disclosures on compensation practices, on an annual basis. Additionally, the committee shall also review and make recommendations to the Board of Director regarding the specific remuneration of the Board members, the CEO, the senior management and key officers and others high earners of the insurer. The remuneration Committee shall also oversee the compensation of control functions such as the internal audit. However, at all times, the committee shall ensure that the remuneration approach is consistent with the performance and risk management framework of the insurer.” “that to constitute a quorum at the meeting of the Committee, not less than four Members including three Directors and representing more than 50% of the number of Members of the Committee shall be present.”		
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MINUTES OF 242ND MEETING OF THE BOARD OF DIRECTORS

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MINUTE BOOK	KARACHI	8 TH DECEMBER, 2015	
Action: DH(P&GS)	<u>Nomination Committee</u> that the as required under Code of Corporate Governance for Insurers, 2015, constitution of a Nomination Committee as proposed by the Chairperson to comprise of (1) Ms. Nargis Ghaloo, Chairperson, (2) Additional Secretary(MOC), Member, (3) Mr. Saeed Chaman, Member, (4) Mr. Saad Amanullah Khan, Member, (5) Mr. Shafqaat Ahmed, Member, (6) Mr. Naved Arif, Member and (7) Dr. Aliya Hashmi Khan, Member be and is hereby approved. Divisional Head (P&GS) will be the Non Member/Secretary of the Nomination Committee." "that to constitute a quorum at the meeting of the Committee, not less than four Members representing more than 50% of the number of Members of the Committee shall be present." "that the Nomination Committee shall be responsible as per xxxv of the Code of Corporate Governance for Insurers, 2015: "that the Nomination Committee shall meet once every quarter." "that the terms of reference of the Nomination Committee be submitted to the Nomination Committee including therein the responsibility of the Nomination Committee at (xxxv) of Code of Corporate Governance For Insurers, 2015, for review and the same be then submitted with recommendation of the Nomination Committee for approval by the Board."		
Action: DH(P&GS) DH(Inv)	<u>Investment Committee</u> "that the reconstitution of the Investment Committee as proposed by the Chairperson to comprise of (1) Mr. Shafqaat Ahmed, Chairman, (2) Mr. Saeed Chaman, Member, (3) Dr. Aliya Hashmi Khan, Member, (4) Ms. Nargis Ghaloo, Member, (5) CFO, Member and (6) Appointed Actuary, Member be and is hereby approved. Divisional Head (Investment) will be the Non Member/Secretary of the Investment Committee." "that a sum of Rs.20,000/- would be paid as fee to the Appointed Actuary for attending the meeting of the Investment Committee. " "that the terms of reference of the Investment Committee be resubmitted to the Investment Committee including therein the terms of reference given at (xxxix to xlv) of Code of Corporate Governance For Insurers, 2015, for review and the same be then submitted with recommendation of the Investment Committee for approval by the Board." "that to constitute a quorum at the meeting of the Committee, not less than four Members including three Directors and representing more than 50% of the number of Members of the Committee shall be present." "that as per clause-3(a) of the Code of Corporate Governance for Insurers, 2015, the director representing an institutional investor shall be selected by such investor through a resolution of its Board of Directors and the policy with regard to selection of such person for election on the Board of Directors of the investee company shall be disclosed in the Director's Report of the investor company."		

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	“that the Investment Committee shall draw up, an investment policy as laid down in xxxix (and fund-wise investment policy), in case of life insurance business (shareholders fund and statutory funds) or takaful business (shareholders fund and participates investment fund), which shall be placed before the Board of Directors for approval in the light of risk management policy adopted and reviewed as per time line given in xlii, xliii of the Code of Corporate Governance.” The approved investment policy shall be communicated to the Securities and Exchange Commission of Pakistan at the time at which the financial statement and regulatory returns as required under subsection (1) of section 46 and subsection (1) of section 51 are filed with it. While framing such policy, the Board shall ensure compliance as laid down a to c of xli of Code of Corporate Governance. The Board shall review its investment policy and its implementation on a half-yearly basis or at such short intervals as it may decide and make such modifications to investment policy as is necessary to bring it in line with the solvency regime as laid down in the Insurance Ordinance, 2000 (Ordinance No. XXXIX of 2000) and the rules and regulations made thereunder, while keeping the interests of the policyholder in view. However any changes made to the investment policy shall be communicated to the Securities and Exchange Commission of Pakistan within a period of thirty (30) days from the date at which changes are made to the said policy. The details of the investment policy or its review as periodically decided by a Board shall be made available to the internal and external auditor. The external auditor shall comment on such review and its impact on the investment operations, systems and process in their report to be placed before the Audit Committee. <u>Real Estate Committee</u> “that the reconstitution of the Real Estate Committee as proposed by the Chairperson to comprise of (1) Mr. Naved Arif, Chairman, (2) Mr. Saad Amanullah Khan, Member, (3) Mr. Shafqaat Ahmed, Member, (4) Additional Secretary(MOC) (5) Executive Director(Real Estate), Member and (6) Divisional Head(Legal Affairs), Member is hereby approved. Divisional Head (Real Estate) will be the Non Member/Secretary of the Real Estate Committee.” “that to constitute a quorum at the meeting of the Committee, not less than four Members including three Directors and representing more than 50% of the number of Members of the Committee shall be present.” “that the Real Estate Committee shall meet once every quarter.” <u>Takaful Committee</u> “that the reconstitution of the Takaful Committee as proposed by the Chairperson to comprise of (1) Mr. Saeed Chaman, Chairman, (2) Mr. Shafqaat Ahmed, Member, (3) Mr. Saad Amanullah Khan, Member, (4) Executive Director(Takaful), Member, (5) Shariah Advisor, Member and (6) DH(Actuary), Member is hereby approved. Divisional Head (Takaful) will be the Non Member/Secretary of the Takaful Committee.”		

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

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

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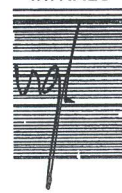


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Action: DH(P&GS) DH(Act.)	“that to constitute a quorum at the meeting of the Committee, not less than four Members including two Directors and representing more than 50% of the number of Members of the Committee shall be present.” “that the Takaful Committee shall meet once every quarter.” <u>Risk Management/Ethics and or Compliance Committee</u> “that as required under Code of Corporate Governance for Insurers, 2015, constitution of a Risk Management/Ethics and or Compliance Committee as proposed by the Chairperson to comprise of (1) Mr. Saad Amanullah Khan, Chairman, (2) Mr. Saeed Chaman, Member, (3) Mr. Shafqaat Ahmed, Member, (4) Mr. Naved Arif, Member and (5) DH(Actuary), Member/Secretary be and is hereby approved.” “that to constitute a quorum at the meeting of the Committee, not less than three Members including three Directors and representing more than 50% of the number of Members of the Committee shall be present.” “that the Risk Management/Ethics Committee and or Compliance Committee shall oversee the activities of the risk management function / department of an insurer, and shall make appropriate recommendations to the Board and shall assist the Board in implementation of the decisions taken by the Board to mitigate probable risks falling within the purview of the risk management function /department as laid down in xlv of Code of Corporate Governance.” “that the Risk Management Function /Department would be established which shall implement the relevant Board's Strategies and policies. The Board through its Risk Management Committee, shall ensure that the insurer's risk management system is well integrated into their organizational structure, decision making processes and corporate culture and that there is a clear link to other functions / departments of the insurer. The tasks of the risk management function/department shall include a to f of xlv and xlvi of Code of Corporate Governance.” “that the Risk Management/Ethics and/or Compliance Committee shall be responsible for monitoring the compliance function as laid down in xxxvi of Code of Corporate Governance 2015.” “that the terms of reference of the Risk Management/Ethics and or Compliance Committee be submitted to the Committee including therein the responsibility of the Committee at (xlvi to xlviii and xxxvi) of Code of Corporate Governance for Insurers, 2015, for review and the same be then submitted with recommendation of the Risk Management/Ethics and or Compliance Committee for approval by the Board.” “that the Committee shall meet once every quarter.” <u>Underwriting/Claims Settlement/Reinsurance and Co-Insurance Committee.</u> “that the as required under Code of Corporate Governance for Insurers, 2015, constitution of the Committee as proposed by the Chairperson to comprise of (1) Mr. Saeed Chaman, Chairman, (2) Mr. Shafqaat Ahmed, Member, (3) Mr. Saad Amanullah Khan, Member, (4) ED(PHS), Member, (5) DH(Legal Affairs), Member and (6) DH(Actuary), Member be and is hereby approved. DH(PHS) would be the Non-Member Secretary.”		

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DIRECTORS	HELD AT	ON	TIME
MINUTE BOOK	KARACHI	8 TH DECEMBER, 2015	
Action: DH(P&GS) DH(PHS)	“that to constitute a quorum at the meeting of the Committee, not less than four Members including two Directors and representing more than 50% of the number of Members of the Committee shall be present.” “that the Underwriting/Claim Settlement/Reinsurance and Co-Insurance Committee shall formulate the underwriting policy of the insurer. It shall set out the criteria for assessing various types of insurance risks and determine the premium policy of different insurance covers which shall be regularly reviewed with due regard factors such as its business portfolio and the market development.” “that the Underwriting/Claim Settlement/Reinsurance and Co-Insurance Committee shall devise the claims settling policy of the Company. It shall oversee the claims position of the insurer and ensure that adequate claims reserves are maintained. The committee shall determine the circumstances under which the claim disputes shall be brought to its attention and decide how to deal with such claim disputes. It shall also oversee the implementation of the measures for combating fraudulent claims cases.” “that Reinsurance & Co-insurance Committee shall develop the policy for effecting reinsurance, not inconsistent with the relevant provisions of the insurance Ordinance, 2000 (Ordinance No. XXXIX of 2000), and shall ensure that adequate reinsurance arrangement are made for the business. It shall peruse the proposed reinsurance arrangement prior to their execution, review the arrangement from to time and subject to the consent of the participating reinsures, make appropriate adjustment to the arrangements in the light of the market development. It shall also assesse the effectiveness of the reinsurance program for the future reference.” “that the Underwriting/Claim Settlement/Reinsurance and Co-Insurance Committee shall oversee the activities of the grievance department of an insurer.” “that a dedicated grievance department shall be established as per clause xviii of the Code of Corporate Governance for Insurers, 2015.” “that the terms of reference of the Underwriting/Claim Settlement/Reinsurance and Co-Insurance Committee be submitted to the Committee including therein the responsibility of the Committee at (xxxi to xxxiii and xlviii to xlix) of Code of Corporate Governance For Insurers, 2015, for review and the same be then submitted with recommendation of the Committee for approval by the Board.” “that the Committee shall meet once every quarter.” Compliance Officer 16. Corporate Governance Rules, 2015, in ‘a’ to ‘d’ of Rule (xxiv), ‘a’ to ‘g’ of Rule and (xxv) and (xxvi) mentions the duties and responsibility and qualifications of the Compliance Officer. 17. After deliberations, the Board resolved as under: RESOLVED: “that DH(Legal Affairs) be and is hereby appointed as Compliance Officer as per xxiv of Code of Corporate Governance Insurers, 2015 in addition to his existing duties.”		
Action: DH(P&GS) DH(LAD)	CHAIRMAN'S INITIALS 		

MINUTES OF 242ND MEETING OF THE BOARD OF DIRECTORS

DIRECTORS	HELD AT	ON	TIME
MINUTE BOOK	KARACHI	8 TH DECEMBER, 2015	
Action: DH(P&GS) DH(LAD)	"that Compliance Officer would do all such acts as are necessary to comply with Clause-xxiv, xxv and xxvi and other clauses of code of corporate governance." ITEM (4) PRESENTATION ON ALPHA INSURANCE WITH COMPARATIVE FIGURES FOR THE LAST 5 YEARS AND MARKET STANDING AS COMPARED TO OTHER GENERAL INSURANCE COMPANIES IN THE MARKET. 18. The Managing Director, Alpha Insurance Company owned 94% by State Life Insurance Corporation of Pakistan gave a detailed presentation to the Board of Directors of State Life giving therein the company vision, company mission statement besides detail of its Regional and Branch network, business portfolio 2014 and progress of over last seven years. 19. The Board was informed that the paid up capital has increased from Rs.1.5 million at the time when SLIC took over the company to Rs.403 million in 2014. The credit rating of the company is 'A' whereas the shareholder equity is Rs.603 million in 2014. 20. The gross premium, net premium has increased from Rs.119 million and Rs. 77 million to Rs.220 million and Rs.91 million in 2014. Whereas the underwriting expenses and claims have increased from Rs. 48 and 38 million in 2008 to Rs.82 million and Rs.54 million in 2014. 21. The underwriting results which was Rs.9.70 million negative in 2008 has now increased Rs.42.98 million negative in 2014. 22. A comparison as to paid up capital, shareholder equity, EPS, premium written, claim ratio and expense ratio with companies with gross premium of Rs.1 billion or less in the year 2014 was submitted. A chart of net profit to net premium, management expenses to net premium, claim ratio and combined ratio for the year 2010 to 2014 was also submitted. 23. Capt. Jamil, MD(Alpha) informed that Alpha is amongst the last five general companies out of 28 and its net premium revenue is too low due to faulty reinsurance arrangements and expense ratio is too high due to low business volume and lack of captive business. 24. The following plans for overcoming shortcoming was presented to the Board:- - To increase the business volume management has planned to open new branches and hire new producers. - The existing producers will be motivated through various incentive schemes to increase their targets. - The re-insurance arrangement is being negotiated and it will be endeavored to be restructured in a manner beneficial to the company and address the issue of low net premium revenue. - The expense will be controlled and at the same time all efforts will be focused on increasing business volume. This would reduce expense ratio and bring it in line with that of industry. - Business plan for the year 2016 and onward is being submitted to the Board of Directors of Alpha in which all the above issues and planning to address them have been given in detail.		

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MINUTES OF 242ND MEETING OF THE BOARD OF DIRECTORS

DIRECTORS	HELD AT	ON	TIME
MINUTE BOOK	KARACHI	8 TH DECEMBER, 2015	
Action: ED(Inv) DH(Inv)	25. Alpha has projected growth from Rs.200 million in 2015 to Rs.518 million in 2020 and to achieve a breakable position in underwriting results by 2019. 26. Mr. Shafqaat Ahmed, Director suggested that ageing of receivable be carried out by Alpha Insurance and necessary legal recourse be taken where necessary. 27. Mr. Saeed Chaman, Director suggested that Alpha Insurance look into the possibility of getting business from big corporate clients. 28. DH(Actuarial) informed the Board that the reinsurers were not offering liberal terms to Alpha Insurance because of high claim ratio and lack of quality business. Nearly 73% of the total business was reinsured. The claim ratio was about 65%. 29. The Managing Director, Alpha Insurance informed the Board that there was marginal profit in 2015 because of the adjustment and write back of claims. He further informed that investment income was the core income for survival of the company. 30. After deliberations, the Board resolved as under: RESOLVED: "that the proposal of the Chairperson, State Life, that the Chairman and Members of the Board of Directors of Alpha Insurance would be nominated by the Board of State Life be and is hereby approved as per clause-3(a) of the Code of Corporate Governance for Insurers, 2015 which states that the director representing an institutional investor shall be selected by such investor through a resolution of its Board of Directors and the policy with regard to selection of such person for election on the Board of Directors of the investee company shall be disclosed in the Director's Report of the investor company." "that the existing model of Alpha Insurance Company was not sustainable and needs to be drastically revamped to continue as a going concern." ITEM (5) CONSIDERATION AND APPROVAL OF MINUTES OF 18TH MEETING OF HUMAN RESOURCES COMMITTEE HELD ON 27-11-2015 TOGETHER WITH RECOMMENDATION MADE. 31. Secretary, Human Resources Committee presented before the Board the minutes of 18th meeting of Human Resources Committee held on 27-11-2015 for consideration and confirmation and approval of decisions/ recommendations made by the Committee. 32. Accordingly, the Board resolved as under: RESOLVED: "that the minutes of 18th meeting of Human Resources Committee held on 27-11-2015 together with the observations/recommendations therein, placed at Annexure-A to the minutes be and are hereby approved;- Hiring of HR Consultant for preparing Key Performance Indicators: "that the directives of HR Committee to DH(P&GS) that the scope of work be properly defined and be shared with the Committee and Board on e-mail before issuing the letter of award be and is hereby approved."		
	Action: Secretary (HRC)/ DH(P&GS)		

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MINUTES OF 242ND MEETING OF THE BOARD OF DIRECTORS

DIRECTORS	HELD AT	ON	TIME
MINUTE BOOK	KARACHI	8 TH DECEMBER, 2015	
	Policy for allowing increase in Pension to retired officers/staff of the <u>Corporation.</u> "that the directives of the HR Committee to DH(P&GS) as regards formulation of SLIC policy for revision in pension, for bringing up of a comprehensive working paper covering indexing method change in relevant regulation, budgetary provisions alongwith financial health of the organization be and is hereby approved." <u>Revision of Salary of State Life Officers:</u> "that the Board agreed with the advice of HR Committee to follow up the matter in Ministry of Finance vigorously." <u>Revision of Staff Strength:</u> "that the recommendation of the HR Committee on the proposal of DH(P&GS) of the total 257 additional post of various designations details of which are given at para-9 on page-262 of the minutes of the HR Committed placed at Annexure-A to the Board minutes be and is hereby approved." "that the recommendation of the HR Committee on the proposal of DH(P&GS) of merger of defunct posts with the existing posts details of which are given at para-10 on page-262 of the minutes of the HR Committed placed at Annexure-A to the Board minutes be and is hereby approved." "that Chairperson, HR Committee was requested to arrange for workshops and refresher courses for employees in various Divisions to update their skills and competence." "that the recommendation of HR Committee after merger of defunct posts of job titles and the procedure of filling it up given at para-11 on page-263 of the minutes of the HR Committee placed at Annexure-A to the Board minutes with the advice of changing the nomenclature of PC Operator with Computer Assistant with the same grade be and is hereby approved." <u>Difference of Overseas Allowance Payable to the Officers posted in Gulf Zone:</u> "that the recommendation of the HR Committee on the proposal of DH(P&GS), after analyzing the factors/basis of enhancement mentioned in the policy, of enhancing the existing overseas allowance with all other perks mentioned therein by 5% be and is hereby approved w.e.f. 1st January, 2016." <u>Rationalization of Qualification Allowances:</u> "that the recommendation of HR Committee on the proposal of DH(P&GS) after discussion the matter at length keeping in view the previous HRC/Board decisions as well as financial impact viz-a-viz business of the organization, post qualification experience, number of years of service and the designation of the officers following enhancement for accounting professional be and is hereby approved w.e.f. 1st January, 2016."		

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DIRECTORS	HELD AT	ON	TIME
MINUTE BOOK	KARACHI	8 TH DECEMBER, 2015	

SL. #	Designation	QUALIFICATION	
		ACA/ ACMA/ACCA	FCA/ FCMA
1	Up to Manager	20000	25000
2	A.G.M	25000	30000
3	D.G.M.	35000	40000
4	G.M./D.H.	40000	50000

"that the recommendation of HR Committee on the proposal of DH(P&GS) after discussion the matter at length keeping in view the previous HRC/Board decisions as well as financial impact viz-a-viz business of the organization following allowance for FLMI/ACII of Rs.500/- p.m. on passing each paper of FLMI/ACII and an allowance of Rs.5000/- p.m. on completion of FCII/FLMI and an allowance of Rs.6,000/- p.m. on completion of FCII/FLMI(M) be allowed be and is hereby approved w.e.f. 1st January, 2016."

"that in future technical/qualification allowance would only be admissible to those in service employees, who acquire/complete these qualifications while being in regular service. The timeline for revision of qualification allowance be fixed at least five years."

Revised Scholarship Scheme for children of Officers:

"that the recommendation of HR Committee on the proposal of DH(P&GS) for refurbish the scholarship of officers on the following criteria in line with the scholarship scheme of staff members be and is hereby approved w.e.f. 1st January, 2016:-

S.No.	Education	Grade %	Scholarship Per year.
1.	After Matriculation/Equivalent(For two years)	80% and above.	Rs.20,000
2.	After Intermediate/Equivalent(For two years)	80% and above.	Rs.35,000

"that the recommendation of HR Committee to initiate education loan scheme in line with the other loans being provided to the employees of SLIC be and is hereby approved and that DH(P&GS) put up a memorandum to the Board in this respect."

Revised FLMI Scheme – 2015:

"that the recommendation of HR Committee on the proposal of DH(P&GS) for approval of the revised FLMI Scheme – 2015 placed at para-32 on page-267 to 269 of the minutes of the HR Committee placed at Annexure-A of the Board minutes be and is hereby approved w.e.f. 1st January, 2016."

Reconstitution of DPC in the absence of regular Executive Director(P&GS):

"that the recommendation of the HR Committee on the proposal of DH(P&GS) for reconstitution of Departmental Promotion Committee as

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[Signature]

MINUTES OF 242ND MEETING OF THE BOARD OF DIRECTORS

DIRECTORS	HELD AT	ON	TIME								
MINUTE BOOK	KARACHI	8 TH DECEMBER, 2015									
	follows for promotion from DM to Manager, Manager to AGM and AGM to DGM till such time an Executive Director(P&GS) is posted/appointed in the Corporation be and is hereby approved:- <table><tr><td>a) Executive Director (PHS)</td><td>Convener</td></tr><tr><td>b) Act. Executive Director(P&GS)</td><td>Member</td></tr><tr><td>c) Act. Executive Director(F&A)</td><td>Member</td></tr><tr><td>d) Manager(P&GS)</td><td>Secretary</td></tr></table> <u>Health Insurance Division – Salary Package and Perks of Employees:</u> “that the recommendation of the HR Committee on the proposal of DH(P&GS) after reviewing the proposal and also subsequent presentation given by GM(H&AI), statement of Health and Accident Insurance Division perks given at para-44 on page-271 to 273 of the minutes of the 18th meeting of the HR Committee placed at Annexure-A to the minutes of the 242nd meeting of the Board of Directors be and is hereby approved w.e.f. 1st January, 2016 with the advice that the project accounting for both KPK Project and PM's Health Project be maintained separately with the existing accounts of the organization so as to have a clear picture of revenue/expenditure.” <u>Hiring of Coordinator:</u> “that the recommendation of HR Committee on the proposal of GM(H&AI) of hiring a co-coordinator for KPK Health Project on contract basis initially for a period of two years as per requirement and terms of reference given at para-48 on page-274 to 276 of the minutes of 18th meeting of the HR Committee held on 27th November, 2015 placed at Annexure-A to the minutes of the Board of Directors.” “that the advice of the HR Committee that qualification criteria of Masters' degree or equivalent in Social Sciences be narrowed in terms of specific disciplines of Social Sciences which are relevant to the nature of the project be and is hereby approved.” ITEM (6) CONSIDERATION AND APPROVAL OF MINUTES OF 56TH MEETING OF BOARD AUDIT COMMITTEE HELD ON 14-11-2015 TOGETHER WITH RECOMMENDATION MADE. 33. Secretary, Board Audit Committee presented before the Board the minutes of 56th meeting of Board Audit Committee held on 14-11-2015 for consideration and confirmation and approval of decisions/recommendations made by the Committee. 34. Accordingly, the Board resolved as under: <u>RESOLVED:</u> “that the minutes of 56th meeting of Board Audit Committee held on 14-11-2015 placed at Annexure-B to the minutes together with the observations/recommendations therein be and are hereby approved as follows:			a) Executive Director (PHS)	Convener	b) Act. Executive Director(P&GS)	Member	c) Act. Executive Director(F&A)	Member	d) Manager(P&GS)	Secretary
a) Executive Director (PHS)	Convener										
b) Act. Executive Director(P&GS)	Member										
c) Act. Executive Director(F&A)	Member										
d) Manager(P&GS)	Secretary										
Action: Secretary (BAC)/ DH(IA&C)	CHAIRMAN'S INITIALS 										

Action:
Secretary
(BAC)
DH(IA&C)

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MINUTES OF 242ND MEETING OF THE BOARD OF DIRECTORS

DIRECTORS	HELD AT	ON	TIME
MINUTE BOOK	KARACHI	8 TH DECEMBER, 2015	
Action: DH(IA&C) DH(F&A)	To Examine the final accounts for 3rd quarter ending 30th September, 2015 and give its recommendation to the Board. “that the recommendation of the Board Audit Committee for approval of the accounts of the 3rd quarter ending 30th September, 2015 submitted by F&A Division and to allow F&A Division to furnish the accounts to SECP be and is hereby approved.” “that the recommendation of the BAC for submission of the 3rd quarter accounts with the change given below to SECP within due course of time and post facto approval of the Board of Directors be and is hereby approved.” “that Secretary, BAC will inform the Statutory auditors through CFO before holding the BAC meeting for finalization of accounts.” <u>Chart of Delegation of Financial Powers:</u> “that the directives of the BAC to ED(F&A) for exercising carefully the authority to allow, remove any ambiguity and if any authority in delegation of financial powers is effected due to removal of such ambiguity then the matter be placed before the Board of Directors through BAC be and is hereby approved.” <u>Cash Management System:</u> “that the proposal of Cash Management System submitted by F&A Division in the 55th BAC meeting be completed within a period of two months including the aspect of payment and receipt through a centralized bank account be and is hereby approved.” <u>Budget estimates for maturity claims:</u> “that the directives of the BAC to F&A Division that the budget estimates for maturity claims be taken on actual basis instead of proportionate figures and that all estimates of budget be taken as close to actual as possible to avoid major variances be and is hereby approved.		
Action: DH(IA&C) DH(F&A)	ITEM (7) CONSIDERATION & APPROVAL OF MINUTES OF 1ST MEETING OF COMMITTEE OF TAKAFUL INSURANCE HELD ON 14-11-15 TOGETHER WITH RECOMMENDATION MADE. 35. Secretary, Board Committee of Takaful Insurance presented before the Board the minutes of 1st meeting of Board Committee of Takaful Insurance held on 14-11-2015 for consideration and confirmation and approval of decisions/ recommendations made by the Committee. 36. Mr. Saeed Chaman, Chairperson, suggested that a meeting of the Takaful Committee be held on 9th December, 2015 in his office in State Bank of Pakistan. The Board after reviewing the minutes, directed that the registration and licensing of the Takaful Operations with SECP be carried out on a fast track basis and the required resolutions are being approved to that effect. 37. Accordingly, the Board resolved as under:		
	CHAIRMAN'S INITIALS 		

MINUTES OF 242ND MEETING OF THE BOARD OF DIRECTORS

DIRECTORS	HELD AT	ON	TIME
MINUTE BOOK	KARACHI	8 TH DECEMBER, 2015	
Action: DH(Takaful)	RESOLVED: “that the minutes of 1st meeting of Board Committee of Takaful Insurance held on 14-11-2015 placed at Annexure-C to the minutes, together with the observations/recommendations therein be and are hereby approved.” “that all DHs should complete their given assignments at the earliest so that the licensing requirements are fulfilled and application is submitted to SECP.” “that DH(F&A) is directed to visit existing companies for seeking knowledge/valuable experience and submit the same at the next meeting of the Board Takaful Committee.” “that as proposed by ED(Takaful) commencement of Window Takaful Operations by State Life Insurance Corporation of Pakistan be and is hereby approved and Chairperson and ED(Takaful) be and is hereby authorized to seek approval from the SECP for Window Takaful Operations and Chairperson and ED(Takaful) be and is hereby authorized to take all such necessary actions and sign all such documents as may be necessary in filing of application for authorization as Window Takaful Operator under the Takaful Rules 2012.” “that ED(F&A) be and is hereby authorized to transfer an amount of not less than Rs.50 million to be deposited in a separate bank account for Window Takaful Business duly maintained in a scheduled bank and that the transferred amount of Rs.50 million shall be utilized for Window Takaful Operations only.” “that Mr. Raheel Abu Ali, Manager(Actuarial) be and is hereby appointed as Shariah Compliance Officer and a cv along with a declaration on a stamp paper in line with the Insurance Companies(Sound and Prudent Management Regulations, 2012) be filed with the Securities & Exchange Commission of Pakistan as required under the Takaful Rules 2012 and relevant circulars.” “that Mr. Mehmood H. Malik, GM(Takaful) be and is hereby nominated as Head of Window Takaful Operations and a cv along with a declaration on a stamp paper in line with the Insurance Companies(Sound and Prudent Management Regulations, 2012) be filed with the Securities & Exchange Commission of Pakistan as required under the Takaful Rules 2012 and relevant circulars.” “that the existing statutory auditors M/s. BDO Ebrahim & Co and M/s. Riaz Ahmad & Co be requested to provide consent letters for acting as Shariah Compliance Auditors to fulfill statutory requirements and that other provisions will be negotiated later.” “that all Takaful undertakings will be in accordance with the injunctions of Shariah.”		

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MINUTES OF 242ND MEETING OF THE BOARD OF DIRECTORS

DIRECTORS	HELD AT	ON	TIME
MINUTE BOOK	KARACHI	8 TH DECEMBER, 2015	
	"that the Chairperson be and is hereby authorized to verify and sign the information and documents as required under annexure-1 and annexure-2 as required to be provided along with the applications on behalf of the Board of Directors of the Corporation as per SECP circular No.8 of 2014 dated May 16, 2014." "that a certificate from the Statutory Auditors of the Insurers be obtained by CFO entailing the transfer of an amount of not less than Rs. 50 million for Takaful Window Operations only." "that DH(Actuarial) be and is hereby authorized to prepare a business plan showing projected Takaful Business to be written and cash flows for a period of not less than 10 years from the date of the application in the case of life insurer giving therein details required by the SECP as per annexure-2 to be filed with the application form which should also state the following:- - The business model it intends to adopt, details on distribution channels, products and services that will be offered; - Specify the assumptions used in deriving the projections and key performance indicators; - Plans of internal controls and scale of authority. ITEM (8) CONSIDERATION AND APPROVAL OF MINUTES OF 3RD MEETING OF BOARD REAL ESTATE COMMITTEE HELD ON 24-11-2015 TOGETHER WITH RECOMMENDATION MADE. 38. Secretary, Board Real Estate Committee presented before the Board the minutes of 3rd meeting of Board Real Estate Committee held on 24-11-2015 for consideration and confirmation and approval of decisions/recommendations made by the Committee. 42. Accordingly, the Board resolved as under: <u>RESOLVED:</u> "that the minutes of 3rd meeting of Board Real Estate Committee held on 24-11-2015 placed at Annexure-D to the minutes, together with the observations/recommendations therein be and are hereby approved as follows: <u>Legal status of cases in respect of State Life Properties and mutation:</u> "that the recommendation of the RE Committee for hiring of services of professional task oriented lawyers and retired revenue officials who shall be assigned these cases with terms of payment based on result of the cases for which 6-12 months may be assigned to them be and is hereby approved." "that a letter be written by Legal Affairs Division to Law & Justice & Human Rights Division to getting permission to hire Legal Advisor."		

Action:
Secretary
(BRE)/
DH(RE)

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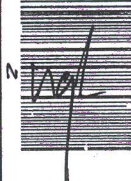


MINUTES OF 242ND MEETING OF THE BOARD OF DIRECTORS

DIRECTORS	HELD AT	ON	TIME
MINUTE BOOK	KARACHI	8 TH DECEMBER, 2015	
	"that a Committee of senior officers of RED be constituted who should regularly follow up the default tenants and each officer in the Committee be allocated specific tenants and made responsible for recovery from those tenants." "that a list be prepared with respect to ageing of active tenants, vacant and under cases say one year, 5 years and others." State Life Building No.12, Abdullah Haroon Road, Karachi DAC decision (02-04-2014). "that RED go ahead with the process of selection for hiring the service of valuator for all commercial buildings including State Life Bldg No.12 and different avenues be explored for renting out the space even for parking only." Replacement of air-conditioning system at State Life Building No.9, Dr. Ziauddin Ahmed Road, Karachi. "that the recommendation of RE Committee of installation of chiller based air conditioning with additional cost of Rs.37.36 million with enhancement of overall project cost from Rs.106 million to Rs.143.36 million be and is hereby approved." Project management services of M/s. NESPAK at SLIC Tower, Islamabad. "that services of a legal expert be obtained by LAD to study the contract minutely in respect of additional cost of Rs.396,931 per month being paid to M/s. NESPAK as project management services in addition to 2.5% of tender cost of HVAC and lift works whenever it start with effect from 1st August, 2013 till project completion with additional cost of Rs.396,931 not adjustable against the final cost. The report of the legal expert as to whether the agreement requires State Life to pay the additional cost of Rs.396,931/- per month be submitted to the Real Estate Committee for framing of its recommendation to the Board for approval." <u>Fire fighting and sprinkler system at State Life Tower, Islamabad.</u> "that the recommendation of the RE Committee to explore the preposition of awarding the fire fighting work to M/s. Moinsons, CPE Contractor at tender prices and to obtain advice from PPRA in this regard before awarding the job to any contractor i.e. bidder qualified with bid price within range of estimated price and the main CPE Contractor who also quoted similar price as per revised scope be and is hereby approved. Earlier the fire fighting works with limited scope were included in the BOQ of the main CPE Contractor." <u>Supply, installation, testing & commissioning of A/C Chillers and allied works at State Life Tower, Islamabad.</u> 43. DH(RE) presented before the Board entire details of the above matter. He informed the Board that RED maintain that due to anomalies, the tender may be scrapped and consultants be issued warnings and advised to issue new tenders without any fee/charges and complete the process within one month.		

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MINUTES OF 242ND MEETING OF THE BOARD OF DIRECTORS

DIRECTORS	HELD AT	ON	TIME
MINUTE BOOK	KARACHI	8 TH DECEMBER, 2015	
Action: DH(RE)	44. DH(RE) informed the Board that subsequent to the opening of Financial bids on 29.10.2015, the project consultants, M/s I.C submitted their evaluation report vide their letter dated 9.11.2015, recommending M/s DWP as the lowest evaluated bidder. They explained the same details in SLIC's Tender Committee on 17.11.2015, which Tender Committee also recommended for approval. However, subsequently, a letter was received from the same consultants bearing date of 13.11.2015 recommending that client may award the contract to M/s. Freezol based on quality of their chillers. In order to explain this anomaly, the representative of consultant was called by committee, who mentioned that the letter was issued erroneously by his senior partner of the company for which he submitted written communication withdrawing the letter of 13.11.2015. The committee took serious notice of such un professional handling of process and advised that withdrawal of letter should come from the senior partner/owner of the company to which representative of consultant informed that senior partner was in USA but he will get it done by courier. 45. Mr. Shafqaat Ahmed, Director and Mr. Saad Amanullah, Director suggested that the work be given to M/s. DWP, the lowest evaluated bidder as per evaluation report submitted by the project consultant M/s. I.C. vide their letter dated 9-11-2015. 46. After deliberations, the Board resolved as under: RESOLVED: "that the work of supply, installation, testing and commissioning A/C. chillers and allied works at State Life Tower, Islamabad be awarded to the lowest evaluated bidder M/s. DWP at bid price of Rs.252,176,141/- as recommended by the project consultant M/s. International Consultant." <u>Proposal by NCA for providing display space for art work at SLIC Buildings.</u> "that the recommendation of RE Committee on the proposal of ED(RE) that the offer of National College of Arts to State Life Insurance Corporation of Pakistan for a joint venture labeled as "Elevating the Arts and Artists in Pakistan to creatively use SLIC offices, free spaces, empty plots and bungalows in Lahore, Karachi, Islamabad and in all other cities across country for promoting Art and involving utilization of the structures and spaces visually engaging by organizing exhibitions, events, artist residency programs, workshops, fairs, meetings, seminars, lectures and awareness campaigns be and is hereby approved." ITEM (9) APPROVAL OF BUDGET PROPOSAL 2016 AND REVISED BUDGET 2015. 47. Executive Director (F&A) presented before the Board, a Memorandum regarding approval of budget proposal 2016 and revised budget 2015 of the Corporation. 48. Budget Proposals for the year 2016 and Revised Budget for 2015, showing Income, Revenue Expenses as well as Capital Expenditure are presented below.		
	CHAIRMAN'S INITIALS 		

MINUTES OF 242ND MEETING OF THE BOARD OF DIRECTORS

DIRECTORS	HELD AT	ON	TIME
MINUTE BOOK	KARACHI	8 TH DECEMBER, 2015	
	49. The Budget Proposals of the Corporation, as a whole, contain (i) Actual Results 2014 (ii) Approved Budget 2015 (iii) Revised Budget 2015 and (iv) Proposed Budget for 2016. 50. The following table shows on corporate basis, comparison of approved and revised budget estimates 2015, revised budget estimates 2015 with actual results of 2014 and revised budget 2015 with estimates 2016 in respect of income, outgo, contribution to Statutory Funds and Renewal Expense Ratio. 51. The Board of Directors is requested to consider Budget Proposals-2016 and Revised Budget-2015, as proposed in para above along with Revised Capital Budget-2015 for Health Insurance. 52. The Board of Directors is also requested to consider and authorize Executive Director (F&A) to make re-appropriation of budget among different heads of revenue expenses/ capital expenditure, in case a need for such re-appropriation arises within the overall total amount of budget approved by the Board. 53. Mr. Saad Amanullah, Director suggested that IT up gradation of P&GS and Real Estate Division besides other Divisions be carried out. 54. Mr. Saad Amanullah, Director also suggested that a certain amount of actuarial profit be retained to build up reserves of State Life. 55. Mr. Shafqaat Ahmed, Director suggested that the figure of maturity claim should be on actual basis and steps be taken to minimize the surrender of policies. 56. The Chairperson informed the Board that Multan and Sindh business was not upto the mark due to local conditions of law and order, local bodies election and short fall in production of agricultural products. The Board was also informed that card distribution for Prime Minister National Health Insurance Scheme would be carried out by NGOs. The Board expressed displeasure on low utilization of the capital budget. Director Mr. Saad Amanullah requested that utilization of capital budget be placed before the Real Estate Committee at close of every quarter. 57. After deliberations, the Board resolved as under:- RESOLVED: "that as proposed by ED(F&A) the budget proposals on corporate basis for the year 2016 together with revised budget estimates for the year 2015 in respect of income, outgo, contribution to statutory funds, projected life fund, projected renewal expense ratio placed at Annexure-E be and is hereby approved." "that ED(F&A) is authorized to make re-appropriation of budget amongst different heads of revenue expenses, in case a need for such re-appropriation arises within the overall total amount of budget approved by the Board. A schedule of such re-appropriation be submitted to the Board by DH(F&A) subsequently for information."		

Action:
DH(F&A)

CHAIRMAN'S
INITIALS

[Handwritten Signature]

MINUTES OF 242ND MEETING OF THE BOARD OF DIRECTORS

DIRECTORS	HELD AT	ON	TIME
MINUTE BOOK	KARACHI	8 TH DECEMBER, 2015	
	“that effective steps be taken by the Management for control over surrenders and early death claims so that the same can be minimized.” “that the addresses of unclaimed maturity claims is placed on the website for information of the relevant policyholders.” “that the estimates of capital expenditure for 2016 alongwith revised capital budget 2015 for Health Insurance placed at Annexure-E be and is hereby approved.” ITEM (10) REVIEW OF ACCOUNTS FOR 3RD QUARTER ENDED ON 30TH SEPTEMBER, 2015 AND BUDGET FOR THE CORRESPONDING PERIOD. 58. Executive Director (F&A) presented before the Board, a Memorandum for review of accounts for 3rd quarter ended on 30th September, 2015 and budget for the corresponding period. 59. A memorandum dated 11th November, 2015, regarding Accounts for the 3rd quarter ended on 30th September, 2015, was considered in 56th meeting of Board Audit Committee (BAC), held on 14th November, 2015. 60. The BAC recommended the accounts to BoD and allowed F&A Division to submit the same to SECP within cutout date, subject to post facto approval of BoD. 61. A copy of the memorandum alongwith the accounts is enclosed to the memorandum. 62. It is submitted that it is mandatory to submit Quarterly Accounts to SECP within 6 weeks after close of a quarter. Hence, little time is left after preparation of related statements for convening the meeting of Board of Directors. It is therefore requested that BAC may please be authorized for the future that while recommending the Quarterly Accounts to BoD, it may allow F&A Division to submit the same to SECP within timeframe, subject to post facto approval of BoD. 63. After deliberations, the Board resolved as under: <u>RESOLVED:</u> “that the recommendation of the Board Audit Committee for approval of the accounts of the 3rd quarter ending 30th September, 2015 submitted by F&A Division and to allow F&A Division to furnish the accounts to SECP within cut out date be and is hereby approved post facto. The accounts are annexed to the memorandum submitted to the Board Audit Committee and enclosed to the memorandum submitted to the Board of Directors on 30th November, 2015.” “that the recommendation of the ED(F&A), for authorizing Board Audit Committee that while recommending the quarterly accounts to the Board for approval, BAC may allow F&A Division to submit the same to SECP within time frame, subject to post facto approval of BoD, in order to meet the mandatory limit for submission of quarterly accounts to SECP within six weeks after close of a quarter, be and is hereby approved.”		

Action:
DH(F&A)
DH(IA&C)

Action:
DH(F&A)
DH(IA&C)

CHAIRMAN'S
INITIALS



MINUTES OF 242ND MEETING OF THE BOARD OF DIRECTORS

DIRECTORS	HELD AT	ON	TIME
MINUTE BOOK	KARACHI	8 TH DECEMBER, 2015	
Action: DH(Mkt) DH(G&P) DH(Banc)	ITEM (11) SUBMISSION OF BUSINESS PLAN OF NEXT 5 YEARS OF MARKETING, BANCASSURANCE AND GROUP & PENSION DIVISIONS. 64. Due to paucity of time, the above item was deferred to the next meeting of the Board.		
Action: DH(Banc) DH(Mkt) DH(G&P) DH(Inv)	ITEM (12) PRESENTATION OF BUSINESS REVIEW FOR BANCASSURANCE, MARKETING, GROUP & PENSION AND INVESTMENT DIVISION FOR THE PERIOD ENDED ON 31-10-2015. 65. Due to paucity of time, the above item was deferred to the next meeting of the Board.		
Action: DH(Takaful)	ITEM (13) <u>PROGRESS REPORT – TAKAFUL INSURANCE.</u> 66. The position paper of ED(Takaful) was presented before the Board which was noted.		
	ITEM (14) <u>POSITION PAPER ON LIQUIDATION OF PAKISTAN EMERGING VENTURE LIMITED.</u> 67. Executive Director (Investment) presented before the Board, a Position Paper on liquidation of Pakistan Emerging Venture Limited. 68. The above matter was discussed in the 240th Meeting of the Board of Directors, held on 11.08.2015. The Board had resolved as follows:- "That the recommendation of the Board Investment Committee to the Board of Directors to continue with the earlier decision of pursuing the Court Case against Mr. Hanif Moosa, defaulted broker, considering that no substantial amount is distributable from the final Liquidation proceeds of PEVL be and hereby is approved." 69. The directives of the Board were conveyed to Mr. Mushtaq Ali Hirani, Liquidator vide letter dated 31.08.2015 as Annexure A to the memorandum). 70. In reply to our letter, liquidator vide letter no. PEVL/SLIC/11/15 dated 03.11.2015 (copy enclosed as Annexure B), stated that it was resolved in the Annual General meeting to assign the case to State Life, further Liaquat Merchant Associates has been appointed for transferring the case to State Life for the change of Plaintiff in the suit no. 735/2000 by replacing the company in order to facilitate the liquidation of the company. Both matters are pending before the Honorable High Court of Sindh. 71. After deliberations, the Board resolved as under: <u>RESOLVED:</u> "that State Life should continue pursuing the court case and take it to its logical conclusion."		
Action: DH(Inv) DH(LAD)			

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MINUTES OF 242ND MEETING OF THE BOARD OF DIRECTORS

DIRECTORS	HELD AT	ON	TIME
MINUTE BOOK	KARACHI	8 TH DECEMBER, 2015	
Action: DH(P&GS)	ITEM (15) <u>POSITION PAPER ON INDUSTRY WISE TRADE UNIONS AND CBA.</u> 72. Acting Executive Director (P&GS) presented before the Board, a Position Paper on Industry wise Trade Unions and CBA. The Board was further informed by Acting ED(P&GS) that there is no provision of formation of local/zonal union as per IRA 2012 which was noted. The matter is however being contested in Islamabad High Court.		
Action: DH(IT)	ITEM (16) <u>PROGRESS REPORT OF AUTOMATION OF STATE LIFE TOGETHER WITH TIME LINE FOR SUBMISSION OF VARIOUS TASKS INVOLVED ABOVE.</u> 73. Divisional Head (IT) presented before the Board, a Progress Report of Automation of State Life together with time line for submission of various tasks involved above which was noted by the Board.		
Action: DH(Mkt) DH(Act.)	ITEM (17) <u>POSITION PAPER – NOTICE BY M/S. ASRA INVESTMENT COMPANY OF KSA FOR TERMINATION OF SPONSORSHIP</u> 74. Divisional Head (Marketing), presented before the Board, a Position Paper regarding notice by M/s. ASRA Investment Company of KSA for termination of Sponsorship. 75. DH(Actuarial) gave a presentation to the Board on State Life Overseas Business. 76. Mr. Shafqaat Ahmed, Director also suggested that in view of the difficulty faced in obtaining visa for Kuwait, locals can be hired rather than closing down the business as it would be subsequently difficult to obtain a licence in this regard. He also suggested that collaboration with groups operating in Saudi Arabia could be entered into by State Life. 77. After deliberations, the Board decided that Mr. Saeed Chaman and Mr. Shafqaat Ahmed, Directors on their next visit to Saudi Arabia take up the above matter and suggest a solution to the issue being faced in overseas business in the best interest of the Corporation. DH(Actuarial) was asked to prepare a necessary paper in this respect for the Directors.		
	ITEM (18) <u>PROCUREMENT OF VEHICLES - HEALTH INSURANCE DIVISION</u> 78. Divisional Head (Health) presented before the Board, a Memorandum regarding procurement of Vehicles for Health Insurance Division. 79. The Division will hire District Medical Officers (DMOs) at each district for monitoring of service providers and care management of beneficiaries. The DMOs have to visit each admitted patient; therefore, they remain mobile throughout the designated area. Similarly, Provincial Medical Officers (PMOs) will administer the care management of designated district and monitor the performance of DMOs. The project office incharge will oversee all aspects of program implementation as well as coordination with GoP and SLIC Divisional Offices and program monitoring and evaluation. The provincial incharge will administer and monitor the scheme in the designated districts of each province as well as monitoring and evaluation of those district offices.		

CHAIRMAN'S
INITIALS



MINUTES OF 242ND MEETING OF THE BOARD OF DIRECTORS

DIRECTORS	HELD AT	ON	TIME																																						
MINUTE BOOK	KARACHI	8 TH DECEMBER, 2015																																							
	80. The Health & Accident Insurance Division, therefore, requires the vehicles for mobility of staff to effectively implement and monitor the scheme as per following table: <table><tr><th>Make Model</th><th>Number of Vehicles</th></tr><tr><td>Toyotal Corolla GLI</td><td>13</td></tr><tr><td>Suzuki Mehran VxR</td><td>35</td></tr></table> 81. After deliberations, the Board resolved as under: <u>RESOLVED:</u> "that as proposed by DH(HI&A) purchase of 13 Toyota Corolla GLI and 35 Suzuki Mehran VXR be and is hereby approved and DH(F&A) is hereby authorized to allocate necessary budget in this respect. <u>ITEM (19) PROGRESS ON TIMELINE OF HEALTH INSURANCE.</u> 82. Divisional Head (Health) presented before the Board, a Position Paper regarding progress on timelines of Health Insurance which was noted by the Board. The Board directed that every effort should be made to ensure that the timeline is strictly adhered to and any deviation therefrom be informed to the Board. The Board was informed that inauguration of the Prime Minister's National Health Insurance Project would take place on 15th December, 2015. <u>ITEM (20) ANY OTHER ITEM WITH THE PERMISSION OF THE CHAIR.</u> <u>(i) REVISION OF PAY SCALE FOR THE OFFICERS OF STATE LIFE</u> 83. The Board of Directors in its 240th meeting held on 11.8.2015 approved the Adhoc Relief @ 10% pay (frozen w.e.f. 1.1.2014) and increase in basic pay @ 8% w.e.f. 1.1.2015. The same was sent to the Ministry of Commerce for concurrence from Finance Division vide letter dated 4.9.2015. 84. The Finance Division vide Office Memorandum dated 27.11.2015 forwarded the following observations: a) Finance Division vide its O.M. dated 9.3.2013 approved the following pay scale: <table><tr><th>Sl.#</th><th>Description</th><th>Pay Scale -2012</th><th>Stage</th></tr><tr><td>1</td><td>Executive Officer</td><td>12708-908-34500</td><td>24</td></tr><tr><td>2</td><td>Assistant Manager</td><td>18331-1261-48595</td><td>24</td></tr><tr><td>3</td><td>Dy./Area Manager</td><td>22832-1559-60248</td><td>24</td></tr><tr><td>4</td><td>Manager</td><td>32153-1642-71661</td><td>24</td></tr><tr><td>5</td><td>Asstt. General Manager</td><td>34771-1746-76675</td><td>24</td></tr><tr><td>6</td><td>Dy. General Manager</td><td>40650-1815-84210</td><td>24</td></tr><tr><td>7</td><td>General Manager</td><td>46883-2300-102083</td><td>24</td></tr></table> The SLIC management shown existing pay scale as under:-			Make Model	Number of Vehicles	Toyotal Corolla GLI	13	Suzuki Mehran VxR	35	Sl.#	Description	Pay Scale -2012	Stage	1	Executive Officer	12708-908-34500	24	2	Assistant Manager	18331-1261-48595	24	3	Dy./Area Manager	22832-1559-60248	24	4	Manager	32153-1642-71661	24	5	Asstt. General Manager	34771-1746-76675	24	6	Dy. General Manager	40650-1815-84210	24	7	General Manager	46883-2300-102083	24
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Action:
DH(P&GS)
DH(HI&A)
DH(F&A)

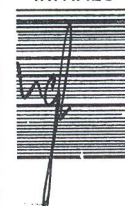
Action:
DH(HI&A)

CHAIRMAN'S INITIALS

Action:
DH(P&GS)
DH(HI&A)
DH(F&A)

Action:
DH(HI&A)

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MINUTES OF 242ND MEETING OF THE BOARD OF DIRECTORS

DIRECTORS	HELD AT	ON	TIME
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S.#	Description	Pay Scale -2013	Stage
1	Executive Officer	16775-1199-45551	24
2	Assistant Manager	24198-1666-64182	24
3	Dy./Area Manager	30139-2059-79555	24
4	Manager	42443-2169-94499	24
5	Asstt. General Manager	45899-2306-101243	24
6	Dy. General Manager	53658-2396-111162	24
7	General Manager	61886-3036-134750	24

- b) The Board of Directors of SLIC did not mention revision of pay scales in its 240th meeting held on 11.8.2015.

85. With regard to observation para 2(a) it is intimated that the Board in its 226th meeting held on 4.7.2012 approved the increase in pay scales @ 38.5% effective from 1.1.2102 and @ 20% and @ 10% along with following composite pay scales and it was sent to Ministry of Commerce vide letter No. PL-15(10)/2012 dated 13.8.2012.

S.#	Description	Pay Scale -2013	Stage
1	Executive Officer	16775-1199-45551	24
2	Assistant Manager	24198-1666-64182	24
3	Dy./Area Manager	30139-2059-79555	24
4	Manager	42443-2169-94499	24
5	Asstt. General Manager	45899-2306-101243	24
6	Dy. General Manager	53658-2396-111162	24
7	General Manager	61886-3036-134750	24

86. However, the Ministry of Commerce conveyed the concurrence of Finance Division vide letter F.No.4(14)R-4/2008-SLIC dated 9th March, 2013 as follows:

- a) Revision of Pay Scales of the Executive/Supervisory staff of the State Life Insurance Corporation of Pakistan fixing the pay structure at 38.5% above the existing pay Scales w.e.f. 1.1.2012 as under:

Sl.#	Description	Pay Scale -2012	Stage
1	Executive Officer	12708-908-34500	24
2	Assistant Manager	18331-1261-48595	24
3	Dy./Area Manager	22832-1559-60248	24
4	Manager	32153-1642-71661	24
5	Asstt. General Manager	34771-1746-76675	24
6	Dy. General Manager	40650-1815-84210	24
7	General Manager	46883-2300-102083	24

- b) The Adhoc Relief Allowance-2010 and 2011 @ 50% and 15% of basic pay respectively, earlier being paid to officers, will cease w.e.f. 1.1.2012.
- c) 20% increase in basic pay of the officers of SLIC w.e.f. 1.1.2012 as allowed to Government servants in the Federal Budget -2012 to overcome inflationary effect.
- d) 10% increase in basic pay w.e.f. 1.1.2013 (after Adhoc Relief Allowance are discontinued, pay structure is revised @ 38.5% and 20% increase is given in basic pay).

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[Signature]

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The term "Basic Pay" for the purpose of increases w.e.f. 1.1.2012 & 1.1.2013 will also include the amount of the personal pay granted on account of annual increments) beyond the maximum of the existing pay scales.

87. In terms of the above approval of Finance Division para 4 (d), it was understood that the composite pay scales sent to the Ministry has been approved only with a change of effective date and the same was implemented.

88. With regard to observation at para 2(b) it is to state that different scenarios were presented before the Board in its 240th meeting, the Board approved the proposal for increase @ 8% in basic pay and @ 10% of adhoc pay effective from 1.1.2014 (frozen on 1.1.2014) therefore, no pay scales was proposed in the Memorandum to the Board.

89. The pay scales now have been revised as per directive of Finance Division w.e.f. 1.1.2015 @ 8% increase in pay w.e.f. 1.1.2015 as approved by the Board in its 240th meeting is as under:

S.#	Description	Pay Scale -2015	Stage
1	Executive Officer	18117-1295-49197	24
2	Assistant Manager	26134-1800-69334	24
3	Dy./Area Manager	32551-2224-85927	24
4	Manager	45839-2343-102071	24
5	Asstt. General Manager	49571-2491-109355	24
6	Dy. General Manager	57951-2588-120063	24
7	General Manager	66837-3279-145533	24

90. The members of the Board of Directors are requested to reconfirm the pay scales approved in 226th meeting at para 3 and approve the pay scales at para 7 of the memorandum.

91. After deliberations, the Board resolved as under:

RESOLVED:

"that as proposed by DH(P&GS), pay scales as approved by the Board of Directors in its 226th meeting held on 04-07-2012 to be effective from 1-1-2012 be and is hereby reconfirmed as follows:-

S.#	Description	Pay Scale -2013	Stage
1	Executive Officer	16775-1199-45551	24
2	Assistant Manager	24198-1666-64182	24
3	Dy./Area Manager	30139-2059-79555	24
4	Manager	42443-2169-94499	24
5	Asstt. General Manager	45899-2306-101243	24
6	Dy. General Manager	53658-2396-111162	24
7	General Manager	61886-3036-134750	24

"that as proposed by DH(P&GS), pay scales as approved by the Board of Directors in its 240th meeting held on 11-08-2015 to be effective from 1-1-2015 as given below be and is hereby approved. The revision of pay scales was not mentioned in the memorandum put up to the Board in its 240th meeting wherein the Board approved increase in pay at 8%:-

Action:
DH(P&GS)

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MINUTES OF 242ND MEETING OF THE BOARD OF DIRECTORS

DIRECTORS	HELD AT	ON	TIME
MINUTE BOOK	KARACHI	8 TH DECEMBER, 2015	

S.#	Description	Pay Scale -2015	Stage
1	Executive Officer	18117-1295-49197	24
2	Assistant Manager	26134-1800-69334	24
3	Dy./Area Manager	32551-2224-85927	24
4	Manager	45839-2343-102071	24
5	Asstt. General Manager	49571-2491-109355	24
6	Dy. General Manager	57951-2588-120063	24
7	General Manager	66837-3279-145533	24

(ii) HONRARIUM FOR CORE TEAM OF HEALTH & ACCIDENT INSURANCE DIVISION.

92. Executive Director (P&GS) presented before the Board, a Memorandum regarding Honorarium for core team of Health & Accident Insurance Division.

93. State Life Insurance has secured the Health Insurance Scheme of KP. The core team of SLIC was busy in implementation of the Scheme. During this, request for proposals (RFP) were called for the Prime Minister Health Scheme. State Life is one of the leading Insurance industry and was also issued an (RFP) for submission of its proposal.

94. The procurement of multi-billion rupees is the result of vigorous and tireless core team of (H&AI) Division. These efforts have been taken over a period of three months, during this period, the team members of the (H&AI) Division worked beyond their call of duties day and night without any holidays. After procuring the business, the core team is involved in even bigger assignment of implementation of the (PMNHIP) & KP projects. The core team of (H&AI) Division is continuously working day and night without any delay. Continuous working of the team members of core team are getting tired but it is imperative that they are still motivated at this critical juncture just to implement the scheme successfully.

95. The Management of SLIC proposed that Members of the team be given honorarium to appreciate extra effort, hardworking and commitment shown by them.

96. After deliberations, the Board resolved as under:

RESOLVED:

"that as proposed by DH(P&GS) that the following honorarium be paid to the under mentioned officers in view of extra efforts, hardworking and commitment shown be and is hereby approved:-

- (i) Mr. Nadeem Bassey, G.M Rs. 250,000
- (ii) Dr.Ahmed Farooq, A.G.M Rs. 100,000
- (iii) Dr. Noorul Haq, A.G.M Rs. 100,000
- (iv) Mr.Muhammad Ashar, A.G.M Rs. 200,000
- (v) Mr.Hafeez ud Din, Manager Rs. 200,000

Action:
DH(P&GS)

CHAIRMAN'S
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MINUTES OF 242ND MEETING OF THE BOARD OF DIRECTORS

DIRECTORS	HELD AT	ON	TIME
MINUTE BOOK	KARACHI	8 TH DECEMBER, 2015	
	(iii) SETTLEMENT IN RESPECT OF CLAIM LODGED BY STATE LIFE TO REALIZE AMOUNT PAID TO NHA FOR PURCHASE OF COMMERCIAL/RESIDENTIAL PLOTS IN NEW CITY PROJECT AT ISLAMABAD. 97. Executive Director (RE) presented before the Board, a Memorandum for settlement in respect of claim lodged by State Life to realize amount paid to NHA for purchase of commercial/residential plots in New City Project at Islamabad. 98. It is submitted that State Life has filed a claim before Provisional Manager of Rs. 807,553,637/- comprising of Rs 209,533,320/- as Principal amount paid as purchase consideration to NHA for purchase of 1000 commercial and residential plots in Islamabad and Rs. 597,410,317/- as penalty and Rs. 610,000/- as arbitration cost. 99. M/s. Samdani & Qureshi Advocates dealing counsel of State Life vide letter dated 12.11. 2015 have forwarded a proposal of settlement of issue, so offered by M/s. M.G Realtors Respondents in Civil Original Petition # 48/2006 filed by SECP for winding up of M/s. M.G Realtors Company a company with which NHA joined hands to develop the new city project) pending adjudication before Company Judge, Lahore High Court at Lahore which was annexed at "A" to the memorandum. 100. The speaking paras of the letter of the counsels in question are reproduced as under: "During the last hearing, the Provisional Manager besides submitting his Report No. 17, also pointed out that IBECHS is ready and willing to pay the principal amount paid by SLIC to NHA and has deposited three cheques with the Provisional Manager on behalf of Ex- Management of Respondent No. 2 to 6 to secure the original amount of SLIC. Worth to mention here that since the filing of the execution petition, SLIC could not find out any assets or bank account of NHA to get the same attached and to realize the amount. In this scenario SLIC has two options. One to accept Rs. 209,533,320/- being the principal amount which IBECHS is ready to pay with the leave of the Honorable High Court to pursue its execution petition before the Executing Court at Islamabad to realize amount of penalty granted by the learned trial court. Other is to contest the Petition by arguing that the amount of Rs. 209,533,320/- is not acceptable to SLIC and is entitle to recover the entire amount from company being a collaborator of NHA. Through the former offer the SLIC shall be able to recover some of its amount but in the later option it is a border line case and anything could happen. Please do consider both the options and then let us know so that we could proceed with the case as per your advice". 101. The aforesaid proposal is placed before BOD for deliberation and decision, please.		

CHAIRMAN'S
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MINUTES OF 242ND MEETING OF THE BOARD OF DIRECTORS

DIRECTORS	HELD AT	ON	TIME
MINUTE BOOK	KARACHI	8 TH DECEMBER, 2015	
Action: DH(RE)	102. Mr. Shafqaat Ahmed and Mr. Saeed Chaman, Directors suggested that without prejudice to the court case, the principal amount should be received. 103. After deliberations, the Board resolved as under: <u>RESOLVED:</u> "that as proposed by Mr. Jamil Anwar, ED(RE) on the proposal received from Mr. Samdani & Qureshi, Advocates dealing counsel of state Life vide letter dated 12-11-2015, the settlement offer received from M/s. M. G. Realtors, a company with which NHA joined hands to develop the new city project, acceptance of a sum of Rs. 209,533,320/- being the principal amount which IBECHS is ready to pay with the leave of the Honorable High Court to pursue its execution petition before the Executing Court at Islamabad to realize amount of penalty granted by the learned trial court be and is hereby approved without prejudice to the court case." <u>(iv) INCREASE IN PETROL LIMIT OF DH(PHS)</u> 104. The Chairperson requested the Board of Directors to increase the petrol limit of DH(PHS) from the existing 410 litres p.m. to 450 litres p.m. in view of visiting of client for settlement of issues. 105. Accordingly, the Board resolved as under:- <u>RESOLVED:</u> "that as proposed by the Chairperson, increase of petrol limit from 410 litres p.m. to 450 litres p.m. to the Divisional Head(PHS) be and is hereby approved." <u>(v) Brief on Privatization Process to Board of Directors</u> 106. The Board was informed that Privatization Commission vide letter No.PC/SLIC-IPO/B&U/PC/04 dated 24th June, 2015 sent Terms of Reference (TOR) regarding appointment of Lead Manager and Book Runner for the offering of minority equity shareholding in State Life by means of Initial Public Offering (IPO) through domestic stock exchange transaction, which was put up and approved by the Board at its 240th meeting held on 11th August, 2015. The approval of the Board was conveyed to the Privatization Commission through Ministry of Commerce. 107. Subsequently, an advertisement for hiring Lead Manager and Book Runner was published in Daily issue of Dawn and Jang dated 3rd November, 2015 and the last date for submission of technical and financial proposals was Friday, 4th December, 2015. Three firms applied for the assignment. 108. The Chairman, PC has constituted an Evaluation Committee to Evaluate Technical & Financial Proposals of the interested parties, to act as Lead Manager & Book Runner(s) for the offering of Minority Shareholding in SLIC. Mr. Muhammad Izqar Khan, ED(F&A/Investment) has been nominated as SLIC Representative with the approval of Chairperson. 109. The above was noted by the Board.		
Action: DH(P&GS) DH(PHS)			
Action: E.D. (Inv/F&A)			

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[Signature]

MINUTES OF 242ND MEETING OF THE BOARD OF DIRECTORS

DIRECTORS	HELD AT	ON	TIME
MINUTE BOOK	KARACHI	8 TH DECEMBER, 2015	
Action: Secretary (BIC) DH(Inv)	(vi) CONSIDERATION AND APPROVAL OF MINUTES OF 6TH MEETING OF INVESTMENT COMMITTEE HELD ON 08-12-2015 TOGETHER WITH RECOMMENDATION MADE. 110. Secretary, Board Investment Committee presented before the Board the minutes of 6th meeting of Board Investment Committee held on 08-12-2015 for consideration and confirmation and approval of decisions/recommendations made by the Committee. 111. The Board appreciated Mr. Shafqaat Ahmed, Director for his guidance and support in preparing the Investment Policy. 112. Accordingly, the Board resolved as under: RESOLVED: "that the minutes of 6th meeting of Board Investment Committee held on 08-12-2015 placed at Annexure-F to the minutes, together with the observations/recommendations therein be and are hereby approved as follows: Investment Policy-2015 The Draft Investment Policy-2015, annexed as integral part of the minutes of 6th meeting of the Board Investment Committee held on 8th December, 2015 (placed at annexure-F to the Board minutes) which is based on proactive and dynamic investment approach, primarily addressing the growth objective in policyholders reserve and guidelines for achieving better overall returns incremental income on the Investment Portfolio, recommended to the Board for consideration and approval be and is hereby approved. The policy is to be reviewed within a maximum period of three years and will be effective from 1st January 2016." "that the investment policy be reviewed within a maximum period of three years and will be effective from 1st January, 2016."		
	(vii) Electric wiring in State Life Principal Office 113. Mr. Saeed Chaman, Director suggested that Real Estate Division carry out a thorough inspection of electrical wiring in State Life Principal Office. 114. The meeting ended with vote of thanks to the chair.  (CHAIRPERSON) CHAIRMAN'S INITIALS 		

MINUTES OF 242ND MEETING OF THE BOARD OF DIRECTORS

DIRECTORS	HELD AT	ON	TIME								
MINUTE BOOK	KARACHI	8 TH DECEMBER, 2015									
<u>Annexure-A</u> MINUTES OF 18TH MEETING OF HUMAN RESOURCES COMMITTEE HELD ON 27-11-2015 AT KARACHI. The 18th meeting of the Human Resource Committee of the Board of Directors of State Life Insurance Corporation of Pakistan was held on 27th November 2015 at 09:30 a.m. in the Board Room, State Life Building No.9, Principal Office, Karachi. 2. Following attended the meeting: <table style="margin-left: auto; margin-right: auto;"><tr><td>i) Dr. Aliya Hashmi Khan</td><td>Chairperson (HRC)</td></tr><tr><td>ii) Mr. Naved Arif</td><td>Director</td></tr><tr><td>iii) Mr. Shafqaat Ahmed</td><td>Director</td></tr><tr><td>vi) Mr. Riaz Ahmed Shaikh</td><td>Secretary HRC</td></tr></table> The leave of absence to Mr. Saad Amanullah was granted Item No. 01 <u>CONFIRMATION OF MINUTES OF 17TH MEETING OF THE HUMANRESOURCE COMMITTEE HELD ON 13.10.2015</u> 3. The Secretary HRC presented the minutes and Mr. Naved Arif seconded. The minutes of the 17th meeting held on 13.10.2015 have been approved and confirmed. 4. Mr. Naved Arif, Member HRC pointed out that the typographical errors in the minutes of the 17th of HRC should be rectified. Item No. 02 <u>IMPLEMENTATION REPORT OF 11TH HRC MEETING HELD ON 01-10-2012</u> Item No. 9(c) <u>Difference of Overseas Allowance</u> "that the Committee directed to formulate a policy for revision of overseas allowance in future keeping in view the business and economic indicators and cost of living index in Gulf Region and bring up in the next meeting of HRC." RESOVED : "that the Committee appreciated that memo has been placed." <u>IMPLEMENTATION REPORT OF 13TH HRC MEETING HELD ON 05-03-2015</u> Item No. 11 : <u>Hiring of HR Consultant for preparing Key Performance Indicators (KPIs)</u> "that the Committee directed that the process should be completed by the end of this month. The final TOR to be given to short listed firms would cover gap analysis, job descriptions, KPIs, KRAs, training need analysis, linking of performance with bonus/perks and other relevant areas. HRC should be kept informed about the progress on regular basis" RESOVED : "that the GM (P&GS) apprised the progress on the matter, the Committee directed that scope of work be properly defined and be shared with the Committee and BoD in next meeting before issuing the letter of award."				i) Dr. Aliya Hashmi Khan	Chairperson (HRC)	ii) Mr. Naved Arif	Director	iii) Mr. Shafqaat Ahmed	Director	vi) Mr. Riaz Ahmed Shaikh	Secretary HRC
i) Dr. Aliya Hashmi Khan	Chairperson (HRC)										
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Item No. 13 : <u>Any other item – Hiring of Health Insurance Consultant.</u> “that the Committee directed that keeping in view the award of PM Health Scheme to SLIC, the process of hiring the Health Consultant should be finalized by the end of this month. The consultant should be given clear task of covering all the aspects of PM Health Scheme. The Management may finalize the terms and conditions of appointment and update the progress to HRC” RESOLVED : “that the Committee expressed its satisfaction on the appointment.” <u>IMPLEMENTATION REPORT OF 15TH HRC MEETING HELD ON 03-08-2015</u> Item No. 03: <u>Policy for allowing increase in Pension to Retired Officers/Staff of the Corporation</u> “that the Committee recommended to enhance the pension by 7.5% as also announced by Federal Government w.e.f. 1.7.2015. Regarding formulation of SLIC policy for revision in pension, the Committee directed to bring up comprehensive working paper in the next meeting of the HRC, covering indexing method, change in relevant regulation and budgetary provisions along with financial health of the organization.” RESOLVED: “that the Committee expressed its satisfaction on the progress.” <u>IMPLEMENTATION REPORT OF 16TH HRC MEETING HELD ON 11-08-2015</u> Item No. 03: <u>Revision of Salary of State Life Officers</u> The revision of pay-scales for officers has been sent for approval/financial concurrence of the Ministry vide SLIC letter No. PL-15(10)2014-2015 dated 04.09.2015. After examining, MOC has forwarded the case to MoF on 8.10.2015. RESOLVED: “that the Committee advised to follow-up the matter in Ministry of Finance vigorously.” <u>IMPLEMENTATION REPORT OF 17TH HRC MEETING HELD ON 13-10-2015</u> Item No. 03: <u>Revision of Staff Strength</u> “that the Committee directed to bring up the justification of revision in staff strength with objectives, targets and business of the organization. The restructuring of F&A and PHS Divisions as well as creation of new Zones / Regions need proper justification. Certain job titles such as Key Punch Operators, Gestetner Operator, Telephone Operator and even P.C Operators need justification keeping in view automation and use of computer in the organization. Similarly, Office Assistants and Senior Office Assistant titles as well as their posts also required to be reviewed. The revised staff strength be presented in the next HRC with particular reference to enhancement proposed in each division/zone etc. RESOLVED: “that the Committee appreciated that memo has been placed.”			

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DIRECTORS MINUTE BOOK	HELD AT KARACHI	ON 8 TH DECEMBER, 2015	TIME
	Item No. 04: <u>Revision in Perquisites of officers</u> (a) Utility allowance of officers may be enhanced by 5% of basic pay. However, the financial impact of Rs.75 million on recurring basis needs to be further explained viz e viz overall impact on organization. (b) Conveyance Allowance enhancement for officers from Rs.2,800/- p.m. to Rs.4,000/- p.m. is recommended for approval with the cost impact of Rs.2.572 million per annum. (c) Petrol Expense not recommended (d) Children Education needs further working by the management with the advice to provide different scenario considering improvement in the existing scholarship schemes and other possibilities. The revised proposal may be presented at the earliest (e) Drivers Subsidy as proposed by the ED(P&GS) is hereby recommended for approval with cost impact of Rs.7.263 million per annum. The revised allowances as in (a) (b) and (e) above would be admissible with immediate effect. RESOLVED: "that the Committee appreciated that memo has been placed for Children education scholarship." Item No. 05: <u>Rationalization of qualification allowance</u> "that the Committee revisited the allowance approved for accounting professionals and reconfirmed the same. However, keeping in view the service Regulations, Committee directed that in future, technical qualification allowance would only be admissible to those in service employees who acquire /complete this qualification while being in regular service. The qualification Allowance of ACII and FLMI, being the most relevant qualifications of Insurance sector, is recommended to be enhanced to Rs.5000/- p.m. For FCII/FLMI(M), the allowance would be Rs.6,000/- All other qualification allowances which are being paid to the existing employees would remain unchanged. " The revised qualification allowance would be admissible with immediate effect. RESOLVED: "that the Committee appreciated that memo has been placed." Item No. 06: <u>Restoration of Gratuity on last pay drawn</u> "that the Committee agreed to the proposal of restoration of gratuity on last drawn pay as at 31.12.1999 and recommended to the Board for approval. The proposed financial impact needs concurrence of LAD, F&A and Actuarial Divisions." RESOLVED: "that the Committee appreciated the progress of designated Committee to workout financial impact." Item No. 07: <u>Provision of Appliances for GMs and capping in entitlement of EDs/Chairman for appliances</u>		

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	“ that the Committee agreed to the proposal. The price ceilings mentioned therein are including all applicable taxes. Moreover, it was also recommended that the permission to retain the appliances on 50% purchase value after three years should also be extended to the Chairperson/Chairman and Executive Directors.” RESOLVED: “that the decision should be recorded in line with recommendations of 17th HRC Meeting.” Item No. 08: <u>Modification / correction in the decision of 183rd BoD meeting held on 15-11-2005 in respect of promotion criteria of EDs.</u> “ that the Committee agreed to the proposal and recommended it for approval to the Board of Directors.” RESOLVED: “that the Committee showed satisfaction.” Item No. 09: <u>Deficient qualification of officers/staff at the time of appointment</u> (a) Check the status for deadline of acquiring required qualification in cases of employees ‘regularized in 2012’ and then convey them in writing, the revised deadline. However, in any case, the revised deadline should not exceed one year from the writing of letter. (b) The employees ‘appointed through advertisements in 2010 to 2012’ and found deficient in qualification in terms of criteria, should be asked to submit required qualification within 06 months. (c) Obtain an undertaking on stamp paper from above categories of employees that they will complete the requisite qualification in the revised deadline, else their services would be liable to be dismissed. RESOLVED: “that the Committee showed satisfaction.” Item No. 10: <u>Proposal For Merger Of FMD & STD Departments In R&A Division and renaming it Human Resource Development Division (HRDD) Or Research & Development Division (R&DD)</u> “ that the Committee agreed to the proposal of merger of FMD and STD in R&A Division and appreciated the efforts taken by the Management for thinking specifically on capacity building /training of the employees which is the most important area of Human Resource Development for any growing organization. The name of newly reconstituted Division would however, be HRDD (Human Resource Development Division), which would ultimately evolve into State Life Training Institute (STI). RESOLVED: “that the Committee showed satisfaction.” Item No. 11: <u>Appointment of Shariah Advisor</u> “ that the Committee agreed to the proposal and recommended it for approval to the Board of Directors.		

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DIRECTORS MINUTE BOOK	HELD AT KARACHI	ON 8TH DECEMBER, 2015	TIME
	RESOLVED: "that the Committee showed satisfaction." Item No. 12: <u>Transfer In Delegation of Authority - Entitlements of Rent for Area Offices</u> "that the Committee agreed to the proposal and recommended it for approval to the Board of Directors with the amendment that the approving authority for annual enhancement in rent as admissible by law, 10% per annum or 25% after 3 years, in existing agreement may remain the same till the time a new agreement is signed for acquiring new space with new terms and conditions, for which approving authority would be as per proposal submitted by the Division." RESOLVED: "that the Committee showed satisfaction." Item No. 13: <u>Revision in Reimbursement of staff salary for Area Managers</u> "that the Committee agreed to the proposal and recommended it for approval to the Board of Directors." RESOLVED: "that the Committee showed satisfaction." Item No. 14: <u>Revision in Budget for Loan & Advances to Employees, Agents and employers of agents Managers</u> "that the Committee agreed to the proposal and recommended it for approval to the Board of Directors." RESOLVED: "that the Committee showed satisfaction." Item No. 15: <u>Revised FLMI Scheme</u> "that the Committee agreed to proposal of revised FLMI Scheme. However, the allowance of passing each paper for FLMI is recommended @ Rs.500/- instead of proposed Rs.250/-. The FLMI allowance is also enhanced to Rs.5,000/- p.m. after acquiring FLMI qualification as already proposed in item of 'Rationalization of Qualification Allowance'." RESOLVED: "that the Committee appreciated that memo has been placed." ANY OTHER ITEM : (i) <u>HIRING OF COMMUNITY CONSULTANT &</u> (ii) <u>HIRING OF COMMUNICATION CONSULTANT</u> (iii) <u>HEALTH INSURANCE DIVISION HUMAN RESOURCE REQUIREMENT.</u>		

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	“(i & ii) that the Committee was informed that due to the requirement of proposal for PM Health Scheme, the proposal of hiring above two positions of Communication Consultant and Community Consultant were sent to MOC for obtaining permission to advertise /hire. The MOC allowed to advertise the post of Communication Consultant and advised SLIC to obtained approval of HRC/BoD for processing the case of Community Consultant. The matter was considered by HRC and it recommended the appointment of both Consultants. However, the committee advised to take steps for transparent and merit based recruitment process, in line with requisite qualification/ experience of the candidates as well as requirement of PM Health Scheme. “(iii) that the Committee agreed to the proposal of enhancing staff strength of Health Insurance Division to 72 employees against the regular post. Moreover, for PM Health Scheme, the contractual employment of proposed 254 employees is also recommended with the direction to employ them in phased manner, keeping in view the time to time requirement and in no case these employees be confirmed/absorbed against regular strength of SLIC during or after the completion of PM Health Scheme Project.” RESOLVED: (i) “that the Committee directed to follow-up the matter with the Ministry. (ii) that the committee showed satisfaction on the progress. (iii) that the Committee advised to complete the process in time so to ensure that project is rolled out on time.” Item No.03 :REVISION OF STAFF STRENGTH 5. The E.D.(P&GS) presented the above memorandum. A presentation proposing the approved strength of 5588 employees was made before the HRC in its 17th meeting held on 13.10.2015. The HRC directed that restructuring of F&A and PHS Divisions as well as creation of new Zones / Regions need proper justification. Certain job titles such as Key Punch Operators, Gestetner Operator, Telephone Operator and even P.C Operators need justification keeping in view automation and use of computer in the organization. Similarly, Office Assistants and Senior Office Assistant titles as well as their posts also required to be reviewed. 6. To justify the increase in manpower, it is submitted that in the year 2001-2002, at the time of last revision in approved strength of State Life the number of policies were 1,806,476 upto December 2001, which has increased as 4,725,641 upto October 2014. 7. Further, to expand the business volume as well as to provide Insurance facility to each and every potential policy holder nationwide, SLIC created 02 new Regional Offices and 05 new Zonal Offices. Besides this, SLIC has also created 02 full-fledged Divisions as Health Insurance Division and Bancassurance Division. 8. The summary of present approved strength is as under:		

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Grade	Designation	Present Approved Strength
13(b)	GENERAL MANAGER	18
13(a)	DY. GENERAL MANAGER	53
12	ASSTT. GEN. MANAGER	174
11	MANAGER	443
10	DEPUTY MANAGER	384
09	ASSTT. MANAGER	642
08	EXECUTIVE OFFICER	70
	TOTAL OFFICERS	1784
07	SUPERINTENDENT	311
SS-III	P-SECRETARY	27
SS-II	STENOGRAPHER	20
SS-I	STENOTYPIST	9
06	ASSTT. SUPERINTENDENT	435
05	SR. OFFICE ASSTT.	631
05	TELEPHONE OPERATOR	0
05	PUNCH OPERATOR	0
04	OFFICE ASSISTANT	0
04	TYPIST / P.C. OPRT	554
04	O.A-CUM-TYPIST	0
	SUB TOTAL (4-7 & SS)	1987
Grade	Designation	Present Approved Strength
03	SR. DRIVER	13
03	SR. GEST. OPERATOR	0
03	SR. QUASID	147
03	SR. RECORD SORTER	115
03	SR. LIFT OPERATOR	8
02	DRIVER	26
02	GEST. OPERATOR	0
02	QUASID	247
02	RECORD SORTER	209
02	LIFT OPERATOR	26
02	SR. S-WORKER/ GARDNER	0
01	NAIB QUASID	208
01	S-WORKER / GARDNER	0
	SUB TOTAL (1-3)	999
MN-3	SUPERVISORS	29
MN-2	PLMB / ELECT / MECH / etc.	25
MN-1	ASSISTANTS	31
	SUB TOTAL (MN Staff)	85
	TOTAL UNIONIZED STAFF	3071
	GRAND TOTAL	4855

9. To run the affairs of these newly created entities, the following additional strength is proposed :

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SLIC Grades	Designation	For Each Regional Office	For 02 Regional Offices	For Each New Zone	For 05 New Zones	Total Additional Posts
13(b)	GENERAL MANAGER	1	2	0	0	2
13(a)	DY. GENERAL MANAGER	2	4	0	0	4
12	ASSTT. GEN. MANAGER	2	4	1	5	9
11	MANAGER	0	0	5	25	25
10	DEPUTY MANAGER	2	4	3	15	19
09	ASSTT. MANAGER	4	8	6	30	38
08	EXECUTIVE OFFICER	0	0	1	5	5
	TOTAL OFFICERS	11	22	16	80	102
07	SUPERINTENDENT	1	2	2	10	12
SS-III	P-SECRETARY	2	4	0	0	4
SS-II	STENOGRAPHER	1	2	0	0	2
06	ASSTT. SUPERINTENDENT	1	2	3	15	17
05	SR. OFFICE ASSTT.	2	4	5	25	29
04	Office Assistant / P.C. OPRT	2	4	7	35	39
	SUB TOTAL (4-7 & SS)	9	18	17	85	103
03	SR. QUASID	1	2	1	5	7
03	SR. RECORD SORTER	0	0	1	5	5
02	DRIVER	1	2	0	0	2
SLIC Grades	Designation	For Each Regional Office	For 02 Regional Offices	For Each New Zone	For 05 New Zones	Total Additional Posts
02	QUASID	2	4	3	15	19
02	RECORD SORTER	1	2	1	5	7
01	NAIB QUASID	1	2	2	10	12
	SUB TOTAL (1-3 & MN)	6	12	8	40	52
	TOTAL UNIONIZED STAFF	15	30	25	125	155
	GRAND TOTAL	26	52	41	205	257

The above proposed strength of Regions / Zones is at the least side and copy of present approved strength of Regional Office Hyderabad and Benazirabad Zone.

10. Further, in view of the directives of the HRC, following defunct posts are being merged with the existing posts :

Grade	Present Job Titles	Proposal
05	Telephone Operator	As per revision/re-adjustment of strength in 2012, there is no approved post under Job title of Telephone Operator and Punch Operator (grade-05) therefore these posts may be abolished and existing staff members i.e. 05 Telephone Operator and 06 Punch Operator may be merged with Sr. Office Assistant in Grade-05.
05	Punch Operator	
04	Office Assistants	Job Titles of Typist and OA Cum Typist (grade-04) may be abolished and existing staff members i.e. 304 Office Asstt and 29 OA-Cum-Typist may be merged under the single Job title of Office Assistant / PC. Operator in grade 04.
04	Typist / PC. Operator	
04	OA cum Typist	
03	Sr. Gestetner Operator	As per revision/re-adjustment of strength in 2012, there is no approved post under Job title of

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		Sr. Gestetner Operator (grade-03) therefore, the post may be abolished and existing staff i.e. 03 Gestetner Operators may be merged with the Sr. Quasid/Sr. Record Sorter in grade-03.
02	Gestetner Operator	As per Revision / re-adjustment of strength in 2012, there is no approved post under Job title of Gestetner Operator and according to re-adjustment in 2015, Sr. Sanitary Worker and Sr. Gardner (grade-02), therefore these may be abolished and existing staff i.e. 07 officials under these job titles may be merged with the Quasid / Record Sorter in grade-02.
02	Sr. Sanitary Worker / Gardner	
01	Sanitary Worker / Gardner	As per re-adjustment of strength in 2015, there is no approved post under Job titles of Sanitary Worker and Gardner (grade-01), therefore these may be abolished and existing staff i.e. 01 official under the job titles may be merged with the Naib Quasid in grade-01.

11. After the merger of defunct posts, the job titles shall be as under :

Grade	Job Titles	To be Filled Through
Officer Grades		
13(b)	GENERAL MANAGER	Promotions
13(a)	DY. GENERAL MANAGER	Promotions
12	ASSTT. GEN. MANAGER	Promotions
11	MANAGER	Promotions / Hiring of Professionals
10	DEPUTY MANAGER	Promotions / Hiring of Professionals
09	ASSTT. MANAGER	Promotions / Upgradations / Recruitment
08	EXECUTIVE OFFICER	Upgradations / Recruitment
Staff (Clerical) Grades		
07	SUPERINTENDENT	Promotions
SS-III	P-SECRETARY	Promotions
SS-II	STENOGRAPHER	Promotions
SS-I	STENOTYPIST	Recruitment
06	ASSTT. SUPERINTENDENT	Promotions
05	SENIOR OFFICE ASSTT.	Promotions
04	OFFICE ASSISTANT / PC. OPERATOR	Upgradations / Recruitment
Staff (Non-Clerical) Grades		
03	SR. DRIVER	Promotions
03	SR. QUASID	Promotions
03	SR. RECORD SORTER	Promotions
03	SR. LIFT OPERATOR	Promotions
02	DRIVER	Recruitment
02	QUASID	Promotions
02	RECORD SORTER	Recruitment
02	LIFT OPERATOR	Recruitment
01	NAIB QUASID	Recruitment
Staff (Technical) Grades		
MN-3	SUPERVISORS	Promotions
MN-2	PLMB. / ELECT. / MECH. / etc.	Promotions
MN-1	ASSISTANTS	Recruitment

12. The matter is therefore, placed before the Human Resource Committee for consideration.

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	RESOLVED : "that the Committee recommended the proposal with additional staff strength of 257 along with merger of defunct posts for consideration of BoD. The Committee further advised to change the nomenclature of PC Operator with Computer Assistant with the same grade." Item (04):<u>Difference of Overseas Allowance Payable to the Officers Posted in Gulf Zone.</u> 13. The HR Committee in its 12th meeting held on 23.12.2014 reconstituted the Committee to determine the rate of Overseas Allowance for the officers posted abroad. The report submitted by the Committee was placed before the 15th meeting of HR Committee held on 03.08.2015. The recommendation of the Committee was placed before the BoD in its 240th meeting held on 11.08.2015. The Board allowed to delink the increase in overseas allowance of State Life officers posted abroad with the Federal Government. 14. The Human Resources Committee in its 17th meeting held on 13.10.2015 directed to frame a policy for increase in overseas allowance of officers posted abroad. 15. The overseas allowance was earlier increased in 2009 @ 20% and 2011 @ 20%. 16. It is proposed that increase in overseas allowance of officers posted abroad is worked out in line with the Gulf Business indicators, overall business of the Corporation and its applicability on the basis of economic indicators and cost of living in Gulf Region as directed by BoD. 17. Based on above factors, the increase in proposal of overseas allowance is enclosed. RESOLVED : " that the Committee after analyzing the factors /basis of enhancement mentioned in the policy, recommended the proposal of enhancing the existing overseas allowance with all other perks mentioned therein by 5%." Item No. 05: <u>RATIONALIZATION OF QUALIFICATION ALLOWANCES</u> 18. The ED (P&GS) presented the subject Memo. The Board of Directors in its 240th meeting held on 11th August, 2015 approved enhancement in qualification allowance from Rs.16,000/- to Rs.35,000/- and Rs. 20,000/- to Rs.50,000/- w.e.f. 1.1.2015 to ACA/ACMA and FCA/FCMA. 19. As per Regulation No. 8 of State Life Employees (Service) Regulation, 1973, the Board of Directors of State Life is empowered to approve incentives and awards to employee who qualify in any of the disciplines as approved by the Board. Professionals in the disciplines of Actuaries, FLMI, ACII, FCII, ACA, ACMA, MBAs and I.T. were allowed qualification allowance at different rates. 20. The Board in its 241th meeting referred back the matter to HRC to revisit the qualification allowance of FLMI/ACII and Accounting Professionals keeping in view the post qualification experience, number of years of service and the designation of the officer as per Service Regulations. 21. At the time of appointment, the Accounting professionals were awarded additional increments to match the salary as per their post qualification experience and also upgraded on upper grade later on. The qualification allowance of FLMI/ACII and accounting		

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professionals was introduced in 1991. The comparison of qualification allowance duly approved by the Board time to time is given below:

	Qualification	Allow effective 1.9.1991	Enhanced w.e.f. 29.4.1999	Enhanced w.e.f. 17.11.2008	Enhanced w.e.f. 1.11.2008
1	ACA/ACMA	1200	4000	8000	16000
2	FCA/FCMA	1500	5000	10000	20000
3	FLMI/ACII	125 (each paper) pm			

22. Keeping in view the post qualification experience, number of years of service and the designation of the officer, following enhancement is proposed for Accounting Professionals as directed by the Board.

PROPOSAL – I				PROPOSAL –II		
SL. #	P.R. No.	QUALIFICATION		No. of years completed service	QUALIFICATION	
		ACMA/ACCA	ACA/FCMA		ACMA/ACCA	ACA/FCMA
1	Up to Manager	20000	25000	15 Years	20000	25000
2	A.G.M	25000	30000	20 Years	25000	30000
3	D.G.M.	35000	40000	25 Years	35000	40000
4	General Manager	40000	50000	25+ Years	40000	50000

- It is proposed that Rs. 500/- p.m. on passing each paper of FLMI/ACII and as well as on completion of FLMI/ACII an allowance Rs.5000/- p.m. Similarly on completion of FCII/FLMI (M) an allowance of Rs. 6000/- pm may be allowed.
- In future technical/qualification allowance would only be admissible to those in service employees, who acquire/complete these qualifications while being in regular service.
- The timeline for revision of qualification allowance may be fixed for at least five (5) years.

23. The matter is submitted for consideration and recommendations of Human Resources Committee to the Board of Directors for approval.

RESOLVED :

“that the Committee discussed the matter at length keeping in view the previous HRC/BoD decisions as well as financial impact viz-a-viz business of the organization and subsequently recommended the Proposal 1 as well as sub-para (i), (ii) & (iii) of para 22 for consideration of the Board.

Item 6 : REVISED SCHOLARSHIP SCHEME FOR CHILDREN OF OFFICERS.

24. The Human Resource Committee in its 17th meeting held on 13.11.2015 directed to revamp Scholarship Scheme for the children of officers already in vogue in line with the Scholarship Scheme of Staff Members.

25. The scholarship scheme for the children of officers was approved by the Board of Directors in its 226th meeting held on 04.07.2012. The criteria is as under:

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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 passing Matriculation/Equivalent provided the examination are cleared within 2 years.	Rs 15,000/-
After passing Intermediate/Equivalent provided the examination are cleared with 2 years	Rs 30,000/-

The scholarship scheme of officers after its introduction has not since been revised.

26. The scholarship scheme of staff member was initially approved vide CBA Agreement for the terms of 2009-2010. Since its inception, it has been revised twice as per CBA Agreements. The existing scholarship scheme of staff members is as under :

S.#	Education	Existing		Revised	
		Grade %	Scholarship per year	Grade %	Scholarship per year
1.	After Matriculation/Equivalent (For two years)	80% and above	Rs 15000/-	80% and above	Rs 20,000/
2.	After Intermediate/Equivalent (For two years)	80% and above	Rs 30,000/-	80% and above	Rs 35,000/

27. Moreover, staff members are also entitled for Rs 100,000/- on securing first 3 positions in SSC and HSC Boards' examination.

28. To refurbish the scholarship of officers, the following criteria in line with the scholarship scheme of staff members is proposed :

S.#	Education	Grade %	Scholarship per year
1.	After Matriculation/Equivalent (For two years)	80% and above	Rs 20,000/
2.	After Intermediate/Equivalent (For two years)	80% and above	Rs 35,000/

29. The memorandum is placed for recommendation of the Human Resource Committee to the Board of Directors for approval.

RESOLVED:

"that the Committee recommended the proposal. The Committee further advised the management to initiate education loan scheme in line with the other loans being provided to the employees of SLIC."

Item No. 07: Revised FLMI Scheme – 2015

30. In pursuance of the directives of the 14th Meeting of the Human Resource Committee

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held on 26-05-2015 as ratified by Board of Directors in its 239th Meeting held on 30-05-2015, revised FLMI Scheme was placed before the Human Resources Committee in its 17th meeting held on 13-10-2015. 31. The Board of Directors in its 241st Meeting held on 20.10.2015 has referred back the revised FLMI Scheme 2015 to HRC for further review and recommendation to the Board. 32. As directed by the Board, improved revised FLMI Scheme 2015 has been prepared and placed for recommendation of Human Resources Committee (HRC) to the Board of Directors for approval. The copy of revised FLMI Scheme 2015 is enclosed (Annexure-A). <u>Revised FLMI Scheme-2015</u> 1) <u>Entry test</u> a. All confirmed employees of State Life. b. At least graduate. 2) <u>Consideration in Fee/Books</u> a. At the time of registration, for each course/paper, full fee will be paid by student through Training Division for enrollment. b. Full fee will be reimbursed only after passing the enrolled paper. c. Books are now part of examination fee and available on-line. LOMA allowed all enrolled students to download & print the books. d. Books not available on-line will be purchased and provided by Training Division. e. Reimbursement of cost of books/photocopies will not be allowed. 3) <u>Incentive on completion of FLMI</u> a) One time cash award of Rs. 100,000/- on completion FLMI exam as per revised FLMI for new FLMI qualifiers w.e.f 2016 onwards. 4) <u>Allowance</u> a) The FLMI allowance of Rs. 5000/- pm after acquiring FLMI qualification. b) The FLMI allowance of Rs. 500/- pm after passing each paper. c) The allowances mentioned above (only monthly allowances, No a and b of para 4) will be equally applicable to old FLMI qualifiers too. 5) <u>LOMA's other professional Insurance Programs:</u> LOMA offer following courses along with FLMI for specialization in a particular Field of Life Insurance. a. List of Specialized courses ACS ® Associate Customer Service TM AAPA TM Association, Annuity Products and Administration AFSI ® Association, Financial Service Institute TM			

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	AIAA TM Associate Insurer Agency Administration ® AIAF TM Associate, Insurance Accounting & Finance TM1 AIRC TM Associate, Insurance Regulatory Compliance ® ARA TM Associate, Reinsurance Administration TM FFSI® Fellow, Financial Services Institute TM PCS ® Professional, Customer Service ® Any other specialized courses offered by LOMA b. Eligibility for Administration for Specialized / Advance courses offered by LOMA: a. Must be a graduate b. Already completed FLMI. c. For each course / paper, full fee will be paid by student through Training Division for enrollment. d. Full fee will be reimbursed only after passing the enrolled paper. e. Books not available on-line will be purchased and provided by Training Division. f. Cost of Books & Photocopy will not be allowed. g. An eligible student can complete as many LOMA courses as he/she like. h. Once enrolled in any of these advance courses, student must complete that course before attempting in a new course. c. Benefits for advance courses: An allowance of Rs. 1000/- per month will be awarded after completion of each specialized course, which will be paid along with FLMI allowance 6. Examination System; LOMA offers two options exam enrollment: a. Paper exam - typically administered twice yearly on specified examination dates, b. Computerized / I*STAR : Online enrollment via LOMANET, Internet-based education administration system At present, we are using Paper exam system, it is proposed that we may switch to computerized exam system and develop the exam centers in selected cities with the help of IT Division RESOLVED : " that the Committee recommended the proposal for consideration of the BoD." Item No. 08: <u>Reconstitution of DPC in the absence of regular Executive Director (P&GS)</u> <u>Historical Background</u> 33. The Board of Directors (BoD) in its 183rd Meeting held on 15th November, 2005 approved the Constitution of the Departmental Promotion Committee of the Corporation. The detail of promotion committee is summarized as below: (i) Promotion from D.M to Manager, <i>Executive Director (P&GS) (Convener)</i> Manager to AGM & AGM to DGM <i>All other Executive Director (Members)</i> <i>Divisional Head (P&GS) (Secretary)</i>		

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	34. Since the post of Executive Director is vacant and no other Executive Director is posted/appointed as yet. The Chairperson SLIC delegated few powers of Executive Director (P&GS) to Divisional Head (P&GS) on temporary basis under Regulation No. 3 (2) of State Life Employees (Service) Regulations, 1973 and delegation of administrative powers (copy enclosed). 35. It is place on record that the meeting of DPC members could not be convened due to non-availability of Executive Directors (P&GS), who is convener in the Departmental Promotion Committee as mentioned above. 36. It is proposed that Departmental Promotion Committee may be reconstituted as follows: <table><tr><td>i.</td><td>Executive Director (PHS)</td><td>Convener</td></tr><tr><td>ii.</td><td>Act. Executive Director (P&GS)</td><td>Member</td></tr><tr><td>iii.</td><td>Act. Executive Director (F&A)</td><td>Member</td></tr><tr><td>iv.</td><td>Manager (P&GS)</td><td>Secretary</td></tr></table> 37. This arrangement shall remain intact till such time an Executive Director (P&GS) is posted/appointed in the Corporation. 38. The members of HRC are requested to give their recommendations to the Board for approval. 1: " that the Committee while keeping in view the exigent requirement of promotions, agreed to the proposal and recommended it to BoD for approval." Item No.09: <u>Health Insurance Division – Salary Package and Perks of Employees</u> 39. On September 16, 2015, the Health and Accident Insurance Division of State Life succeeded in winning the bid of the Prime Minister National Health Insurance Programme - a mega social health insurance scheme. The scheme will provide inpatient hospitalization benefits to approximately three million families (15 million lives) of poorest segment of society in twenty three districts of Pakistan for three years. State Life has been contracted with the total administration of the program, including: enrolment, empanelment, communication, care management, claim adjudication, information technology support, reporting, and monitoring & evaluation. 40. The health and accident insurance division is also implementing the Social Health Protection (SHP) Initiative by KP government. This scheme will provide inpatient hospitalization benefits to 100,000 households in four districts of Khyber Pakhtunkhwa. State Life will provide the full scope of administration services to launch and run the program for five years. Under the agreement, State Life is also responsible to develop and market health insurance products to at least an additional 28% population of the four designated districts of KP. 41. The health and accident insurance division has devised an organizational structure for effective implementation of both schemes.			i.	Executive Director (PHS)	Convener	ii.	Act. Executive Director (P&GS)	Member	iii.	Act. Executive Director (F&A)	Member	iv.	Manager (P&GS)	Secretary
i.	Executive Director (PHS)	Convener													
ii.	Act. Executive Director (P&GS)	Member													
iii.	Act. Executive Director (F&A)	Member													
iv.	Manager (P&GS)	Secretary													

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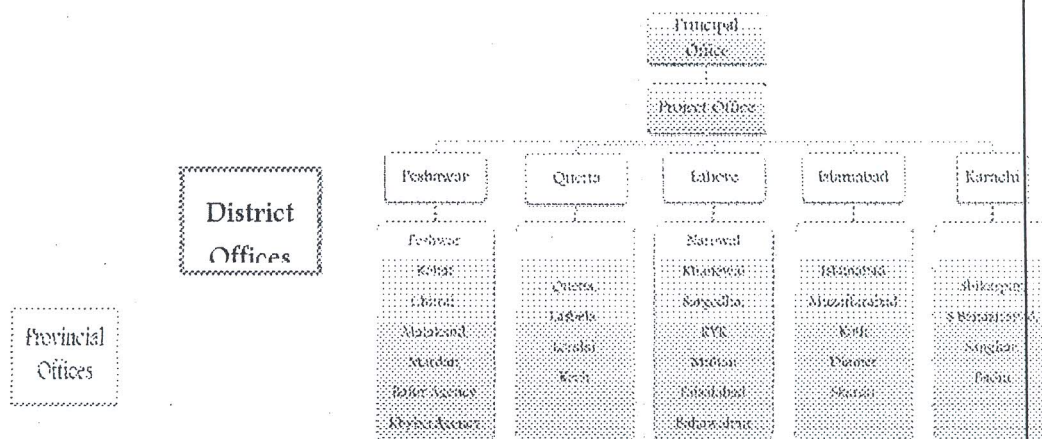
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42. In order to effectively administer and implement the schemes, Health and Accident Insurance Division has framed the structure of perks of both Contractual and Regular Employees. (Annexure 'A')

43. Health and Accident Division is in process of hiring the contractual employees to administer the above scheme. As, there is no approved salary structure for these contractual employees, we have proposed a range of salaries for the contractual employees which is attached at Annexure 'B'.

44. The matter is placed before the HR Committee of the Board for consideration and recommendations to the Board of Directors for approval please.

Statement of Health & Accident Insurance Division Perks

REGULAR EMPLOYEES

Designation	Entitlement	G & P Division	Proposed entitlement for Health & Accident Insurance Division
Divisional Head	Car Petrol	400 Litres pm	400 Litres pm
	Car Rental	Rs. 6,000 pm	Rs. 6,000 pm
	Driver subsidy	Rs. 10,000 pm	Rs. 10,000 pm
	Cell Phone Limit	Within limit of office telephone	Within limit of office telephone
	Office land line phone limit	Rs.10,000 pm	Rs.10,000 pm
Dy. General Manager (Dev.)/Sector Head	Car Petrol	290 Liters pm	290 Litres pm
	Car Rental	Rs. 5,000 pm	Rs. 5,000 pm
	Driver Salary	Rs.6,000 pm	Rs.6,000 pm
	Cell Phone Limit	Within limit of office telephone	Within limit of office telephone
	Office land line phone limit	Rs. 6,000 pm	Rs. 6,000 pm
Asstt. General Manager (Dev.)/Sector Head	Car Petrol	270 Liters pm	270 Litres pm
	Car Rental	Rs.4,500 pm	Rs.4,500 pm
	Driver Salary	Rs.4,000 pm	Rs.4,000 pm
	Cell Phone Limit	Within limit of office telephone	Within limit of office telephone
	Office land line phone limit	Rs. 3,000 pm	Rs. 3,000 pm
Manager (Dev.)/Sector Head	Car Petrol	250 Liters pm	250 Litres pm
	Car Rental	Rs.4,500 pm	Rs.4,500 pm
	Driver Salary	Rs.4,000 pm	Rs.4,000 pm
	Cell Phone Limit	Within limit of office telephone	Within limit of office telephone
	Office land line phone limit	Rs. 3,000 pm	Rs. 3,000 pm

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Dy. Manager (Dev.)/Sector Head	Car Petrol	200 Litres subject to growth of 12 ½ % in the business.	250 litres per month
	Car Rental	Rs. 2,500 pm	Rs. 2,500 pm
	Cell Phone Limit	Within limit of office telephone	Within limit of office telephone
	Office land line phone limit	Rs.3,000/ pm	Rs.3,000/ pm
Asstt. Manager (Dev.)/Sector Head/	Car Petrol	135 Litres subject to growth of 12 ½ % in the business.	200 litres per month
	Car Rental	Rs. 2,500 pm	Rs. 2,500 pm
	Cell Phone Limit	Within limit of office telephone	Within limit of office telephone
	Office land line phone limit	Rs.3,000/ pm	Rs.3,000/ pm
Executive officer (dev.)/ Sector Head	Car Petrol	120 Litres subject to growth of 12 ½ % in the business.	200 litres per month
	Car Rental	Rs. 2,500 pm	Rs. 2,500 pm
	Cell Phone Limit	Within limit of office telephone	Within limit of office telephone
	Office land line phone limit	Rs.3,000 pm	Rs.3,000 pm

Statement of Health & Accident Insurance Division Perks
REGULAR EMPLOYEES (Medical)-PROVINCIAL OFFICE

Designation	Entitlement	Proposed entitlement for Health & Accident Insurance Division
Provincial Medical Officer/Dy. General Manager	Car Petrol	290 Liters pm
	Car Maintenance	Company maintained
	Driver Salary	Rs.6,000 pm
	Cell Phone Limit& Internet	Within limit of office telephone
	Office land line phone limit	Rs. 6,000 pm
Provincial Medical Officer/Asstt. General Manager	Car Petrol	270 Litres pm
	Car Maintenance	Company maintained
	Driver Salary	Rs.4,000 pm
	Cell Phone Limit& Internet	Within limit of office telephone
	Office land line phone limit	Rs. 3,000 pm
Provincial Medical Officer/Manager	Car Petrol	250 Liters pm
	Car Maintenance	Company maintained
	Driver Salary	Rs.4,000 pm
	Cell Phone Limit& Internet	Within limit of office telephone
	Office land line phone limit	Rs. 3,000 pm
Provincial Medical Officer/Dy. Manager	Car Petrol	250 litres per month
	Car Maintenance	Company maintained
	Cell Phone Limit& Internet	Within limit of office telephone
	Office land line phone limit	Rs.3,000/ pm
Provincial Medical Officer/Asstt. Manager	Car Petrol	200 litres per month
	Car Maintenance	Company maintained
	Cell Phone Limit& Internet	Within limit of office telephone
	Office land line phone limit	Rs.3,000/ pm

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**Statement of Health & Accident Insurance Division Perks
CONTRACTUAL EMPLOYEES**

Designation	Entitlement	Proposed entitlement for Health & Accident Insurance Division
District Medical officer	Car Petrol	150 litres per month.
	Car Maintenance	Company maintained
	Cell Phone Limit	Within limit of office telephone
	Office land line phone limit	Rs.3,000/ pm
	Internet	Rs. 2,000/ pm
Marketing officer	Car Petrol	200 litres per month.
	Car Maintenance	Company maintained

Salary Package of contractual Employees for Health Insurance Schemes

S. No	Cadre	Salary Range (lump-sum). Per month (all inclusive)		
1	District Medical Officers (Doctors)	40,000	-	60,000
2	Sr. Account Officer	40,000	-	60,000
3	Account Officer	30,000	-	40,000
4	Sr. Claims Officer (Doctors)	40,000	-	60,000
5	Claim Officer	30,000	-	40,000
6	Administration & Monitoring Officer	30,000	-	40,000
7	Sr. Administration Officer	40,000	-	60,000
8	Administration Officer	30,000	-	40,000
9	Marketing Officer	30,000	-	40,000
10	Database Administrator	80,000	-	120,000
11	Java Developer	60,000	-	80,000
12	Oracle Developer	80,000	-	120,000
13	Senior Assistant	18,000	-	24,000
14	Key Punch Operator	18,000	-	24,000
15	Helper/Messenger	12,000	-	15,000
16	Driver	12,000	-	15,000

	Cell Phone Limit	Within limit of office telephone
	Office land line phone limit	Rs.3,000/ pm

RESOLVED :

"that the Committee after reviewing the proposal and also subsequent presentation given by GM(H&AI), agreed to the proposal and recommended it to BoD for approval. The Committee however, advised that the project accounting for both KPK Project and PM's Health Project be maintained separately with the existing accounts of the organization so as to have a clear picture of revenue /expenditure."

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ANY OTHER ITEM: <u>HIRING OF COORDINATOR</u> 45. GM (H&AI) presented the above memo. Health & Accident Insurance Division is implementing the Social Health Protection Initiative Project of Government of Khyber Pakhtunkhwa (KP) with the financial assistance of the KfW to support and scale-up social health insurance interventions to improve health status of people living below the poverty line in four district, namely Mardan, Malakand, Kohat and Chitral in KPK. 46. The program provides cash-and-paperwork-free hospitalization facility, including overnight stays and day surgeries and treatments not normally provided as part of out-patient care in smaller clinics. It also provides reimbursements for travel expenses only for maternity hospitalization. The scheme's first five-year target is, to provide 22 % of the selected district population who are living Below-the-Poverty-Line with health insurance to avoid catastrophic health expenses due to serious illness or injury and rest of 28% of population of designated districts through marketing to have enough health insurance coverage to avoid the catastrophic health expenses. 47. State Life Insurance Corporation does not have an expertise in Project management and operations side of social health development program/project. As State Life's core business has been life insurance, it has strong experience in managing life insurance operations. Health insurance is a unique business, unlike other insurance lines and, therefore, it requires a very unique skill set to properly manage this business unit. 48. Under this program, SLIC intends to hire the services for coordinator having relevant qualification/experience on contract basis initially for a period of two years. STATE LIFE INSURANCE CORPORATION OF PAKISTAN HEALTH & ACCIDENT INSURANCE DIVISION Term of Reference (TOR) For COORDINATOR Background of the Program: State Life Insurance Corporation of Pakistan through its Health & Accident Insurance Division is implementing the Social Health Protection Initiative Project of Government of Khyber Pakhtunkhwa (KP) with the financial assistance of the KfW to support and scale-up social health insurance interventions to improve health status of people living the poverty line in four district, namely Mardan, Malakand, Kohat and Chitral in KP. The program provides cash-and-paperwork-free hospitalization facility, including overnight stays and day surgeries and treatments not normally provided as part of out-patient care in smaller clinics. It also provides reimbursements for travel expenses only for maternity hospitalization. The scheme's first five-year target is, to provide 22 % of the selected district population who are living Below-the-Poverty-Line with health insurance to avoid catastrophic health expenses due to serious illness or injury and rest of 28% of population of designated districts through marketing to have enough health insurance coverage to avoid the catastrophic health expenses. Under this program, SLIC intends to hire the services for coordinator having relevant qualification/experience on contract basis initially for a period of two years with possibility of extension under the program as per detail given below:			

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	Role: The Coordinator is an integral member of the social health protection initiative (SHPI) team. Responsible for delivering building development for SHPI of varying size and complexity. The Coordinator is responsible for organizing and controlling SHPI activities, under the direction of a Zonal Head (H&AI), Peshawar. Duties and Responsibilities: • Coordinates program planning and implementation, including assessing needs, setting goals, and objectives. • Participates in program budget planning and development. • Establishes program work plan and calendar or schedules; monitors, reviews, and evaluates progress. • Coordinates and attends meetings; establishes and maintains internal and external contacts as necessary. • Provides advice to participants; serves as a liaison; acts as a resource person by performing research, analyzing information, providing documentation, and preparing reports. • Monitors record keeping and file maintenance for the program. • Supervises other staff; assigns tasks; sets priorities. • Prepares records of program activities; oversees and ensures the timely processing in and the delivery of required materials. • Serves as liaison for department; coordinates activities and exchanges information. Qualification, Experience, Knowledge and Key Skills and Ability required: Qualification: Master's Degree or equivalent in Social Sciences/ Project Management/ Development Studies/ or other development-related fields Experience: At least 15 years of experience, in the development sector preferably foreign funded social health project/program. Knowledge, Skills, and Abilities • Knowledge of project planning methodologies such as critical path planning. • Knowledge of computers and database/spreadsheet/ word processing software. • Excellent communications and leadership skills. • Excellent planning and organizational skills • Problem solving skills. • Ability to accurately review and complete detail oriented information and projects. • Ability to conceptualize and organize project planning process. • Ability to take responsibility and function under minimal supervision. • Ability to work with wide range of people. Salary Package: Market based pay package commensurate with qualification and experience.		

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	Posting : Peshawar RESOLVED: "that the Committee agreed to the proposal of hiring co-coordinator for KPK Health Project as per requirement. However, the Committee advised that qualification criteria of Masters' degree or equivalent in Social Sciences be narrowed in terms of specific disciplines of Social Sciences which are relevant to the nature of the project. Full Signature Aliya H. Khan Sd/- (Dr. Aliya Hashmi Khan) Chairperson (HRC) Dated: <u>30-11-2015</u>		
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	Annexure-B MINUTES OF 56TH MEETING OF BOARD AUDIT COMMITTEE HELD ON 14-11-2015 AT KARACHI. The 56th meeting of Board Audit Committee (BAC) of State Life Insurance Corporation of Pakistan was held on 14th November, 2015 in the Board Room, 3rd Floor, State Life Building No. 9, Dr. Ziauddin Ahmed Road, Karachi at 1200 hours. The following members attended the meeting: <table><tr><td>Mr. Saeed Ahmed Chaman</td><td>Member / Chairman</td></tr><tr><td>Mr. Saad Amanullah Khan</td><td>Member</td></tr><tr><td>Mr. Naved Arif</td><td>Member</td></tr><tr><td>Mr. Muhammad Sohaib Usmani</td><td>Non-Member/Secretary</td></tr></table> <u>Leave of Absence</u> Leave of absence was granted to the following member: <table><tr><td>Mr. Shafqaat Ahmed</td><td>Member</td></tr></table> The following officers also attended the meeting: <table><tr><td>Mr. M. Izqar Khan</td><td>Executive Director (F&A)</td></tr><tr><td>Mr. Muhammad Rashid</td><td>Divisional Head (F&A), CFO</td></tr></table> The representatives of Statutory Auditors M/s. Riaz & Co. and M/s. BDO Ibrahim & Co. Chartered Accountants also attended the meeting on special invitation. The Board Audit Committee deliberated upon the following items: <u>Letter of SECP</u> First of all, the committee went through the contents of the letter of SECP dated 5th November, 2015 and showed their deep concern. The CFO and Statutory Auditors were asked to explain their positions. <u>Late filing of Annual returns</u> It was apprized that the extension for filing the Accounts upto 31st May, 2015 was obtained from SECP and annual returns for the year 2014 has been filed in due course of time i.e., 31st May, 2015. <u>Failure to submit the mandatory filing of Annexure "A", with regard to revised expense limits</u> The Statutory Auditors / CFO explained the BAC that since the captioned directives of SECP were issued on 28th April, 2015, therefore, it was presumed that the said Annexure is required to be filed with accounts for the year 2015 and it could not be attached with the Accounts for the year 2014 erroneously.			Mr. Saeed Ahmed Chaman	Member / Chairman	Mr. Saad Amanullah Khan	Member	Mr. Naved Arif	Member	Mr. Muhammad Sohaib Usmani	Non-Member/Secretary	Mr. Shafqaat Ahmed	Member	Mr. M. Izqar Khan	Executive Director (F&A)	Mr. Muhammad Rashid	Divisional Head (F&A), CFO
Mr. Saeed Ahmed Chaman	Member / Chairman																
Mr. Saad Amanullah Khan	Member																
Mr. Naved Arif	Member																
Mr. Muhammad Sohaib Usmani	Non-Member/Secretary																
Mr. Shafqaat Ahmed	Member																
Mr. M. Izqar Khan	Executive Director (F&A)																
Mr. Muhammad Rashid	Divisional Head (F&A), CFO																

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<u>Errors in Annual Report 2014</u> The Auditors informed that there is no mistake in financial statement. However, it could be typographical error due to some arithmetical updatation in notes to the Accounts. Being statutory auditor, usually their major focus is upon material errors. However, they will ensure that such mistakes would not be repeated in future. It was further informed by CFO that the error was rectified prior to the publication of accounts and the Annual Report was correctly published. The CFO expresses their regret and further submitted that they will be more vigilant and will try their best that such errors will not be repeated in future. <u>The Committee, after obtaining the clarifications shows their displeasure and directed the CFO to inform the SECP accordingly.</u> The Auditors further requested that in future, sufficient time may be given to Auditors prior to hold BAC meeting for finalization of Accounts. <u>It was directed that secretary BAC will inform the Statutory Auditors through CFO before holding the BAC meeting for Finalization of Accounts.</u> <u>AGENDA ITEM NO.1: To confirm minutes of 55th BAC Meeting</u> The approved minutes of the 55th BAC meeting held on 29th September, 2015 were placed before the Committee and the same were unanimously confirmed with the following Changes. <u>Amendment No. 1</u> At 3rd Para of page 2 of the minutes of 55th BAC meeting regarding the authorization of ED (F&A) for allowing, removing of any ambiguity, the BAC has directed that such powers shall be exercised carefully and if any authority in delegation of financial powers is affected due to removal of such ambiguity, then the matter shall be placed before Board of Directors for approval through BAC. <u>Amendment No. 2</u> At para 4 of page 3 of the minutes of 55th BAC meeting, it shall be added that the proposal for Cash Management System submitted by F&A division shall be completed within a period of two months including the aspect of Payment & Receipt through a centralized Bank Account. <u>AGENDA ITEM NO.2: To Review the progress on implementation of 54th and 55th B.A.C decisions</u> Due to paucity of time the Agenda item could not be deliberated. <u>AGENDA ITEM NO.3: To Examine the final Accounts for 3rd Quarter ending 30th September, 2015 and give its recommendation to the BoD.</u>			

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Executive Director (F&A) presented the final Accounts for 3rd Quarter ending 30th September, 2015 before BAC. While reviewing the Accounts, the BAC noted the variances between actual and budgeted figures. It was apprized that budget for the year 2015 was based on estimated business, projected by Marketing Division. Therefore, the acquisition cost was taken @ 25% increase in business over the business for the year 2014. Since, Marketing force is yet behind the projected targets, therefore, the differences are appearing between actual and budgeted figures. It was further informed that due to non-availability of ERP, other figures of budget was also based on estimations. The committee advised that in accounts where position of Statutory Fund/Policyholder liabilities at the end of the year is mentioned, it shall be changed with Statutory Fund/Policyholder liabilities at the end of the period and likewise. <u>The BAC further directed that the budget estimates for maturity claim shall be taken on actual trend basis instead of proportionate figures. The Committee further emphasized that all estimates of budget should be taken as close to actual as possible to avoid major variances.</u> <u>After due deliberations and with the above changes, the committee allowed submission of Accounts to SECP within due course of time and recommended the accounts to BoD for approval.</u> In the end, the CFO informed the BAC that SECP vide their letter dated October 13, 2015 has required for submission of a compliance report duly signed by the Chief Executive Officer / Principal Officer along with the two Directors of the Insurer confirming the compliance with the provisions of section 11 and 12 of ordinance as per annexed format. SECP further directed that the annual certificate of compliance should be certified by statutory auditors, a copy of the letter of SECP was also provided to the BAC members. The CFO further informed that the Statutory Auditors are reluctant to sign the compliance certificate because the subject issue is under discussion at the technical committee of ICAP and until and unless the issue is resolved, it is difficult for them to comply with the directives of SECP on subject matter. <u>The BAC noted the status.</u> The meeting ended with vote of thanks to and by the Chair.  Sd/- (Saeed Ahmed Chaman) Chairman, Board Audit Committee KARACHI 20th November, 2015			
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<u>Annexure-C</u> MINUTES OF 1ST MEETING OF BOARD COMMITTEE OF TAKAFUL INSURANCE HELD ON 14-11-2015 AT KARACHI. First Meeting of Board Of Directors Takaful Committee was held at 01 p.m on 14th November, 2015 in the Board Room to review the progress on commencing Window Takaful Operations. The meeting was presided over Mr. Saeed Ahmed, Director (Convener). <u>PRESENT:</u> <table><tr><td>1. Mr. Saeed Ahmed</td><td>Director / Convenor</td></tr><tr><td>2. Mr. Saad Amanullah</td><td>Director</td></tr><tr><td>3. Mr. Muhammad Izqar Khan,</td><td>Executive Director</td></tr><tr><td>4. Mufti Muhammad Hassaan Kaleem</td><td>Shariah Advisor</td></tr><tr><td>5. Mr. Mehmood H. Malik</td><td>Non Member / Secretary</td></tr></table> <u>LEAVE OF ABSENCE:</u> <table><tr><td>1. MR. Shafqaat Ahmed</td><td>Director</td></tr></table> 2. The following officers also attended the meeting: - Mr. Shujaat Siddiqui (Appointed Actuary) - Mr. Attaullah Rasheed (D.H – Inv.) - Mr. Muhammad Rashid Khan (D.H – F&A) - Mr. Faisal Mumtaz, (D.H – Actuary) - Mr. Mohsin Abbas (D.H – Mktg.) - Dr. Zulfiqar Sheikh, (Offtg. DGM – Bancassurance) - Mr. Naveed Ahmed (Offtg. AGM – Bancassurance) 3. The meeting started with recitation of verses from the Holy Quran by Mufti Muhammad Hassaan Kaleem (Shariah Advisor). 4. Mr. Saeed Ahmed (Convener) desired to be briefed by the respected Mufti Muhammad Hassaan Kaleem (Shariah Adviser) regarding the basic concept of Family Takaful and the difference between Takaful and conventional Insurance. The Shariah Adviser explained in detail the Family Takaful System and the main differences between the Takaful and the life insurance products. The accounting system and the benefits regarding investment in both accounting procedures. The Board Members appreciated the explanation after getting satisfactory answers to their queries. 5. The Executive Director (TKFL) put forth the time lines. He covered the following topics during his presentation (a). Product Development (b). Re-Insurance Treaty (c). Operational Structure (d). Investment Policy (e). Assignments to be completed. He also informed the participants that all the Divisions are giving due importance to the assignments given regarding Takaful Window Operations and shall meet the deadlines given to them for completion. 6. Conversion of Existing Portfolio into Takaful: Mufti Sahib suggested that while working on business plan, it should be examined whether is it possible to give option to the existing policyholders to convert their policies to Takaful. If it is possible it may give a jump start. The Convener appreciated the suggestion and advised the Management to look into the possibility of offering existing policyholders the Takaful Products. He emphasized that every effort should be made to make Takaful business successful in order to meet customer's high expectation. The Convener assured				1. Mr. Saeed Ahmed	Director / Convenor	2. Mr. Saad Amanullah	Director	3. Mr. Muhammad Izqar Khan,	Executive Director	4. Mufti Muhammad Hassaan Kaleem	Shariah Advisor	5. Mr. Mehmood H. Malik	Non Member / Secretary	1. MR. Shafqaat Ahmed	Director
1. Mr. Saeed Ahmed	Director / Convenor														
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1. MR. Shafqaat Ahmed	Director														

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Board's full support to take prompt decisions and provide necessary enablers. 7. The Convenor also advised Mr. Muhammad Rashid G.M (D.H – F&A) to visit existing companies for seeking knowledge/valuable experience and share the same with the members of Board Takaful Committee in the next meeting. 8. The meeting was informed by D.H. (Actuarial) that for re-insurance of Takaful three International Companies are being considered. (a). Hanover – Re (b). Swiss Re & (c). Munich – Re 9. Executive Director (TKFL) appreciated the sincere efforts of Mr. Muhammad Faisal Mumtaz, GM (D.H – Act.) for his valuable contribution in the progress made regarding Window Takaful Operations so far: 10. The Convenor insisted to be informed about the completion of assignments and the progress report and therefore all Divisional Heads were directed by the Executive Director (TKFL) to complete their given assignments at earliest so that Licensing requirement are fulfilled and application is submitted to SECP.  Minutes Approved by: Sd/- Saeed Ahmed Director / Convenor BOD Takaful Committee			
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Annexure-D

**MINUTES OF 3RD MEETING OF BOARD REAL ESTATE COMMITTEE
HELD ON 24-11-2015 AT KARACHI.**

The 3rd meeting of the Real Estate Committee of the Board of Directors of State Life Insurance Corporation of Pakistan was held on 24th November 2015 at 09:00 AM in the Board Room, State Life Building No.9, Principal Office, Karachi.

2. The following attended the meeting:

- | | | |
|------|-----------------------|----------------------|
| i. | Mr. Saad Amanullah | Chairman/Director |
| ii. | Mr. Saeed Chaman | Member/Director |
| iii. | Mr. Naved Arif | Member/Director |
| iv. | Mr. Shafqaat Ahmed | Member/Director |
| v. | Mr. Riaz Ahmed Shaikh | Secretary REC |
| vi. | Mr. Jamil Anwar | Non-Member / ED (RE) |
- (Attended REC Meeting on special invitation)*

Dr. Aliya Hashmi Khan was granted leave of absence

**Item (01) CONFIRMATION OF MINUTES OF 2ND MEETING OF THE
REAL ESTATE COMMITTEE HELD ON 31.08.2015**

3. The minutes of the 2nd meeting of the Real Estate Committee of the Board held on 31.08.2015 was placed before the Committee.

4. Mr. Saad Amanullah, Chairman proposed and Mr. Naved Arif, Director seconded the minutes of 2nd meeting of the Real Estate Committee.

5. Accordingly, it was resolved as under:

RESOLVED

“that the minutes of 2nd meeting of the Real Estate Committee held on 31.08.2015 be and are hereby approved and confirmed.

Mr. Saeed Chaman, however, pointed out that repetition of words at some places be checked while confirming the Minutes”

Item (02) IMPLEMENTATION/COMPLIANCE REPORTS

**IMPLEMENTATION/COMPLIANCE REPORT OF 1ST MEETING
OF REAL ESTATE COMMITTEE HELD ON 25.05.2015**

- Item No 1 Terms of Reference of Real Estate Committee

Resolve/directives on the item: The Committee approved the revised TORs and recommended it to BoD for approval. On the data presented regarding

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	tenancy, recovery and litigation, the committee directed Divisional Head (RE) to present a comprehensive proposal with different strategies for renting out the vacant commercial space. Moreover, the details of property in litigation be listed out separately along-with reasoning and representatives from legal side would be called to discuss the progress of litigations in next meeting. The Committee appreciated the comparative financial details highlighting the returns on investments and advised to suggest incentives for RED officials if they rent out the space on market rates i.e. 10% of value. This may be included in comprehensive proposal. The ageing of outstanding rent be done. <u>In the compliance with the directives of REC following presented before the 3rd REC.</u> - Legal status of cases in respect of State Life Properties at Lahore where titles are disputed. - Mutation Lahore. - Litigations Islamabad/Rawalpindi/Mirpur AK properties (titles in disputes). - Outstanding Aging as on 31-12-2014. - Comprehensive proposal with different strategies for renting out the vacant spaces. This also includes incentives for RED officials if they rent out space on market rates i.e. 10% of value. RESOLVED “that the Committee discussed the matter of litigations and Mutations, particularly at Lahore and also called DH(LAD) to have his opinion on the matter. DH (LAD) explained the intricacies involved and limitations of SLIC as government body, while pursuing such long standing cases. The committee directed as under : - To hire services of professional task oriented lawyers and retired revenue officials who shall be assigned these cases with terms of payment based on result of the cases, for which 6-12 months may be assigned to them. Member BoD, Mr. SHAFQAAT AHMED offered to provide details of such persons who are providing these services, which was appreciated by the committee. - Legal Division was advised to write to Law, Justice and Human Rights Division for getting permission to hire Legal Advisor. - The Committee also advised to provide the copy of approval accorded by the then BoD to LAD for hiring Managers in LAD in 2011. - Regarding aging, committee advised to sort out the list with respect to vacant; under cases and active tenants and categories with number of years say 1 year, 5 year and others. Mr. Saeed Chaman, Member Board offered that SLIC may		


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	share the outstanding rent details of SECP with him for follow up to resolve the matter. v. To form a committee of senior officers who should regularly follow the defaulting tenants. Letters/phone calls/meeting with SLIC higher officials would be beneficial in this regard. The officers in committee be allocated specific tenants and they will be made responsible for recovery from those tenants. vi. The progress of rent recovery be reviewed in every subsequent meeting. vii. For different renting strategies, the committee appreciated the ideas and advised to adopt these strategies so as to maximize the rental income - Item No 2 <u>UP-GRADATION OF FIRE DETECTION SYSTEM COMPRISING OF PANEL FIRE ALARM SYSTEM IN STATE LIFE BUILDINGS.</u> <u>Directives on the item:</u> The committee appreciated the efforts taken in addressing this matter and directed Divisional Head (RE) that the minimum requirement of placing the fire extinguishers in every commercial building be ensured. Furthermore, the process of hiring the services of consultant be completed in time. <u>In the compliance with the directives of REC following presented before the 3rd REC.</u> As a result of prequalification process, only two consultants have applied. The evaluation is under process and after finalization of TORs, the bidding process would be completed by 31-12-2015. RESOLVED "that the Committee directed/advised to complete the process by 31-12-2015 positively" - Item No 3 <u>STATE LIFE BUILDING #12, ABDULLAH HAROON ROAD, KARACHI DAC DECISION (02-04-2014)</u> <u>Directives on the item:</u> The Committee directed to go ahead with the process of selection for hiring the service of valuator for all commercial buildings including building 12. It was also directed to explore different avenues for renting out the space even the parking space only, which can be contracted easily. Regarding disposal of property, the committee advised that the Finance Division Rules 2006 may be checked. Marks in Evaluation criteria be reassigned and Registration with Pakistan Banking Association (PBA) or from the reputed the organization be included.		

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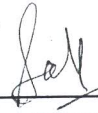
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	The following progress on the above directives of R.E.C was appraised: 1. Advertisement for hiring of the services of valuers for all commercial buildings including building 12 has been displayed on SLIC website on 23-10-2015 and on PPRA website on 26-10-2015. Tender purchasing date is 24-11-2015 & opening date is 25-11-2015. 2. It was also directed to explore different avenues for renting out the space even the parking space only, which can be contracted easily. Tenancy Section is submit its proposal. It is also pertinent to mention here that 5th floor of Building No. 12 has been rented out to Karachi Central Zone on Rs.506,800/- per month. 3. Finance Division has been approached to provide the copy of requisite circular. However keeping in view the recent renting of 5th Floor, we may reconsider option of disposal of property. RESOLVED “that the Committee directed to complete the process of selecting valuers at the earliest. i) Regarding renting of 5th floor of SLB 12, Hashoo Centre, the committee appreciated the efforts taken by SLIC. ii) The committee further advised that an analysis/calculation be made with whole rentable area and corresponding annual rent versus fair value of the building, if it is sold. iii) It was also advised that relevant Regulation of Finance Division be obtained from Regulation wing and be brought in next meeting positively” Item No 4 <u>REPLACEMENT OF AIRCONDITIONING SYSTEM AND LIFTS AT STATE LIFE BUILDING # 09, (PO), KARACHI.</u> <u>Directives on the item:</u> The committee advised to expedite the process and complete it as per the deadline of 30-11-2015. <u>Following compliance submitted before the REC.</u> i. Tender was awarded to qualified consultant M/s. International Consultants vide SLIC letter dated 07-09-2015 and contract agreement signed between State Life and M/s. International Consultants 17-09-2015. Tender documents have been drafted by M/s. International Consultants for HVAC System and Lifts. ii. Consultant after initial study has recommended to replace the existing system of package units with Air Conditioning Chillers instead of similar package units. Memorandum has been prepared and is submitted as separate Memo. iii. Regarding Lifts, there is no design issue and the documents are under evaluation through REFC. The advertisement will be released in this week.		

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	RESOLVED “that the committee appreciated that the Memo has been placed ” - Item No 6 <u>TENANCY DETAILS & REVENUE</u> <u>Directives on the item:</u> that the committee noted the reasons of non-occupancy and advised to include different prepositions in the comprehensive proposal with different strategies for renting. Regarding litigation, mutation of properties, it was directed that complete details be presented in next meeting. Regarding maintenance of buildings, it was advised that expenditure on maintenance be enhanced and details of works to be carried out in the commercial buildings be put up for consideration of committee. Focus should be made on buildings which have high vacancy. Compliance submitted before the committee. - Reasons of Non-Occupancy with Different Prepositions. - Legal status of cases in respect of State Life Properties at Lahore where titles are in disputes. - Mutation Lahore. - Litigations Islamabad/Rawalpindi/Mirpur AK properties (titles disputes). - Instructions for survey report & submission of maintenance proposal has been issued to all concerned officers/RE stations. The same is under process. RESOLVED “that the Committee directed that the consolidated maintenance proposal be submitted in next meeting of REC positively for consideration so that work should be started at the earliest” - Item No 7 <u>UPDATE ON ON-GOING AND PLANNED PROJECTS STATE LIFE TOWER, ISLAMABAD.</u> <u>Directives on the item:</u> that the committee noted the position explained by the secretary REC and allowed to discuss it as separate item presented through Memo. <u>Compliance of the directives of REC:</u> That the following three Memo's are presented before the committee separately at agenda item # 04. - Extension of Contract & Payment Consultancy. - Fire Sprinkler System. - HVAC System.		


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Update is at Agenda Item # 04 of 3RD R.E.C. RESOLVED "that the Committee appreciated that a Memo has been placed" <u>STATE LIFE BUILDING – RAHIM YAR KHAN</u> <u>Directives on the item:</u> Committee appreciated the progress and advised to follow the deadlines. <u>Following compliance submitted to the REC:</u> Demand note received from TMA RahimYarkhan& was paid. For approval of plans, additional documents required to TMA has also been submitted for according approval of Building plans on 09'Nov'2015. RESOLVED "that the committee advised that the issues be resolved at senior level so that construction should not suffer" <u>STATE LIFE BUILDING – SIALKOT</u> <u>Directives on the item:</u> Committee showed satisfaction on the progress and advised to follow the deadlines. <u>Following compliance submitted to the REC:</u> 1. Architectural Drawings of projects submitted in the office of TMA for approval. 2. Draft tender documents are ready. Once the approval from TMA is received, the tender would be floated. 3. TMA still insists that plot is not commercialized. We are hiring the services of lawyer to resolve this issue. RESOLVED "that the committee directed to follow up the project vigorously" <u>STATE LIFE BUILDING- SARGODHA</u> <u>Directives on the item:</u> Committee mentioned that the progress is slow and needs to be expedited to catch the deadlines. <u>Following compliance submitted to the REC:</u> 1. Concept drawing of building approved by REC. 2. M/s. NESPAK has completed the detail design of project. 3. Draft tender documents will be submitted by M/s. NESPAK after signing of agreement.			



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RESOLVED "that the committee advised to follow the schedule" <u>STATE LIFE BUILDING- BENEZIRABAD</u> The committee mentioned that the progress is not satisfactory and needs to be expedited. <u>Following compliance submitted to the REC:</u> REC has advised to confirm the status of plot whether commercial or otherwise. The matter was taken up with authorities. We received the reply from Mukhtiarkar Revenue Nawabshah through our Hyderabad office which mentions that plot is in commercial area. TMA office is approached again through our Zonal Head vide letter dtd 5.11.2015 for confirming the clear status of plot whether it is commercial. RESOLVED "that the committee directed to follow the project so as to ensure that it is on schedule" <u>IMPLEMENTATION/COMPLIANCE REPORT OF 2nd MEETING OF REAL ESTATE COMMITTEE HELD ON 31.08.2015</u> - Item No 03 <u>SUPPLY, INSTALLATION, TESTING & COMMISSIONING OF A/C CHILLERS AND ALLIED WORKS AT STATE LIFE TOWER, ISLAMABAD.</u> The committee noted that the building would remain centrally air conditioned. However, in order to resolve the matter, it was advised that, since the process of tendering for HVAC has already taken long and also keeping in view the replies of PEC and PPRA and nature of requirements, all the technically evaluated bidders would be given final 7 days to complete the requirements/clarify the anomalies. Those who complete the requirements within the stipulated time, would be eligible for opening of Financial Bid (which is already received in sealed envelopes). <u>Following compliance submitted to the REC:</u> The recommendation of consultants I.C on financial bids of HVAC & Fire Fighting systems in SLIC Tower Islamabad are received and are submitted through separate Memo. RESOLVED "that the committee appreciated that the Memo has been placed"			

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Item No. 03 REPLACEMENT OF AIR-CONDITIONING SYSTEM AT STATE LIFE BUILDING #. 9, DR. ZIAUDDIN AHMED ROAD, KARACHI.

6. The ED(RE) presented the memorandum on the matter of replacement of Air-Conditioning System & Lifts of State Life Building No. 9, Dr. Ziauddin Ahmed Road, Karachi was placed before Board of Directors in its meeting #. 237th held on 29-12-2014. The proposal submitted by the Executive Director (Real Estate) with total financial impact of Rs. 106.0 Million for "Replacement of 34 package units, 03 standing units and 03 cooling towers" & replacement of 04 lifts was therefore approved as follows;

"that as recommended by ED(Real Estate) in his Memorandum dated: 16.12.2014 replacement of air-conditioning units and lifts of State Life Building No. 09, Karachi with budget of Rs. 106 million be and is hereby approved in principle with directives that the prevalent required purchasing procedure is strictly followed and immediate steps be taken for appointment of consultant as per PPRA Rules".

7. Accordingly tenders were called for hiring of services of Consultant as per PPRA Rules. M/s. International Consultant stood Lowest Evaluated bidder and thus approved for design & supervision of Air Conditioning System & Lifts for subject building. Consultant while carrying out initial study has recommended to install Air-Conditioning chillers instead of replacing the existing system with similar package units, as chiller system offers better performance, life & economy in long run. Consultant has submitted detailed comparison of both (Package & chillers) systems to substantiate his recommendations. The chiller system however will cost State Life an estimated amount of Rs. 95.0 Million instead of Rs. 55.0 Million already approved by BoD. Whereas, tender for Lift works is ready and will be advertised shortly.

8. Advantages, disadvantages, comparative data of both air-conditioning systems along-with recommendation of Consultant (M/s International Consultant) is placed at Annexure – B, C & D. Initial & revised cost proposal for replacement of Air-Conditioning & Lifts works is placed as under;

Initial proposal of cost submitted in 237th BoD meeting.

HVAC	Replacement of 34 Package Units, 03 standing units and 03 cooling towers	Rs. 55.00 million
Lifts	Replacement of 04 Lifts of European / Japanese / American make (VVVF Gearless Type)	Rs. 45.00 million
	Sub Total	Rs. 100.00 million
Consultant Fee	6%	Rs. 6.00 million
	Total Estimated Project cost	Rs. 106 million
HVAC	Replacement of existing air-conditioning system with Chillers & allied works	Rs. 95.00 million
Lifts	Replacement of 04 Lifts of European / Japanese / American make or equivalent (VVVF Gearless Type)	Rs. 45.00 million
	Sub Total	Rs. 140.00 million
Consultant Fee	1.9% (After bidding)	Rs. 2.66 million
Drawings	Preparation of existing drawings of ducting and diffusers & return air grills for HVAC works (Additional work)	Rs. 0.7 million
	Total Estimated Project cost	Rs. 143.36 million

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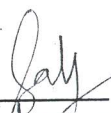
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9. Members of Real Estate Committee are requested to consider the recommendations of Consultant for design of Chiller Air – Conditioning system along-with revised estimated cost impact of Rs. 143.36 million as above or additional cost impact of Rs. 37.36 million (143.36-106). RESOLVED “that the committee discussed the pros and cons of chiller based air-conditioning system versus existing package unit based system, as presented by the project consultant, M/s I.C. The committee recommended the proposal of chiller based air conditioning with additional cost of Rs 37.36 million. The overall cost of project would be enhanced from Rs 106 million to Rs 143.36 million.” Item No. 04 (a) <u>PROJECT MANAGEMENT SERVICES OF M/S.NESPAK AT SLIC TOWER, ISLAMABAD</u> 10. The ED (RE) presented the Memorandum that State Life Tower; Islamabad comprised of 3 Basements + Ground + 18 Floors, located at prime location in Blue Area, Islamabad. 11. Letter of award of work (Phase II) amounting to Rs. 571.58 Million was issued to M/s. Moisons including cost of Civil, Electrical & Plumbing work in June 2010 and project completion date was fixed as July 2013. 12. Contract for project management services of State Life Tower Islamabad Phase-II was awarded to M/s. NESPAK @ 2.5% of the project cost, copy of Terms & Conditions of Payment vide clause 6.3, Mode of Payments vide clause 6.3.1(flag “A”) & Remuneration as per Appendix E (flag “B”). 13. After completion of project timeline of 3 years in June 2013, M/s. NESPAK was asked to continue for one year with effect from 1st August’2013 to 31st July’2014 for remuneration of Rs.396,93/- per month + 2.5% of tender cost of HVAC & Lift works whenever it starts. 14. For the sake of continuity, it was decided by the SLIC that Project Management Services of M/s. NESPAK for the project may be retained till completion of project (flag “C”). However, M/s NESPAK requested to enhance the remuneration being paid to them. Moreover, on this payment of additional period, Internal Audit department objected that Nespak has already been overpaid. 15. SLIC & M/s. NESPAK has held several meetings to resolve the matter of remuneration charges. SLIC explained that due to project cost, work done, time lines and delays, it would not be possible to enhance any amount rather existing remuneration of Rs.396,931/- per month may continue. 16. A meeting was held in the office of ED (RE) on October 5, 2015 on the consultancy services of NESPAK. Remuneration charges of M/s. NESPAK were discussed in the meeting & were also conveyed to them. In return, M/s. NESPAK has submitted their reply. Salient points of M/s. NESPAK reply are outlined as under: a) M/s. NESPAK is of views that they had already provided Project Management &			

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Construction Supervision Services under the Contract for 36 month period stipulated as per Clause B1.1, B1.2 & B1.3 of Appendix E of Contract Agreement, Flag at "B". Adjustment (if any), against NESPAK remuneration for Services offered during Contract Period (Aug 2010 – July 2013), will be made at final completion. Also please note that this adjustment will be made only when the construction Cost at final completion is more than awarded Tender Cost Rs.571,581,170/- b) Moreover, M/s. NESPAK's services during extended period from Aug 2013 till completion are to be considered as Additional Work for which additional amount is to be paid @Rs.396,931/- per month for deputing a qualified Site Engineer as per M/s. NESPAK man-month rates after SLIC approval. This amount will not be adjusted at any stage. c) M/s. NESPAK's remuneration for providing Services for Project Management & Supervising of HVAC & Lift works will be charged @ 2.5% of Tender Cost and will be adjusted at final completion in same manner as above. 17. Audit Division is of the views that in terms of clause 6.3 of contract agreement between SLIC & NESPAK, the remuneration fee is payable @2.5% of <i>construction cost</i> whereas construction of said project up to 31-07-2014 comes Rs.234,480,380/- Accordingly, the consultancy charges @2.5% of said cost comes to Rs.5,862,010/- Contrary to the above up to 9-06-2015, the corporation has already paid Rs.15,480,320/- which is over and above the consultancy fee agreed in terms of the said contract. 18. Following options are submitted for consideration / perusal of members of REC. <u>Option No. 1</u> M/s. NESPAK may be paid Rs.396,93/- per month in the extended period w.e.f. 1st August, 2013 till project completion as an additional cost. Whereas consultancy charges for HVAC and Lift works @2.5% of tender cost will be paid to NESPAK, whenever needed. Final adjustment will be made on completion cost of project works (Civil, Plumbing & Electrical). However, additional amount of Rs.396,931/- paid to M/s NESPAK on monthly basis till completion of project will not be adjustable against final cost. <u>Option No. 2</u> Conclude the existing contract with M/s. NESPAK and retender the Project Management services of State Life Tower project, Islamabad. <u>Option No. 3</u> Services of project management and construction supervision of SLIC Tower Project, Islamabad may be handed over to RE, Islamabad as we have the following experienced Engineers at RE (Islamabad). • Hassan Abbas DGM-RE (BE-Civil Engineering) • Saleem A. Sial Manager-RE (BE-Electrical Engineering) • Murad Ali Manager-RE (BE-Civil Engineering) RESOLVED "that the committee discussed the matter at length . It was explained that SLIC's audit department did not agree to Plea of Nespak for contract continuation. DH (RED) further emphasized that the project is suffering as Nespak has withdrawn its engineer from August 2015.			


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The committee advised to present the case before BoD and also advised to invite DH(Audit) and Representative of Nespak in the coming meeting so as to resolve the matter” Item No. 04 (b) <u>FIRE FIGHTING AND SPRINKLER SYSTEM AT STATE LIFE TOWER, ISLAMABAD.</u> 19. The ED (RE) presented the Memorandum that the Contract for Phase – II of State Life Tower; Islamabad was awarded to M/s. Moinsons (Pvt.) Limited in April, 2010 at cost of Rs.571.58 Million. 20. However, later on CDA issued new buildings byelaws for commercial buildings taller than 30 meter for capital territory Islamabad in 2010 called “CDA Building Standards for Fire Prevention & Life Safety 2010”. 21. M/s. Suhail & Pasha (the consultants) informed in a site meeting held on December 29, 2010 that installation of Sprinkler System in the building is required to be carried out as per new guidelines of CDA byelaws for capital territories, Islamabad. 22. M/s. Moinsons, being the CPE Contractor having basic firefighting works included in their tender, were asked in site meeting held on December 13, 2012 to quote their rates for the Fire Fighting & Sprinkler System in the building as per BOQ. 23. M/s. Moinsons submitted their quote for an amount of Rs.70.142 Million. Since the amount quoted by M/s. Moinsons was found too high to be considered as extra items, their bid was rejected. 24. Accordingly, SLIC decided to tender the Fire Fighting Work & Sprinkler System in August 2013. M/s. International Consultant (the partnering consultant) prepared the tender. 25. Tender on single stage two envelope systems for Fire Fighting & Sprinkler System was called on August 5, 2015 in the National Press as well as on PPRA’s web site as per PPRA rules 2004 and opened on August 25, 2015. 26. The following two bidders submitted their bids. Scrutiny of technical bid was carried out by M/s. International Consultant and both bids were declared successful by the consultant as per Technical Evaluation Report. - M/s. Orient Energy System - M/s. Instrumentation & Management System 27. Financial bids were opened in tender committee meeting held on September 29, 2015 which are as under and the financial bids were sent to M/s. International Consultant for scrutiny on 29-09-2015. <table border="1"> <thead> <tr> <th>M/s.</th><th>Bid Amount</th><th>2% Bid Security</th><th>Remarks</th></tr> </thead> <tbody> <tr> <td>Orient Energy Sys.</td><td>68,544,036.6</td><td>1,373,794</td><td>Insurance Guarantee provided through EFU Insurance.</td></tr> <tr> <td>Instrumentation & Management System</td><td>40,976,240.13</td><td>694,000</td><td>Less than 2%& bid rates were not submitted on original BOQ of tender documents</td></tr> </tbody> </table>				M/s.	Bid Amount	2% Bid Security	Remarks	Orient Energy Sys.	68,544,036.6	1,373,794	Insurance Guarantee provided through EFU Insurance.	Instrumentation & Management System	40,976,240.13	694,000	Less than 2%& bid rates were not submitted on original BOQ of tender documents
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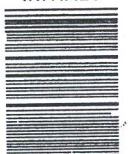


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28. M/s. International Consultant has submitted "Financial Evaluation Report" on November 4, 2015. Wherein, they have recommended the financial bid of M/s. Orient Energy System for Rs.68,544,036/- as financially responsive bid for the job and financial bid of M/s. Instrumentation & Management System was rejected on technical grounds. Financial Evaluation Report of consultant M/s. International Consultant is enclosed. 29. Financial Evaluation Report of consultant M/s. International Consultant was discussed in the tender committee meeting held on 17.11.2015. Tender committee has endorsed the recommendations of consultant (M/s. International Consultant) and recommended the financial bid of M/s. Orient Energy System (Pvt.) Ltd. for Rs.68,544,036/- for cited job after confirming the validity of bid security. 30. Since cost of firefighting works in original CEP tender awarded to M/s. Moinsons was Rs.29.85 Million and now if we consider the above bid of Rs. 68.55 million, an additional budget of Rs.38.70 Million for firefighting works for State Life Tower, Islamabad is required. 31. Members of REC are requested to consider the proposal above and forward their recommendations to BoD for approval. RESOLVED "that the committee noted that as a result of bidding process, one bidder was qualified with bid price within range of estimated price. However, keeping in view that the earlier these firefighting works with limited scope were included in the BOQ OF the main CPE contractor, who when asked to quote the prices as per revised scope, quoted almost similar prices, the committee advised to explore the preposition of awarding such works to M/s Moinsons, CPE Contractor at tender prices. The committee further advised to get advice from PPRA in this regard before awarding the job to any contractor" Item No. 04 (c) <u>SUPPLY, INSTALLATION, TESTING & COMMISSIONING OF A/C CHILLERS AND ALLIED WORKS AT STATE LIFE TOWER, ISLAMABAD</u> 32. The Memorandum on the subject is presented before the committee by the ED(RE). In the 2nd R.E.C meeting, following direction was made by the committee. <i>"that the committee noted that the building would remain centrally air-conditioned. However, in order to resolve the matter, it was advised that, since the process of tendering for HVAC has already taken long and also keeping in view the replies of PEC and PPRA and nature of requirements, all the technically evaluated bidders would be given 7 days to complete the requirements / clarify the anomalies. Those who complete the requirements within the stipulated time, would be eligible for opening of Financial Bid (which is already received in sealed envelopes)".</i> 33. The recommendations of REC afterwards were resolved by BoD in meeting No.241 held on 20.10.2015 as under; <i>"that recommendation of Board Real Estate Committee, in order to resolve the issue, to allow all the technically evaluated bidders to be given final seven days to complete the requirements / clarify the anomalies after which they would be</i>			

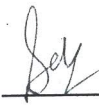
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<i>eligible for opening of financial bids (which is already received in sealed envelopes) be and is hereby approved”.</i> 34. Accordingly all 03 bidding contractors were given time to complete the requirements. Consultant examined the responses submitted & recommended for opening of financial bids, which were opened on 29.09.2015. 35. The Consultant after thoroughly evaluating the same has submitted his report vide letter dated: November 09, 2015 with following standing of bidding firms; Financial Bid at time of opening <table border="1"><tr><td>M/s Freezol International</td><td>Rs.251,425,970/-</td></tr><tr><td>M/s DWP Technologies (Pvt) Ltd</td><td>Rs.252,174,253/-</td></tr><tr><td>M/s Greaves Air-Conditioning (Pvt) Ltd</td><td>Rs.283,863,486/-</td></tr></table> Financial Bid after evaluation <table border="1"><tr><td>M/s Freezol International</td><td>Rs.255,988,970/-</td></tr><tr><td>M/s DWP Technologies (Pvt) Ltd</td><td>Rs.252,176,141/-</td></tr><tr><td>M/s Greaves Air-Conditioning (Pvt) Ltd</td><td>Not mentioned in covering letter however detailed in comparative statement with no change in opened price.</td></tr></table> 36. Consultant has reported that M/s Freezol in his bid reduced the quantity of 02 BOQ items (#11(f) & 11(g)) from 130 to 52 is each. Their bid was corrected accordingly with BOQ quantity as 130 for both items. As such their total price was enhanced to Rs.255,988,970/- & bid price of M/s DWP after evaluation came out to be Rs.252,176,141/-. Accordingly, Consultant has recommended to award the contract to lowest evaluated responsive bidder, M/s DWP at bid price of Rs.252,176,141/-. 37. Recommendations of Consultant (M/s International Consultant) were therefore deliberated by Tender Committee, who advised as follows; - The arithmetic calculation corrected by consultant may be re-checked by HVAC section as the bids of M/s. Freezol International & M/s. DWP Technologies are very close. - If there is no arithmetical difference between the calculations made by consultant & HVAC section, the recommendation of consultant to award the contract to lowest evaluated bidder M/s. DWP Technologies at evaluated cost of Rs. 252,176,141/-. is endorsed by tender committee, however before award of work M/s. DWP must submit PEC registration certificate. - RED shall get the approval of revision of budget from Rs. 179 Million to Rs. 252.176 Million for the work from BoD. - Section should get verification of the bid bonds of M/s. DWP and M/s. Freezol prior to award of work. 38. As advised by Tender Committee, section has checked the arithmetical calculations done by Consultant, which are found to be in order. Submission of PEC registration certificate by lowest evaluated bidder and verification of bid guarantees will be completed prior to award of contract.				M/s Freezol International	Rs.251,425,970/-	M/s DWP Technologies (Pvt) Ltd	Rs.252,174,253/-	M/s Greaves Air-Conditioning (Pvt) Ltd	Rs.283,863,486/-	M/s Freezol International	Rs.255,988,970/-	M/s DWP Technologies (Pvt) Ltd	Rs.252,176,141/-	M/s Greaves Air-Conditioning (Pvt) Ltd	Not mentioned in covering letter however detailed in comparative statement with no change in opened price.
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	39. However, subsequent to the evaluation Report, a letter was received from consultants on 17th November evening, recommending M/s. Freezol who were lowest at the time of bid opening for award of project on the basis of American/French branded Chiller-Carrier. 40. Case is therefore submitted for consideration of REC to award the contract for supply, installation, testing & commissioning of a/c chillers and allied works at State Life Tower, Islamabad. The budget of HVAC works would also be revised accordingly along with whole project budget for Rs. 1272 Million to 1400 Million as given in. RESOLVED “that the committee was informed that subsequent to the opening of Financial bids on 29.10.2015, the project consultants, M/s I.C submitted their evaluation report vide their letter dated 9.11.2015, recommending M/s DWP as the lowest evaluated bidder. They explained the same details in SLIC's Tender Committee on 17.11.2015, which Tender Committee also recommended for approval. However, subsequently, a letter was received from the same consultants bearing date of 13.11.2015 recommending that client may award the contract to M/s Freezol based on quality of their chillers. In order to explain this anomaly, the representative of consultant was called by committee, who mentioned that the letter was issued erroneously by his senior partner of the company for which he submitted written communication withdrawing the letter of 13.11.2015. The committee took serious notice of such un professional handling of process and advised that withdrawal of letter should come from the senior partner/owner of the company to which representative of consultant informed that senior partner was in USA but he will get it done by courier. The committee advised to present the matter before BoD with all details. The RED however maintained that due to anomalies, the tender may be scrapped and consultants be issued warning and they shall be advised to issue new tenders without any fee/charges and complete the process within one month. ” Item No. 05 <u>FACE LIFTING & FACADE DEVELOPMENT OF STATE LIFE BUILDING IN ISLAMABAD</u> 41. In a recent meeting held on September 2, 2015, Chairman, Senate Standing Committee on Commerce asked SLIC to renovate and repaint State Life Buildings located in Blue Area, Islamabad. 42. Real Estate, Principal Office has accordingly prepared tender documents for pre-qualifications of consultant for face lifting and facade development of buildings in Islamabad. Initially, State Life Building # 5, Blue Area is selected for said works. 43. State Life Building # 5, Blue Area, Islamabad is located at the prime location in Islamabad and was constructed in the year 1985 - 1989. The existing facade of the building especially the RCC louvers fixed at exterior of the building are required to be removed because of aging problem. These louvers also obstruct entrance or exit from building in the emergency situations. 44. Vertical RCC louvers installed on outer side of windows are fixed through iron studs at 20 feet interval. Studs have become weakened and rusted due to degradation and		

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	weathering effects with the passage of time. Replacement of louvers is necessary to withstand the intensity of earthquakes. 45. There are leakages in the existing water supply and sewerage lines in the main duct of the building. Tenants in the building often complain and request for resolution of maintenance issues. 46. Glazed tiles in the toilets area, marble work in podium and stairs at main entrance need replacement and renovation. Some cracks have also been observed in the building after recent earthquakes. 47. The estimated cost of the said works which include dismantling of existing RCC lovers and terrazo tiles, facade and related works such as structural assessment, electrical audit and plumbing lines replacement etc, is around Rs. 120 million. RESOLVED “that the committee appreciated the proposal and advised to finalize the process of selection of consultants at the earliest and bring up design and estimated cost for consideration of the committee in its next meeting” Item No. 06 <u>PROPOSAL BY NCA FOR PROVIDING DISPLAY SPACE FOR ART WORK AT SLIC BUILDINGS</u> 48. The ED (RE) presented the Memorandum that after the Partition of India (1947), the only art school in Pakistan, the Mayo School was renamed the National College of Arts (NCA) Lahore in 1958. With the change of the name, the institution's focus also shifted from the instruction of indigenous crafts to training in fine arts, design, and architecture, conceived along the line of art schools in Europe and specifically modeled on, and academically aligned to, Bauhaus ideals. 49. The NCA, Lahore is committed to the importance of diversity in its student body in ensuring not only the unique spirit of its campus, but today in critically providing a model for the existential survival of Pakistan. 50. National college of arts has offered State Life Insurance Corporation of Pakistan a joint venture labeled as “Elevating the Arts and Artists in Pakistan”. They are willing to join hands to creatively use SLIC offices, free spaces, empty plots and bungalows in Lahore, Karachi, Islamabad and in all other cities across country for promoting Art. This can involve utilization of the structures and spaces visually engaging by organizing exhibitions, events, artist residency programs, workshops, fairs, meetings, seminars, lectures and awareness campaigns. 51. State Life Insurance Corporation will obtain following benefits from participating in joint venture with NCA: • NCA will provide art work of its talented students and faculty to be displayed in the offices of State Life Insurance Corporation all across the country. It will not only enhance the beauty and décor of the officers but also offer a chance for the people to appreciate the art work of talented artists of our beloved country.		

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• Artists of NCA will extend expert advice on advertisement and publicity campaign. • An expert hand will be offered by the interior designers of NCA to carry out the interior design and décor of the work stations of State Life Insurance Corporation. • A joint venture between NCA and State Life Insurance Corporation will ensure the display and recognition of artworks from both the students and the underprivileged artists hailing from National College of Arts, Lahore. • The collaboration can be represented in news items in print and web media where more artists from the National College of Arts will be able to render their services along with spreading awareness of the esteemed collaboration. RESOLVED "that the committee appreciated the proposal and recommended it for approval of BoD"  Sd/- Mr. Saad Amanullah (Chairman) Dated: 03-12-2015			
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<u>Annexure-F</u> MINUTES OF 6TH MEETING OF BOARD INVESTMENT COMMITTEE HELD ON 08-12-2015 AT KARACHI. - In pursuance to the notice issued, the 6th meeting of Investment Committee of the Board was held on Tuesday 8th December, 2015 at 9:00 a.m in the Board Room, State Life, Principal Office, at Karachi. - The meeting was attended by the following Directors/Members and officers of the Corporation: - Mr. Shafqaat Ahmed Director/Chairman - Mr. Saeed Ahmed Director/Member - Mr. Saad Amanullah Director/Member - Dr. Aliya Hashmi Khan Director/Member - Mr. Muhammad Izqar Khan Executive Director (Investment) - Mr. Attaullah A. Rasheed DH (Investment)/Secretary - The meeting was in quorum. Mr. Naved Arif was granted leave of absence. Chairman welcomed the participants to the 6th meeting of the Investment Committee of the Board. - Thereafter, the following business was transacted. Agenda no.1 <u>Confirmation of minutes of 6th meeting of Investment Committee of the Board held 13th October 2015</u> - The committee members read the minutes of 5th meeting of Investment Committee of the Board held 13th October 2015 and unanimously confirmed the minutes. Agenda no.2 <u>Compliance on the decisions taken in 5th meeting of Investment Committee of the Board held on 13th October 2015</u> - The compliance report was deferred till the next meeting of the Committee. Agenda no.3 <u>Review and approval of Investment Policy 2015:</u> - G.M. (Inv) presented the revised draft of Investment Policy-2015 to the members of the Investment Committee of the Board. He explained that the revised version is based on the input/advice given in the previous meetings by the members of the Committee and acknowledged the guidance and support of Mr. Shafqaat Ahmed in the finalization of said draft. - Members had a detailed deliberation on the draft policy and were of the view that it is an improved version with proactive approach to investment strategy and provides appropriate directions for vibrant and vigilant investment activities leading to better profitability and stronger reserves in the portfolio of the Corporation. - Considering the objective approach primarily addressing the growth objective in policyholders reserve and guidelines for generating incremental income, the Committee expressed satisfaction on the draft Investment Policy-2015 and decided to recommend it to the Board for consideration and approval.			

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10. The Committee members were of the view that the Revised Investment Policy-2015 will be effective from 1st January 2016 and shall be reviewed within a maximum period of three years. <u>Resolved that:</u> 11. <i>"The Draft Investment Policy-2015 is based on proactive approach, primarily addressing the growth objective in policyholders reserve and guidelines for incremental income on the Investment Portfolio is recommended to the Board for consideration and approval. The policy is to be reviewed within a maximum period of three years and will be effective from 1st January 2016. The draft of the policy is being annexed as an integral part of the minutes".</i> Agenda no.4 <u>Any other item with the permission of the Chair</u> 12. There being no other item, the meeting ended with a vote of thanks to the Chair. Compiled by Secretary <i>[Signature]</i> approved by Sd/- Chairman			
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INVESTMENT POLICY – 2015**Contents**

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4.	Approach to attain Return Objective	4
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1. Preamble:

First Investment Policy was written in 2003 with the objective to keep portfolio in compliance to regulations and generating of return needed to maintain bonus on policies. The Policy delivered more than what it was aimed for. Not only Investment Portfolio grew in size, i.e. Rs.490 billion by August 2015, but also became another source of dependable income for the Corporation.

Asset Liabilities Matching was the principle under which investments were managed. Over the years, the dynamics of life insurance business changed significantly. With the marketing of unit link policies it has become more of an investment than a means to cover the risk, forcing companies either to declare competitive return on policy or to face disintermediation risk.

Life Insurance companies are finding it difficult creating balance between conflicting needs i.e. to remain competitive as well as solvent. The former advocates for assuming of higher risk for higher investment

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	survive. The task becomes more daunting in an environment of declining investment yield with limited investment options. Technological integration, regulatory reforms and improvement in macroeconomic fundamentals are together pulled down investment yield to a level resulting into negative spread between what is needed to maintain bonus on policy and what actually can be realized. All these demands paradigm shift in ways and means of managing investment. This necessitates need for redefining investment strategy which is pro-active approach to turn the yield deficit into surplus. Investment Policy 2015 stands different from Investment Policy 2003 in its approach and strategy. Though it is yet tilted towards ALM philosophy but is more focused on achieving growth in life fund exceeding the growth in insurable liabilities. To ensure that the Policy delivers the desired results for which it has been orchestrated, changes in Asset Composition, its Classification as well as narrating separate Investment Strategies for managing Fixed Income and Equity Portfolios has been introduced. Keeping in view the prevailing low interest rates environment where DR stands at 6.50% and ever high stock market index crossing 33,800 points requires cautious approach for the investment of surplus funds either in fixed income securities yielding better return and stock picking with selective scripts after due deliberations through Management Investment Committee and with the approval of competent authority as specified in the Delegation of Financial Powers.		
	2- Investment Policy Statement Investment Yield needed to declare competitive bonus in order to mitigate disintermediation risk and ensuring solvency of the Corporation in longer run without compromising liquidity and duration gap between invested assets and insurable liabilities enabling the Corporation to pursue its corporate goal of business growth through extending the benefits of life insurance to all sections of the society.		
	3- Return Objective: To strengthen the Life Fund in line with insurable liabilities on sustainable basis making the Corporation's investment portfolio stable and stronger over time.		

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	and stronger over time. Mitigation of disintermediation risk likewise keeping the financial risk of the portfolio at minimum in order to avoid unusual variation in income over years. Stable and predictable returns to keep default risk at minimum levels. Minimizing idle funds and timely steps to optimize the investment return from the available funds. Roll over and re-investment of funds with immediate follow up of maturities. 4- Approach to attain Return Objective: Return objective to be achieved under two tier approach as stated below: Target Investment Portfolio = Policyholders' Liability + Reserves Target Investment yield = Policyholders Bonus + Incremental return Achieving Target Investment yield = Portfolio Yield + Capital Gains Capital Gains = Sale of FIS + Equities (cleansing strategy, value trading & selling*) *utilizing accumulated reserves Reserves = Excess of Book Value over Policyholders' Liability + Valuation Surplus 5- Investment Strategies The theme of optimizing investment portfolio and the Investment Income through proactive approach to market conditions, responsive to the changing environment and positioning on the right fit will lead the Corporation to maintain fundamentally strong portfolio and earning better yield with increased bonuses to keep the Corporation on a competitive edge in the industry. 5a- Portfolio Re-balancing: Investment composition between Fixed Income and Equity Securities to be in ratio of 72.5% and 15% of the life fund at cost. This will create a buffer for the gradual increase in equities especially in the declining interest rates environment. However, the objective is to keep the portfolio risk at the minimum by adding fundamentally strong scripts in the portfolio.		

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5b-Re-Structuring Portfolio:

State Life Portfolio consists of assets some of which under direct management of Investment Division while management of other assets, such as Real Estate and Policyholders' Loan, rests with respective Divisions. In order to facilitate investment management, enhance focus on assets performance under investment management and to enhance informational utility of invested assets, the portfolio has been restructured and placed at Annexure "A"

5c-Managing Investments:

Fixed income securities stands differently from equity securities in context of risk and return profile and are meant to achieve a different sets of investment objectives strategies for **managing Fixed Income and Equity Portfolios differs**. The former is conservative while the latter is moderately aggressive in stance. Fixed income securities, the primary objective is to hold them till maturity and to earn return as per agreed terms. These are classified as **Held to Maturity**. The equity investments are classified as **Available for sale** instrument. However, the intent is to hold them for longer period of time to earn dividend income and get substantial price increase so that realized capital gain can be earned as and when required, otherwise creating **strong valuation reserves** for the Corporation.

6-Strategy for Fixed Income Portfolio

Investment Theme	Managing of Fixed Income Portfolio with an objective to maintain solvency and to earn competitive and predictable returns
Asset Allocation	72.5% of Life fund.
Admissible Assets	PIBs of 3, 5, 10, 15 and 20 year's maturity, Treasury Bills, Listed and 'A' rated Term Finance Certificates, Term Deposits and Daily Product Accounts and Fixed Income Mutual Funds.

6a-Investment Strategy for PIBs:

Pakistan Investment Bonds are long term Government bonds with maturities ranging from 3 - 20 years with coupons payment six monthly. PIBs are considered least risky instrument however, exposed to **interest rate risk**.

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	PIBs are admissible assets as per Insurance Ordinance to the extent that they are not subject to any encumbrance. The guiding principle for investment in this class of asset is placed at Annexure "B". 6b-Investment Strategy for T-Bills: T-Bills are Government securities of shorter maturities varies from 1 to 12 months. These are zero coupon bonds with interest and principal payable at maturities. T-Bills are admissible assets as per Insurance Ordinance to the extent that they are not subject to any encumbrance. The guiding principle for investment in this class of asset is placed at Annexure "C". 6c-Placement with Banks: Premiums, proceeds from sale of investments, Interest and Dividend received are pooled up in transactional accounts available for short and long term investments after netting off the working capital needs. Deposit in banks can be made either under the consideration of parking funds or for short term investment. Deposits to be made in 'A' rated banks from recognized rating agency such as PACRA and JCR-VIS. Deposits to be made at the competitive rates by inviting bids from qualifying banks already approved by the Board of Directors in its 176th meeting held on 3rd April 2004. 6ci-Daily Product Accounts: Daily Product Accounts are fund placement with the banks wherein interest is credited on daily basis conventionally; however, timing of crediting interest may differ depending upon terms & conditions. Therefore, effective rates may be different than the nominal rate. Rate on deposit depends upon the size of fund, liquidity position of the bank, its credit rating and operating results. Withdrawal of the deposit can be made anytime without prior notice or penalty. The guiding principle for investment in this class of asset is given at Annexure "D". 6cii-Term Deposit Receipts/Fixed Deposit Receipts: It is the deposit of funds for a specific period of time with a bank. Deposit can be withdrawn with minimum period notice or at maturity; however, withdrawal before maturity can be subject to penalty. Return on TDRs is directly linked with duration of investment and credit quality of the bank, the longer is the term the better is the required yield. Duration of deposit could be anywhere from a month to few years.		

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	TDRs/FDRs are admissible assets as per Insurance Ordinance. The guiding principle for investment in this class of asset is placed at Annexure "E". 6d-Term Finance Certificates: Corporate Debts issued by companies and commercial banks as 2nd tier capital. Return on TFCs is sum up of return on 6 months KIBOR plus premium. The premium depends upon the credit quality of instrument and of credit rating of issuer. Therefore, return on investment in TFCs is variable and is subject to increase/decrease in 6 months KIBOR. As they come in with maturities of 3 or more years or may even be perpetual, thereby, are regarded as a long term investment. Interest is paid six monthly, whereas retirement of principal depends upon structure of the TFCs. Because of variable return mechanism, TFCs are immune to interest rate risk but are exposed to credit risk. TFCs are admissible assets for investment as per Insurance Ordinance. The guiding principle for investment in this class of asset is placed at Annexure "F". 6e-Fixed Income Mutual Fund (FIMF): These are open ended funds with perpetual life, thereby, may classify as short term as well as long term investment. FIMF is considered relatively riskier as compared to investment in PIBs, T. Bills or TFCs. Return depends on Investment Policy and Strategy of the Fund, skill and competence of Fund Manager as well as monetary policy and fiscal discipline. Its value is equal to the NAV of the fund. As the money market funds are marked to market on daily basis, any change in interest rate significantly affects assets value of the funds thereby, its NAV. Return on Investment could be negative if NAV of the fund happens to be less than investment at cost. Mutual funds are admissible assets for investment as per Insurance Ordinance. The guiding principle for investment in this class of asset is placed at Annexure "G".		
	7-Strategy for Equity Portfolio Equity Portfolio to be managed with conservative to moderately aggressive stance. Conservative approach for investing in equity with investment horizon of more than 10 years whereas, moderately aggressive strategy for capital gains.		

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Investment Theme	To generate incremental return in the form of dividend income and capital gains to achieve anticipated yield and to strengthen Asset Valuation Reserves.
Asset Allocation	15% of the fund. Sectoral allocation is subject to dynamic of the sector and market conditions with maximum capping 25% of Equity Portfolio in a single sector.
Admissible Assets	Shares of listed companies except green field project meeting criteria and limits as approved by BoD and defined in Insurance Ordinance, SRO 309(K)/72 and SECP rules 2002 as amended in 2012.

7a-Capital Gain:

Additional investment income is to be generated in form of capital gains through **Value Trading** in Stocks under the principle of **Riding the Curve**. The Principle is based on the theme that increase in price of a stock is the function of two factors: first improvement in fundamentals of the company, second changes in investor's sentiment. The increase in price due to former is slow but sustainable and appreciate with times, while increase in price by later is volatile and short-live, which comes and goes with rise and fall in Index, thus create valuation gap at points of inflection in the index. Volatility in prices though is short lived, trendy in medium term and offers opportunity to earn capital gains by buying at low and selling at high in **medium term**.

The guiding principle for investment in this class of asset is placed at Annexure "H".

7b-Long Term Equity Investment:

Buy and hold shares of fundamentally strong companies with established payout policy and prospects for growth in order to earn persistent dividend income and price appreciation in the **long run**.

The guiding principle for investment in this class of asset is placed at Annexure "I".

7c-Equity Mutual Fund (EMF):

These are open ended funds with perpetual life, thereby, may be classified either as short or long term investment depending upon the

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	investment horizon. EMFs are relatively riskier as compared to direct investment in equity for the reasons that return depends upon the Investment Policy and Strategy of the Fund as well as the skill and competence of Fund Manager. Value of unit is equivalent to NAV of the fund at a point of time. As the EMF are marked to market on daily basis, therefore, its value of unit is exposed to systematic risk. Any unfavorable development in Capital market or in operating environment, affects NAV of the funds and may result in negative return on investment. The guiding principle for investment in this class of asset is placed at Annexure "J". 7d-Right Offer: Right issue is an entitlement to shareholders to buy additional shares directly from the company in proportion to existing holdings, within a fixed time period. In a rights offering, the subscription price could be at par, at discount or on premium to face value of the share. Rights are often transferable, allowing the holder to sell them in the open market as un-paid right. The subscription of right offer is subject to meeting criteria as defined for purchase of equities and those which does not meet the criteria are to be sold in the market subject to processing through Investment Committee and approval of the Competent Authority. The guiding principle for investment in this class of asset is placed at Annexure "K". 7e-Pre-IPO/Equity Investment in Greenfield Project: Participation in initial public offering of green field project is not an admissible asset as per criteria defined in circular # 309(k) of MoC and Circular no.F4(I)/2003-BRII of MoF. 7f-SPO of an already listed company: Participation in Secondary Public Offering is subject to the criteria defined for purchase of equities. 7g-Equity Partnership in Joint Venture: Equity participation in Joint Ventures fall under the category of green field projects, therefore, not considered as admissible assets as per SRO 309(K)/1972 of Ministry of Commerce.		

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7h-Cleansing Strategy for Equity Portfolio: Due to sudden change in regulations, economy and spin off a segment of business or due to failure of business strategies, companies start to underperform. As a result not only their operating results are deteriorated but also they stop paying dividend and bonuses. Proposal for disposing shares of such non performing companies to be presented before Management Investment Committee for disinvestment. The guiding principle for investment in this class of asset is placed at Annexure "L".			
8-Investment in Real Estate Investment in Real Estate is considered as a symbol of financial strength to Life Insurers. Investments in Real Estate are strategic in nature and are made to align with long term policy liabilities and are not meant for competitive return on investment. Its contribution to overall return is usually less as compared to investment in other assets; however, the same appears impressive when unrealized gain in value of Real Estate is accounted in calculating return on investment. Investment in real estate is reported at cost. Investment in Real Estate can either be direct in form of Project Financing, such as purchase of land/building scan be indirect through investment in REIT units. Real Estate is admissible assets for investment as per SRO 309(K)/70, Insurance Ordinance 2000, Investment Policy 2003.			
8a-Project Financing: This includes investment in land and building, inclusive of constructing of buildings. Real Estate to identify and propose land/building/project for investment. Whereas, Investment Division will be responsible for assisting Real Estate Division conducting Financial Feasibility of investment opportunities identified. Real Estate to provide terminal value of the project, to be carried out by independent approved valuers, for financial feasibility. The guiding principle for investment in this class of asset is placed at Annexure "M".			

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8b- Real Estate Investment Trust (REIT): REITs are relatively a new investment option in Pakistan and is in introductory stage of their Life Cycle and considered specialized investment vehicle. Investment in units of REIT offers indirect investment in property, as the properties in portfolio belong to the unit holders, vested in the name of trustee. REITs do not pay taxes so long as they distribute 90% of profits to shareholders. Return to unit holders constitutes of dividend on units and appreciation in NAV due to increase in market value of properties in the portfolio. Investment in units of REIT is admissible assets as per Insurance Ordinance 2000, SECP Rules 2012 with limit of 10% in aggregate to all real estate investment trust, and 5% maximally for any single Real Estate Investment Trust. Annexure "N".			
9-Foreign Portfolio This refers to investments in UAE against liabilities of life insurance policies written in Gulf Zone and denominated in USD, managed as nondiscretionary portfolio by Investment Division through Management Investment Committee in consultation with the Investment Advisors, Fund Managers and Consultant in UAE. Though Life Insurance Business in Pakistan and Gulf are managed under a unified Corporate Objectives, yet Gulf fund requires an exclusive Investment Strategy for its management due to the difference in regulatory and investment environments. With the issuance of new Insurance Regulations 2015 by UAE Regulatory Authority to be effective from 2016, the Division has to adjust the investment portfolio to make it compliant with these regulations. Adoption of these Regulations is mandatory to conduct business in the Gulf Zone. The limits specified in the Regulations are to be adhered and any changes made by UAE Regulatory Authority subsequently to be incorporated.			
10-Conclusion Investment landscape has changed dramatically with globalization of world economies. The advancement in information technology resulted into integration of markets around the globe, which at one hand has increased operational scope and at the other has made assets price more volatile. This has necessitated need for review of Investment Policy more frequently in order to keep viability of the policy intact (no longer than three years). This policy will be effective from 1st January 2016.			

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11-Rules & Regulations govern State Life's Investment

1. Life Insurance (Nationalization Order, 1972.
2. Insurance Ordinance 2000
3. Insurance Rules 2002
4. SECP (Insurance) Rules 2002 as amended in 2012.
5. SRO 309(K)/70 issued in 1970 as amended in 1976 of Ministry of Commerce
6. Circular #F4(1)/2002-BR-II dated 2nd July 2003 of Ministry of Finance
7. Delegation of Financial Powers

These documents provide guidelines for

1. Portfolio Composition
2. Admissible Assets for Investment
3. Investment Exposure in different classes of admissible assets
4. Criteria for choosing a particular asset for investment.

Annexure "A"

Composition of Portfolio as at 30th June 2015

1-Domestic Fund:			
A-Assets under Investment:			
		Re-Structured	
	Existing	Re-Balanced	
A1-Fixed Income Securities:			
	Rs. In billion	%Allocation	%Allocation
a-T Bills			Dynamic
b-PIBs	398,071	82.61%	71.00%
c-Corporate Debt	3	0.0016%	01.00%
d-FIMF			00.50%
			72.5% + Dynamic
A2-Equity Security:			
a-Quoted (within Pak)	31,662	6.57%	15.00%
b-Equity Mutual Fund			0.20%
b- Others			
A3-Bank Deposits:			
a-Daily Product	3,963	0.83%	Dynamic
b-TDRs			Dynamic
Sub-Total	433,704	90.01%	87.70% + Dynamic
B-Other Assets:			
a-Real Estate	2,889	0.60%	2.0%
b-REITs			Dynamic

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<table><tr><td>c-Policy Loans</td><td>36,500</td><td>7.57%</td><td>8.00%</td></tr><tr><td>Total</td><td>473,093</td><td>98.18%</td><td>97.70%+Dynamic</td></tr></table>				c-Policy Loans	36,500	7.57%	8.00%	Total	473,093	98.18%	97.70%+Dynamic		
c-Policy Loans	36,500	7.57%	8.00%										
Total	473,093	98.18%	97.70%+Dynamic										
2-Foreign Fund:													
A-Fixed Income Securities:													
a-Pak Govt. Bonds	6,851	1.42%	01.50% + Dynamic										
b-Corporate Debt	860	0.18%	00.50% + Dynamic										
B-Others													
a-Others (FDR/Saving current/call account)	1,062	0.22%	00.30% + Dynamic										
Sub Total	8,773	1.82%	02.30%										
Total	481,866	100%	100%										
*Dynamic – refers to no fixed allocation to asset where funds are placed for very short period of time or under liquidity considerations. The change in regulatory framework at UAE may require overall rebalancing of portfolio to make it compliant with the new regulations.													
Annexure “B” Guiding Principle - Investment Strategy for PIBs <table><tr><td>Investment Objective</td><td>To assure that weighted average investment yield of Fixed Income Portfolio remain in close proximity to yield on 10 years PIBs’ on sustainable basis. Longer term duration is preferred in order to comply with ALM Strategy.</td></tr><tr><td>Investment Exposure</td><td>71% of total investment at cost.</td></tr><tr><td>Allocation of fund among PIBs of different maturity</td><td>Yield differential between maturities to be used to allocate funds for investment in PIBs of different maturity. Opportunity that arises due to change in yield curve must be given due consideration.</td></tr><tr><td>Investment Strategy</td><td>Invest in short term PIB, such as 3 years PIB, when yield curve is expected to shift upward or trending upwardly. Invest in long term PIBs, such as maturing 5 or more years, when Yield Curve appears to be at peak, is expected to shift downward or trending downwardly.</td></tr><tr><td>Risk Management</td><td>To hedge Interest rate risk through duration of the bond till maturity. Liquidity risk to be managed by investing maximum in 10 years PIBs. Reinvestment Risk to be managed through investing in longer duration bonds,</td></tr></table>				Investment Objective	To assure that weighted average investment yield of Fixed Income Portfolio remain in close proximity to yield on 10 years PIBs’ on sustainable basis. Longer term duration is preferred in order to comply with ALM Strategy.	Investment Exposure	71% of total investment at cost.	Allocation of fund among PIBs of different maturity	Yield differential between maturities to be used to allocate funds for investment in PIBs of different maturity. Opportunity that arises due to change in yield curve must be given due consideration.	Investment Strategy	Invest in short term PIB, such as 3 years PIB, when yield curve is expected to shift upward or trending upwardly. Invest in long term PIBs, such as maturing 5 or more years, when Yield Curve appears to be at peak, is expected to shift downward or trending downwardly.	Risk Management	To hedge Interest rate risk through duration of the bond till maturity. Liquidity risk to be managed by investing maximum in 10 years PIBs. Reinvestment Risk to be managed through investing in longer duration bonds,
Investment Objective	To assure that weighted average investment yield of Fixed Income Portfolio remain in close proximity to yield on 10 years PIBs’ on sustainable basis. Longer term duration is preferred in order to comply with ALM Strategy.												
Investment Exposure	71% of total investment at cost.												
Allocation of fund among PIBs of different maturity	Yield differential between maturities to be used to allocate funds for investment in PIBs of different maturity. Opportunity that arises due to change in yield curve must be given due consideration.												
Investment Strategy	Invest in short term PIB, such as 3 years PIB, when yield curve is expected to shift upward or trending upwardly. Invest in long term PIBs, such as maturing 5 or more years, when Yield Curve appears to be at peak, is expected to shift downward or trending downwardly.												
Risk Management	To hedge Interest rate risk through duration of the bond till maturity. Liquidity risk to be managed by investing maximum in 10 years PIBs. Reinvestment Risk to be managed through investing in longer duration bonds,												
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	preferably in 15, 20 and 30 years maturity, in a high interest rate environment.
Investment Classification	Held to maturity unless and until classified as Available for Sale at the time of investment and may be re-classified with approval from the Board.
Recommending Body	Management Investment Committee.
Approving Authority	As per Delegation of Financial Powers.

Annexure "C"**Guiding Principle - Investment Strategy for T-Bills**

Investment Objective	To earn competitive return on short term investment or on funds parked for a period in between two PIB auctions.
Investment Exposure	Dynamic with limitation that it remained less than 1% of the Portfolio.
Allocation of Fund among T. Bills of different maturity	Yield differential between maturities to be used to allocate funds for investment in T Bills of different maturity. Opportunity that arises due to change in yield curve must be given due consideration.
Investment Strategy	Invest when yield curve is expected to shift upward or trending upwardly. Once there is reversal in trend or downward displacement is expected then stop fresh investment and invest proceeds of maturing T-Bills in PIBs of longer maturity.
Risk Management	Interest rate and Reinvestment Risks to be managed through duration of the bond till maturity. Liquidity risk to be managed by spreading investment in 3 months to 1 year paper.
Investment Classification	Held to maturity unless and until classified as Available for Sale at the time of investment.
Recommending Body	Investment Committee.
Approving Authority	As per delegation of Financial Powers

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Annexure "D"**Guiding Principle-Placement with Bank in Daily Product Accounts**

Investment Objective	To earn competitive return on funds parked for short term placement with banks.
Investment Exposure	Dynamic with limitation that it remained less than 5% of the Portfolio.
Selection of bank	• "A" rated bank either by PACRA or JCR-VIS. • Profitability during last three years • Deposit base more than Rs. 30 billion
Investment Strategy	Deposits are to be made under competitive bidding. In case of receiving same quotes from more than one banks against a deposit of same amount and tenure, placement to be made with banks of strong financials
Risk Management	Interest rate and Reinvestment Risks to be managed through renegotiating of rates. Credit risk to be managed by splitting investment quantum into segments and placing with different banks. Default risk to be managed through placing minimum deposit with small banks sensitive to any vulnerable event and at the border of the specified qualifying criteria
Investment Classification	Bank Deposits.
Recommending Body	Management Investment Committee.
Approving Authority	As per Delegation of Financial Powers.

Annexure "E"**Guiding Principle - Placement with Bank under TDRs/FDRs**

Investment Objective	For diversification and to earn competitive return on short term investment by depositing in bank as TDRs/FDRs.
Investment Exposure	Up to 5% of the fund at cost with a single bank.
Selection of banks	"A" rated bank either by PACRA or JCR-VIS

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Investment Strategy	Deposits under TDRs to be made with qualifying banks. Maximum investment horizon preferably not more than 12 months. Return on TDRs should be higher than the T-Bills for same investment period due to relatively higher risk. Fund in TDRs is to be placed on principle of competitive bidding.
Risk Management	Interest rate and Reinvestment Risks to be managed through renegotiating of rates. Credit risk to be managed by splitting investment quantum into segments and placing with different banks. Default risk to be managed through placing minimum deposit with small banks sensitive to any vulnerable event and at the border of the specified qualifying criteria
Investment Classification	Bank Deposits.
Recommending Body	Management Investment Committee.
Approving Authority	As per Delegation of Financial Powers

Annexure "F"

Guiding Principle - Investment in TFCs

Investment Objective	For diversification and increase overall yield of Fixed Income Portfolio.
Investment Exposure	Up to 1.00% of the fund size at cost.
Investment Criteria	Credit rating "A" either by PACRA or JCR-VIS, listed, free from call option and issuing entity never defaulted and unlikely to default in future in view of strong financials.
Investment Strategy	Being a long term investment instrument, TFCs should be analyzed against investment in PIBs of same tenures. As risk of investing in TFCs is relatively higher than the PIBs, therefore, yield on TFCs should be higher than the yield of PIBs of same investment horizon.

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	<table><tr><td></td><td>Investment in TFCs is restricted to "A" rated issues and entities rated by PACRA or JCR-VIS. It should be listed, secured and free from any option. However, Investment in TFCs of Banks needs extra care, especially of those with whom State Life maintains Deposit Account, due to its lower ranking among debt obligations or because of double exposure.</td></tr><tr><td>Risk Management</td><td>Credit risk to be managed by placing funds not more than 5% of size of fund. Default risk to be managed through monitoring rating and performance of the issuing company and exercise call option when considered necessary.</td></tr><tr><td>Investment Classification</td><td>Bank Deposit.</td></tr><tr><td>Recommending Body</td><td>Management Investment Committee.</td></tr><tr><td>Approving Authority</td><td>As per Delegation of Financial Powers</td></tr></table>		Investment in TFCs is restricted to "A" rated issues and entities rated by PACRA or JCR-VIS. It should be listed, secured and free from any option. However, Investment in TFCs of Banks needs extra care, especially of those with whom State Life maintains Deposit Account, due to its lower ranking among debt obligations or because of double exposure.	Risk Management	Credit risk to be managed by placing funds not more than 5% of size of fund. Default risk to be managed through monitoring rating and performance of the issuing company and exercise call option when considered necessary.	Investment Classification	Bank Deposit.	Recommending Body	Management Investment Committee.	Approving Authority	As per Delegation of Financial Powers		
	Investment in TFCs is restricted to "A" rated issues and entities rated by PACRA or JCR-VIS. It should be listed, secured and free from any option. However, Investment in TFCs of Banks needs extra care, especially of those with whom State Life maintains Deposit Account, due to its lower ranking among debt obligations or because of double exposure.												
Risk Management	Credit risk to be managed by placing funds not more than 5% of size of fund. Default risk to be managed through monitoring rating and performance of the issuing company and exercise call option when considered necessary.												
Investment Classification	Bank Deposit.												
Recommending Body	Management Investment Committee.												
Approving Authority	As per Delegation of Financial Powers												
	<u>Annexure "G"</u> Guiding Principle - Investment in Fixed Income Mutual Fund <table><tr><td>Investment Objective</td><td>For diversification and to earn return higher than investment available on Government Securities of same tenure.</td></tr><tr><td>Investment Exposure</td><td>Up to 0.50% of the fund at cost.</td></tr><tr><td>Investment Criteria</td><td>Fund's rating is 5 Star. Rating of Asset Management Company is AM1.</td></tr></table>	Investment Objective	For diversification and to earn return higher than investment available on Government Securities of same tenure.	Investment Exposure	Up to 0.50% of the fund at cost.	Investment Criteria	Fund's rating is 5 Star. Rating of Asset Management Company is AM1.						
Investment Objective	For diversification and to earn return higher than investment available on Government Securities of same tenure.												
Investment Exposure	Up to 0.50% of the fund at cost.												
Investment Criteria	Fund's rating is 5 Star. Rating of Asset Management Company is AM1.												
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Investment Strategy	When to invest: ➤ When interest rate is on decline or is expected to decline. ➤ Invest in FIMF whose assets is mainly consists on PIBs. ➤ Select Fund for investment meeting the criteria. When to disinvest: ➤ Disinvest when interest rate is on rise or is expected to rise.
Risk Management	Through monitoring performance of the fund
Investment Classification	AFS - Available for sale.
Recommending Body	Management Investment Committee.
Approving Authority	As per delegation Financial Powers.

Annexure "H"
Guiding Principle - Strategy for Capital Gain

Investment Objective	To earn capital gains through buying/selling of approved equity securities to meet shortfall in investment income required to declare competitive bonus on policies, strengthen asset valuation reserve in line with growth in Policyholders Liabilities.
Investment Exposure	15% of total investment at cost. Exposure in any one company or companies of one group should not exceed 5% of the fund at cost or Rs.5.0 bn whichever is higher. Investment beyond approved limit may be done with waiver from competent authority/Board.
Allocation of fund	Among different sectors as defined by KSE. Market weights to be used as benchmark.
Investment Strategy for value trading	Buy – Hold – Sell Buy when:

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	○ Share is technically trading in oversold region and ○ Offers at-least 25% holding period return at current market price based on consensus value of financial analysts. Hold: ○ As long as price is trending upwardly. Sell when: ○ Share is technically in over bought region and ○ AHPY comes 25% at average holding cost.		
Criteria for selection Value Trading	○ EPS of the share is either stable or progressive. ○ Share has declared dividend 5 years in consecutive or 5 years out of seven years. ○ Expected dividend yield comes 5% at market price or offers 25% expected annualized HPY*. ○ The share is highly liquid. ○ Investee Company is run by credible management.		
Investment Classification	Available for Sale.		
Recommending Body	Management Investment Committee.		
Approving Authority	As per Delegation Financial Powers		
To calculate Annualized Holding Period Yield, following formula should be used: $\text{HPR} = \text{EVI/BVI}$ $\text{Annual HPR} = (\text{EVI/BVI})^{(1/n)}$ $\text{Annual HPY} = (\text{Annual HPR}-1)*100$ Where: $\text{BVI} = \text{Beginning Value of Investment (Purchase Price/Share).}$ $\text{EVI} = \text{Expected (Market Price + Dividend)}$ $\text{N} = \text{Holding Period (one year)}$ $\text{HPR} = \text{Holding Period Return.}$ $\text{HPY} = \text{Holding Period Yield.}$			
Annexure "I"			
Guiding Principle - Strategy for Long Term Equity Investment			
Investment Objective	Stable stream of dividend income and growth in value of Equity Investment over a longer period.		

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Investment Exposure	Total 15% of total investment at cost. Exposure in any one company or companies of one group should not exceed 5% of the fund at cost or Rs.5.0 bn whichever is higher. Investment beyond approved limit may be done with waiver from Board.
Allocation of fund	Among different sectors as defined by KSE. Market weights are to be taken as benchmark.
Investment Strategy for Long term equity Investment.	Buy and Hold share of fundamentally strong companies trading at 30% deep discount to their fair value, especially in a depressed market, with expected cash dividend yield at-least of 5% at market price.
Criteria for selecting Long term equity investment	○ EPS of the share is either stable or progressive. ○ Share has declared dividend 5 years in consecutive or 5 years out of seven years. ○ Expected dividend yield comes 5% at market price or offers 25% expected annualized HPY. ○ The share is highly liquid. ○ Investee Company is run by credible management.
Inv. Classification	Available for Sale.
Recommending Body	Management Investment Committee.
Approving Authority	According to Delegation Financial Powers, Investment Committee is authorized to decide purchase/sale of shares in companies for any amount but limiting investment in shares as per approved exposure; and submit its recommendation to the Competent Authority for approval.

Annexure "J"

Guiding Principle - Investment in Equity Mutual Fund

Investment Objective	For diversification and to earn return higher than return on Corporation's equity portfolio.
Investment Exposure	Total 0.5% of total investment at cost.
Investment Strategy for Long term	Buy and Hold share of fundamentally strong companies trading at 30% deep discount to their

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equity Investment.	fair value, especially in a depressed market, with expected cash dividend yield at-least of 5% at market price.
Criteria for selecting Fund for Investment	Invest when: Fund selected for investment must meet following criteria: ○ Fund's rating is 5 Star. ○ Rating of Asset Management Company is AM1. ○ Investee Company is run by credible management. Disinvest when: ○ Disinvest whenever; there is reversal in trend in KSE-100 index.
Investment Classification	Available for Sale.
Recommending Body	Management Investment Committee.
Approving Authority	As per Delegation of Financial Power.

Annexure "K"

Guiding Principle - Subscription of Right Offer

Investment Objective	To strengthen long term Equity Portfolio or to realize capital gains either by subscribing right offers meeting criteria for approved investment or by selling unpaid right in the secondary market of those companies falling short of criteria for investment.
Investment Exposure	In any one company or companies of one group should not exceeds 5% of the fund at cost or Rs.5.0 bn whichever is higher, inclusive of subscription cost. To be merged with holding already in portfolio.
Investment Strategy	Subscribe Right Offer when issuing company meets criteria for long term equity investment.

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	Sell unpaid right letter in the market at market price otherwise.
Criteria for subscribing the right offer.	Issuing company has ○ Declared dividend/bonus five years in consecutive or five years out of seven years. ○ There is positive differential between subscription cost and estimated ex-right price estimated at current market scenario.
Investment Classification	Available for Sale.
Recommending Body	Management Investment Committee.
Approving Authority	As per Delegation Financial Powers

Annexure "L"

Guiding Principle - Cleansing Strategy for Equity Portfolio

Investment Objective	Unlocking of investment in share turned non-productive.
Investment Strategy	Sell when market price is higher than average holding cost.
Criteria for selecting companies.	○ Company has not paid dividend/bonus during the last five years. ○ Company is in loss for the last five years/not in operation. ○ Least possibility of turn-around in the company in coming years.
Recommending Body	Management Investment Committee.
Approving Authority	As per Delegation Financial Powers

Annexure "M"

Guiding Principle - Project Financing

Investment Objective	The primary goal is for diversification and to hedge against inflation besides earning rental income. The secondary goal is to own house/offices and reduce impact of rental inflation on core business.
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DIRECTORS MINUTE BOOK	HELD AT KARACHI	ON 8 TH DECEMBER, 2015	TIME																
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MINUTES OF 242ND MEETING OF THE BOARD OF DIRECTORS

DIRECTORS	HELD AT	ON	TIME														
MINUTE BOOK	KARACHI	8 TH DECEMBER, 2015															
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Annexure-E

BUDGET 2016 AND REVISED BUDGET 2015

Capital Expenditure:

Estimates for Capital Expenditure for 2016 and comparison with capital budget for 2015 is summarized as under:

(Rupees in Millions)

Portfolio	Budget for 2015	Budget for 2016	% Change
i) Individual Life (within Pakistan Zones/Regions)	415.980	209.000	(50%)
ii) Group Life Division and Zones	12.682	16.000	26%
iii) Real Estate Division	*250.156	341.456	36%
iv) Field Manpower Development Department	2.959	4.479	51%
v) I.T. Division	**375.858	354.157	(6%)
vi) Principal Office	63.146	54.815	(13%)
vii) Overseas	0.978	4.131	322%
viii) Bancassurance	11.335	3.230	(72%)
ix) Health Insurance	***12.378	100.096	709%
x) Reserved with P.O.	-	175.000	
Total:-	1,145.472	1,262.364	11%

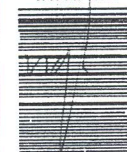
*** Real Estate Division has made estimates for 2015 as under:-**

Details	Budget for 2015	Budget for 2016	% Change
Major Renovation	139.000	175.000	25%
Civil works	66.500	57.000	(14%)
Electrical works	18.000	23.000	28%
HVAC	12.500	30.000	140%
Lifts	9.000	55.000	511%
Furniture, Fixture and Office Equipment	3.356	1.456	(56%)
Staff Van	1.800	-	(100%)
Total:	250.156	341.456	36%

**** The detail of capital budget, as requested by I.T. Division, is as under:**

Details	Budget for 2015	Budget for 2016	% Change
Hardware and Networking for IL, G&P and PO	109.525	131.874	20%
Acquisition of Pre-Packaged Software Solution including Data migration & Customization	96.906	79.534	(18%)
Licenses for Database and Operating Systems etc.	28.097	28.097	0%
Disaster Recovery Plan	99.480	49.000	(50%)
Expenses on Additional Human Resources and others	-	28.952	-
Expenses on Training and Change Management	13.200	8.100	(39%)

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MINUTES OF 242ND MEETING OF THE BOARD OF DIRECTORS

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Acquisition of Pre-Packaged Software Solution including Data migration & Customization	96.906	79.534	(18%)
Licenses for Database and Operating Systems etc.	28.097	28.097	0%
Disaster Recovery Plan	99.480	49.000	(50%)
Expenses on Additional Human Resources and others	-	28.952	-
Expenses on Training and Change Management	13.200	8.100	(39%)
Human Resource Miscellaneous Expenses	28.350	28.350	0%
Additional Entertainment Expenses	0.300	0.250	(17%)
Total:	375.858	354.157	(6%)

***** The detail of capital budget, as requested by Health Ins. Division, is as under:**

Details	Budget for 2015 Approved 237 th Meeting	Revised Budget for 2015	Budget for 2016	% Change
Establishment of Office	-	2.500	5.000	100%
Furniture & Fixture	4.450	1.590	9.466	495%
Equipment & Peripherals	1.015	8.288	26.505	219%
Vehicles	-	-	59.125	-
Total:	5.465	12.378	100.096	709%

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MINUTES OF 242ND MEETING OF THE BOARD OF DIRECTORS

DIRECTORS	HELD AT	ON	TIME
MINUTE BOOK	KARACHI	8 TH DECEMBER, 2015	

INCOME:

(Rupees in Millions)

Description	Actual 2014	Budget 2015	Revised Budget 2015	Variance from Budget 2015	Revised 2015 vs Actual 2014	Budget 2016	Inc/ (Dec) over Revised 2015
PREMIUM INCOME							
(a) First Policy Year	16,185	20,915	18,273	(13%)	13%	21,985	20%
(b) 2 nd Policy Year	12183	13,428	13,225	(2%)	9%	14,917	13%
(c) 3 rd and later policy years	41,325	48,398	49,070	1%	19%	57,173	17%
(d) Total IL Premium	69,693	82,741	80,568	(3%)	16%	94,075	17%
Group Life Premium	6,783	7,798	7,334	(6%)	8%	8,479	16%
Health Insurance Premium	85	260	440	69%	418%	1,629	270%
Total Premium (Gross)	76,561	90,799	88,342	(3%)	15%	104,183	18%
Less: Re-Insurance	(219)	(220)	(229)	4%	5%	(251)	10%
Total Premium (Net)	76,342	90,579	88,113	(3%)	15%	103,932	18%
INVESTMENT AND REAL ESTATE INCOME							
Investment Income	50,337	54,527	52,686	(3%)	5%	57,728	10%
Real Estate Income	847	991	915	(8%)	8%	1,037	13%
Inv. & Real Estate Income	51,184	55,518	53,601	(3%)	5%	58,765	10%
TOTAL INCOME	127,526	146,097	141,714	(3%)	11%	162,697	15%

Note: All figures rounded off to nearest rupee in million. All percentages are rounded off to nearest whole number

OUTGO:

(Rupees in Millions)

Description	Actual 2014	Budget 2015	Revised Budget 2015	Variance from Budget 2015	Revised 2015 vs Actual 2014	Budget 2016	Inc / (Dec) over Revised 2015
POLICY PAYMENTS							
a) Death, Accident & Annuities	3,580	5,169	4,824	(7%)	35%	5,477	14%
b) Maturity	10,071	14,558	13,828	(5%)	37%	13,501	(2%)
c) Surrenders	10,282	11,440	12,427	9%	21%	14,085	13%
d) Total	23,933	31,167	31,079	-	30%	33,063	6%
Group Life Claims	6,561	7,196	7,330	2%	12%	8,086	10%
Health Insurance Claims	10	208	80	(62%)	700%	1,038	1198%
Total Policy Outgo	30,504	38,571	38,489	-	26%	42,187	10%
MANAGEMENT EXPENSES:							
Field Expenses							
Commission on FYP (IL)	10,796	14,526	12,707	(13%)	18%	15,253	20%
Comm. on 2 nd Yr. Premium	2,079	2,422	2,395	(1%)	15%	2,686	12%
Comm. On Ren. Premium	1,888	2,539	2,570	1%	36%	2,992	16%
Other Benefits	1,416	1,875	1,870	0%	32%	2,117	13%
Comm. on Group Premium	2	3	3	0%	50%	4	33%
Other Benefit Group Premium	1	3	2	(33%)	100%	3	50%
Total Field Expenses	16,182	21,368	19,547	(9%)	21%	23,055	18%
Area Managers Exp.	1,908	2,799	2,641	(6%)	38%	3,129	18%
Policy Stamps & Medical fee	796	1,044	930	(11%)	17%	1,118	20%

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Total acquisition Cost	18,886	25,211	23,118	(8%)	22%	27,302	18%
Admin. Expenses	4,956	7,214	7,070	(2%)	43%	8,352	18%
Investment Expenses	44	47	54	15%	23%	55	2%
Real Estate Expenses	571	662	636	(4%)	11%	731	15%
Health Insurance Expenses	10	43	233	442%	2230%	475	104%
Total Admin Exp.	5,581	7,966	7,993	0%	43%	9,613	20%
TOTAL MANAGEMENT EXP	24,467	33,177	31,111	(6%)	27%	36,915	19%
Commission from reinsurers	(46)	(33)	(33)	0%	(28%)	(39)	18%
Management Expenses Recovered from other fund	(4)	(4)	(4)	0%	0%	(4)	0%
Share of surplus to Shareholders	1,186	765	1,391	82%	17%	1,632	17%
Total outflow + Provn.	56,107	72,476	70,954	(2%)	26%	80,691	14%

LIFE FUND

(Rupees in Millions)

Description	Actual 2014	Budget 2015	Revised Budget 2015	Variance from Budget 2015	Revised 2015 vs Actual 2014	Budget 2015	Inc/ (Dec) over Revised 2015
Accretion to Statutory Funds	71,419	73,621	70,760	(4%)	(1%)	82,006	16%
Opening Statutory Funds	378,608	450,027	450,027	0%	19%	520,787	16%
Closing Statutory Funds	450,027	523,648	520,787	(1%)	16%	602,793	16%

Note: All figures rounded off to nearest rupee in million. All percentages are rounded off to nearest whole number

Renewal Expense Ratio

4.1 Renewal Expense ratio of State Life Insurance Corporation of Pakistan on actual results for the year 2014, revised budget 2015 and projected budget 2016 are as under:-

Descriptions	Actual - 2014	Revised Budget - 2015	Budget - 2016
SECP's limit	23.0%	23.0%	23.0%
Renewal Expense Ratio of SLIC	13.4%	18.3%	18.1%

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MINUTES OF 242ND MEETING OF THE BOARD OF DIRECTORS

DIRECTORS	HELD AT	ON	TIME
MINUTE BOOK	KARACHI	8 TH DECEMBER, 2015	

SUMMARY CAPITAL BUDGET - 2016										
Location	Furniture	Office Equipment	Computer	AC	Generator	Car	Actuarial Software	Renovation/ HVAC/ Civil & Electric Works	IT	Total
Individual Life (Zone/Region)	74.000	17.000	58.000	38.000	22.000	-	-	-	-	209.000
Group Life (Zones, Division)	5.200	1.700	4.800	2.600	1.700					16.000
Real Estate Division	0.151	0.115	1.190					340.000		341.456
Field Manpower Dev. Dept.	1.603	0.335	1.571	0.820	0.150					4.479
I.T. Division									354.157	354.157
Principal Office	7.786	3.130	12.785	1.100	0.014	20.000	10.000			54.815
Overseas	0.803	-	0.312			3.016				4.131
Bancassurance	0.910	0.240	1.100	0.980						3.230
Health Insurance	9.966	2.665	19.340	2.350	1.650	59.125		5.000		100.096
Reserved with P.O.	61.300	15.100	49.100	31.500	18.000	-	-	-	-	175.000
Total	161.719	40.285	148.198	77.350	43.514	82.141	10.000	345.000	354.157	1,262.364

(Rs. in million)

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