

This document may be called **Participant's Membership Document** (hereinafter referred to interchangeably as "scheme or "policy") as defined in the Takaful Rules, 2012.

FIDELITY GUARANTEE TAKAFUL POLICY

PREAMBLE

This is to acknowledge that the applicant (hereinafter called the 'Participant'), as more fully described in the schedule hereto:

- i. Is accepted as a member of the Participants' Takaful Fund (hereinafter called the 'Fund') operated by Alfalah Insurance Company Limited (Window Takaful Operations) (hereinafter called 'Operator').
- ii. Being a member of the Fund, he/she is acknowledged as a beneficiary under the attached Indemnity Policy of the Fund and of the benefits declared by the Fund from time to time under this policy, in accordance with the Waqf Rules governing the Fund.
- iii. Subject to the participant continuing as a member of the Fund and complying with his/her undertaking under his/her declaration made in the proposal form he/she is indemnified by the Fund as one of its beneficiaries against the perils/events described, in the manner and to the extent as stated hereunder:

CONDITIONS PRECEDENT

- i. No payment in respect of any Contribution shall be deemed to be payment to the Operator unless a printed form of receipt for the same, signed by an authorized official of the Operator, shall have been given to the Participant.
- ii. Notwithstanding anything above cover under this policy shall not commence until the Contribution, as stated in the schedule hereof, has been paid or guaranteed to be paid in the manner as stated in the schedule or as expressly agreed and stated therein.

WHEREAS the Participant (named below) employs or is about to employ the Employee or Employees (named below) for the performance of the duties specified below and has made to the ALFALAH INSURANCE COMPANY(Window Takaful Operations) (hereinafter called the Operator) a written statement or statements and declaration, the information in which the basis of this contract and is to be considered as incorporated herein, and has paid or agreed to pay to the Fund the first contribution (specified below).

NOW THIS POLICY WITNESSETH that if within the period of coverage (specified below) or before 4 o'clock in the afternoon of this last day of any subsequent period in respect of which contribution shall have been accepted by the Operator the Employee or Employees shall, in the course of duties specified below, commit any act or acts of

“FORGERY, OR OF EMBEZZLEMENT, LARCENY AND/OR FRAUDULENT CONVERSION”

of the monies or goods of the Participant (all which acts are hereinafter called the acts covered against) the Operator will make good to the Participant any loss which the Participant shall thereby directly sustain after deduction of all salary, commission, monies or assets, the property of the Employee or Employees, that may be in or come into the hands or under the control of the Participant upto an amount not exceeding for all the acts covered against committed during the whole period of the subsistence of this policy the amount covered (specified below).

AND IT IS HEREBY AGREED AND DECLARED that the expression “Forgery” in this policy means the forging or fraudulent altering of any document or the uttering of any forged or fraudulently altered document by the Employee or Employees whereby he or they obtain possession of Moines or goods of the Participant.

PROVIDED that such acts covered are discovered not later than six months after the resignation, dismissal, retirement or death of the Employee or Employees, not later than three months after the termination of this policy whichever be the earlier.

PROVIDED FURTHER that the due observance and fulfillment of the conditions hereunder which shall so far as the nature of them respectively will permit be deemed to be conditions precedent to the right of the Participant to recover hereunder:-

1. The Operator shall not arrange to pay:
 - a) If any suppression or misstatement of any fact affecting the risk of the Operator be made at the time of effecting this policy or subsequently; or
 - b) If the precautions and checks for securing accuracy of account and limiting the amount of monies received by or entrusted to the Employee or Employees at any one time, shall not be duly observed and put in practice on the part of the Participant in accordance with the said written statement or statements; or
 - c) If there be any change in the circumstances and conditions of the said employment without in every case the consent or sanction of the Operator signified by endorsement hereon; or
 - d) In respect of any loss due to an act covered against committed subsequently to the date upon which knowledge of any previous acts covered against committed by the Employee or Employees shall have come to the Participant or any representative of the Participant to whom is entrusted the duty of superintendence over the Employee or Employees.
2. The Participant shall give notice in writing to the Operator of any act covered against, or of reasonable cause of suspicion thereof, committed by the Employee or Employees, immediately after the same shall have come to the knowledge of the Participant or the Participant’s representative as aforesaid, stating the method of the fraud the nature and extent of the loss so far as then ascertained and the last known address of the Employee or Employees.
3. Every claim under this Policy shall be lodged with the Operator within two months after the date of such notice (failing which no claim shall be sustainable under this agreement) accompanied by full particulars and proof satisfactory to the Operator of the loss (verified, if the Operator shall so require, by statutory declaration) and when any such loss has been made good and satisfied by the Operator this Policy shall so far as regards the defaulting Employee wholly cease and determine as to any further obligations of the Operator.
4. The Operator shall be entitled at its own expenses, and for its own benefit, in the name of the Participant, to prosecute all claims and exercise all rights of action competent to the Participant, against the Employee or Employees, in respect of any act covered against in connection with which it may have made a payment under this policy; and the Participant shall give to the Operator all such information and assistance as may be reasonably required for maintaining any such claims or rights.
5. It shall be a condition precedent to liability of the Operator that upon discovery of any event which might give rise to a claim under the policy, the Participant shall immediately inform to the Police Authority and obtain FIR which shall be submitted to the Operator alongwith other claim documents.

6. The Participant shall, if required by the Operator give information and furnish evidence to the Criminal Authorities of any act or acts covered against committed or supposed to have been committed by an Employee, in consequence of which a claim may be made under this Policy and the Participant shall, if so required by the Operator forthwith prosecute the Employee for such acts, subject to the payment by the Fund in the event of a conviction of all expenses necessarily incurred by the Participant in such prosecution.
7. The Fund shall only be liable to contribute PRORATA with any other guarantee, whether by policy or otherwise, held by the Participant whether such guarantee be now held by the Participant or be hereafter taken or acquired, and the Participant shall be bound to advise the Operator of every such guarantee, and of any limitation, discharge, or termination thereof.
8. The Operator may by notice in writing to the Participant under registered cover to the last known address of the Participant cancel this policy at any time, paying a proportion of the contribution from the Fund corresponding to the unexpired period of the policy.
9. All differences arising out of this policy shall be referred to the decision of an Arbitrator to be appointed in writing by the parties in difference or if they cannot agree upon a single Arbitrator to the decision of two Arbitrators one to be appointed in writing by each of the parties within one Calendar month after having been required in writing so to do by either of the parties of in case the Arbitrators do not agree of an Umpire appointed in writing by the Arbitrators before entering upon the reference. The Umpire shall sit with the Arbitrators and preside at their meetings and the making of an award shall be a condition precedent to any right of action against the Operator

TAKAFUL OPERATOR FEES

The Operator shall deduct Operator's fee as per defined ratio approved by Shariah Advisor out of the Contribution received under this policy. Such fee shall be based on the Wakala principle since the Operator hereby acts as a Wakeel of the Fund. The Wakala Fees shall be credited to the Operators Fund and remaining portion shall be remained credited in the Participant Takaful Fund. The rate of Wakala Fees shall be approved by the Shariah Advisor based on the rating and risk management guidelines of the Window Takaful Operator for each type of Risk.

INVESTMENT MANAGEMENT SHARE

The Operator shall act as a Modarib or Wakeel for the purpose of managing the investment of available fund in the PTF. As such, the Operator stands entitled to a Modarib share or Wakala-tul-Istismar fee in the investment income subject to approval by the Shariah Advisor.

TIMING AND TRANSFER OF FUNDS

- 1- All Contributions recognized under General Takaful contracts, net of any Government levy, shall be credited to the Participant Takaful Funds.
- 2- All Contributions into a Participant Takaful Fund shall be deposited in a bank account designated as belonging to the Participant Takaful Fund or be paid across to such an account within seven days of receipt.
- 3- All income received on assets of a Participant Takaful Fund and receipts from Re-Takaful operators relating to the Participant Takaful Fund shall be deposited in bank accounts designated as belonging to the Participant Takaful Fund or be paid across to such account within seven days of receipt.
- 4- All assets, liabilities, income and expenditure of a General Takaful Operator which do not relate to a Participant Takaful Fund shall be deemed to be part of the Operator's Fund.

SURPLUS DISTRIBUTION

Operator may hold a portion of the surplus

- As a contingency reserve (over and above the technical provisions)
- For meeting solvency level under the Insurance Ordinance, 2000 and Takaful Rules, 2012
- For charity / donations

- The rest of the surplus may be distributed to participants in accordance with the approved Surplus Distribution Mechanism and Policy approved by the Shariah Advisor.
- For this purpose the Commission is also empowered to develop and issue the Surplus Distribution Mechanism for the General Takaful Operator which shall also be complied by the Operator.

IMPORTANT

The Participant should for his own protection examine this policy to ascertain whether it is in accordance with his intentions and correctly described, if any error or misdescription is found the same should immediately be intimated to the Operator for correction.