

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

SAFE DEPOSIT BOX/LOCKER 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 has made a payment (described in the Schedule) as Contribution to the Fund and accepting the same the Operator hereby agrees the (subject to Conditions contained herein or endorsed or otherwise expressed here on which Conditions shall so far as the nature of them respectively will permit to be deemed to be Conditions precedent to the right of the Participant to recover hereunder)

A. IN CONSIDERATION OF a Contribution stated in the Schedule of this Policy Alfalah Insurance Company Limited (Window Takaful Operations) (hereinafter called the "Operator") hereby agree to pay and make good to the Participant to the extent of their legal liability upto the sum as stated in the Schedule of the Policy, all claims, damages and demands, including any costs and expenses incurred in connection therewith arising from all such losses which are during the period as stated in the Schedule of the Policy, sustained and discovered by reasons of damage, destruction or loss by fire, burglary and housebreaking only of any securities, bonds, certificates, bills of exchange, bank notes, specie, Jewellery or any other property or articles of intrinsic value, the property of Locker Holder/Customers, contained in Safe Deposit Boxes/Locker lodged in the safe deposit vaults or locker room of the bank premises (ownership/rented/leased/licensed) as stated in the Schedule of the Policy, or any of their present or future branches wherever situated within the limits of policy as stated in the Schedule of the policy, or any of their present or future branches wherever situated within the limits of policy as stated in the Schedule of the policy including boxes leased to customers or not leased.

B. The Operator shall, at their own expense, investigate all claims (except contents of the lockers) and at the request of the Participant defend in Participant's name and on its behalf of any suits or other proceedings which may be brought against the Participant to enforce such claims and such expenses shall be in addition to the amount of this Policy.

C. THE PARTICIPANT'S OWN PROPERTY is expressly excluded from the Policy but it is understood and agreed that this Policy covers the interest of the Participant and/or its customers/Locker Holder and/or others owning or interested in the above mentioned articles and property, and any loss or losses relating thereto shall be paid to the Participant irrespective of the ownership thereof.

D. UPON DISCOVERY OF ANY LOSS which gives rise to a claim hereunder, this Policy shall be treated as reinstated so as of all times during the said period of Policy to continue as a Coverage to the full extent i.e. Rs 25,000,000/- EEL, notwithstanding any previous claims which the Operator may have paid or be liable to pay hereunder subject to aggregate limit of Rs 50,000,000/-.

E. IN CASE OF RECOVERY the Participant shall be entitled thereto until fully reimbursed, the excess (if any) to be paid to the Operator, except that the Company shall be reimbursed from such recovery for actual expenses (if any) incurred by them in obtaining recovery.

EXCLUSIONS

1. This Policy does not cover any loss or damage to the property specified or any part thereof or any liability therefore, which at the time of the happening of such loss or damage is covered by or would but for the existence of this Policy be covered by any other policy or policies except in respect of any excess beyond the amount which would have been payable under such other policy or policies had this Policy not been effected.
2. This Policy does not cover loss or damage or liability occasioned by war, invasion, hostilities, acts of foreign enemies, civil war, terrorism, sabotage, rebellion, insurrection, military or usurped power or confiscation by order of any Government or public authority except in respect of any such loss or damage for which the Participant is legally liable.
3. This Policy does not cover any loss or damage arising directly or indirectly from nuclear radiation or radioactive contamination however such nuclear reaction, nuclear radiation or radioactive contamination may have been caused NEVERTHELESS if Fire is an covered Peril and a fire arises directly or indirectly from a nuclear reaction, nuclear radiation or radioactive contamination any loss or damage arising directly from that Fire shall (subject to the provisions of the Policy) be covered EXCLUDING however all loss or damage caused by nuclear reaction, nuclear radiation or radioactive contamination arising directly or indirectly from that Fire.
4. Any loss resulting directly or indirectly from any one or more dishonest or fraudulent acts of any of the Employee(s) of the Participant, whether committed alone or in collusion with others, employee(s) of the security guard Operator (contracted to perform security services of the participant's premises) or any third party c Operator's employee(s).

5. Any loss wholly or partially from any act or default of any director or directors of the Participant whether or not an employee of the Participant.
6. Any loss not discovered during the period of the policy, and any loss sustained prior to the inception date as stated in the Schedule.

DEFINITIONS

1. Locker Holder/Customer shall mean a customer/locker holder of the Participant to whom the Safe Deposit Box/Locker is rented out by virtue of an agreement between the customer/locker holder and the Participant.
2. Safe Deposit Box/Locker shall mean a safe deposit box/locker lodged in the safe deposit vaults or locker room of the bank premises guarded by Armed Guards.
3. Armed Guards shall mean the Participant's own appropriately armed employees guarding the premises and/or armed guards provided by an Approved Guarding Company by virtue of a legal contract between the Approved Guarding Company and the Participant.
4. Approved Guarding Company shall mean a security guard company approved by the concerned authority/authorities to serve as a security guard company to guard the premises of the Participant against perils as covered under this Policy.
5. Employee/Staff shall mean employees of the Participant whether fulltime/part time, permanent/temporary, hired directly/third party provided, on deputation/internship and including but not limited to Armed Security Guards and regular employees/staff.

CONDITIONS

1. As a condition precedent to liability a Rule Book, or Books, or written instructions covering all aspects of the Assured's Lockers/Safe Deposit Box Operations shall be maintained and operated which clearly defines the duties of each Employee each of whom must have had their attention drawn to the same and to their duty of compliance therewith.
2. As a condition precedent to liability, Joint Custody shall be established and maintained for the safeguarding of:-
 - a. Property while in safes or vaults.
 - b. All keys to safes and vaults.
 - c. Codes, cyphers and test keys.

'Joint Custody' means the handling of the above in the presence of, and under the observation of, at least one other person, said person being equally accountable for the physical protection and safeguarding of the various items or records involved. Locks and combinations on vaults and safes must be so arranged that no one person can open them alone.

3. As a condition precedent to liability, Dual Control shall be established and maintained for the handling of:-

- a. All types of securities, negotiable and non-negotiable instruments and unissued and blank forms of said items.
- b. The reserve supply of official Cheques, Drafts and unissued travellers cheques.
- c. Dormant accounts of depositors.
- d. Codes, cyphers and test keys.

'Dual Control' means the work of one person in processing transactions being verified by a second person and both sharing the accountability.

4. As a condition precedent to liability, the Participant shall as soon as possible and in any event within 30 days after discovery by the Participant of any loss hereunder give written notice thereof to the Operator together with all available information. It is agreed that notice addressed to Alfalah Insurance Company Limited (Window Takaful Operations) Head Office, Lahore shall be sufficient to comply with the terms of this Conditions.
5. The Operator shall for so long as they desire conduct and control all proceeding in respect of any claim for loss which the Operator have paid or made good under this policy and may use the name of the Participant to enforce for the benefit of the Operator and order made for costs or otherwise, or to make or defend any claim for indemnity for damages against any third party or for any other purpose connected with this Policy.
6. This Policy may be terminated at any time at the written request of the Participant, or by on behalf of the Operator by giving thirty day's notice of such termination. If this Policy shall be terminated as herein before provided, the unearned portion of the contribution shall be returned, on surrender of this contract of coverage, by the Operator. It is further provided that any loss claim lodged prior to the date of termination shall be made good by the Operator.
7. If the Participant shall make any claim knowing the same to be false or fraudulent, as regards amount or otherwise, this Policy shall become void and all claims hereunder shall be forfeited, by no statement made by or on behalf of the Participant, whether contained in the application or otherwise, shall be deemed to be a warranty of anything except that it is true to the best of the knowledge and belief of the person making the statement.
8. No admission offer promise payment or indemnity shall be made or given by or on behalf of the Participant without the written consent of the Operator which shall be entitled if it so desires or settlement of any claim or to prosecute in the name of the Participant for its own benefit any claim or indemnity or damages or otherwise and shall have full discretion in the conduct of any proceedings and in the settlement of any claim and the Participant shall give all such information and assistance as the Operator may require.
9. During the continuance of the Policy the Participant may file one or more claim provided the Find's liability in respect of each claim and in the aggregate or such claim shall be restricted to the amount mentioned in the Policy.
10. 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 to do so

by either of the parties or 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 condition precedent to any right of action against the Operators.

If the Operators shall disclaim liability within twelve calendar months from the date of such disclaimer have not been referred to arbitration under the provisions herein contained than the claim shall for all purposes be deemed to have been abandoned and shall not thereafter be recoverable hereunder. Unless otherwise mutually agreed between the parties such arbitration shall take place in Lahore.

11. Under any of the following circumstances the coverage ceases to attach as regards the property affected unless the Participant, before the occurrence of any loss or damage, obtains the sanction of the Operator signified by the endorsement upon the policy by or on behalf of the Operator.
 - a. if the trade or manufacturing be carried on is altered or if the nature of the occupation of or other circumstances affecting the building covered or containing the covered property be changed in such a way as to increase the risk of loss or Damaged by fire.
 - b. If the buildings covered or containing the covered property become unoccupied and so remain for a period of 30 days.
 - c. If property covered be removed to any building or place other than in which it is herein stated to be covered.
 - d. If the interest in the property covered passes from the Participant otherwise than by will or operation of law.
12. The Participant shall, at the expense of the Fund do and concur in doing and permit to be done all such acts and things as may be necessary or reasonably required by the Operator for the purpose of enforcing any rights and remedies: or of obtaining refit or indemnity from other parties to which the Fund shall be or of would becomes entitled or subrogated, upon its paying for or making good any loss or damage under this policy, whether such acts or things shall be or become necessary or required before or after his indemnification by the Fund.
13. If at the time of any loss or damages happening to any property, hereby covered, there be any other subsisting policy, or policies whether effected by the Participant or by any other person or persons covering the same property, the Fund shall not be liable to pay or contribute more than its ratable proportion of such loss or damage.
14. In no case whatever shall the Fund be liable for any loss or damage after the expiration of twelve months from the happening of the loss or damage unless the claim is the subject of pending action or arbitration.

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.

UNDERTAKING FOR SUBROGATION

The participant hereby irrevocably and unconditionally authorizes Alfalah Insurance Company(Window Takaful Operations) the transfer of all his/their rights, title and interest in the asset(s) listed in the Schedule and all the right(s) and claim(s) against any person(s) in respect thereof to the Participant Takaful Fund/WaqfFund upon being indemnified by the Operator from the Participant Takaful Fund/Waqf Fund as per the Waqf rules, and further undertakes to sign all necessary documents in this regard.

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.