

Independent assurance report to the management of Takaful Company in respect of Company's compliance with the Shariah rules and principles

We have performed an independent assurance engagement of **Dawood Family Takaful Limited** (the Company) to ensure that the Company has complied with the Shariah rules and principles as prescribed by the Shariah Supervisory Board of the Company and the Takaful Rules 2005, during the year ended 31 December 2010.

2. Management's responsibility for Shariah compliance

It is the responsibility of the Company to ensure that the financial arrangements, contracts, products and transactions entered into by the Company and Dawood Family Takaful Limited Waqf Fund (the Waqf) with participants, other financial institutions and stakeholders are, in substance and in their legal form, in compliance with the requirements of Shariah rules and principles as determined by the Shariah Supervisory Board and the Takaful Rules, 2005.

3. Our responsibility

3.1. Our responsibility in connection with this engagement is to express an opinion, based on the procedures performed on a sample basis, whether these financial arrangements, contracts, products and transactions are in compliance with the requirements of the Shariah rules and principles as prescribed by the Company's Shariah Supervisory Board and the Takaful Rules, 2005.

3.2. The procedures selected by us for the engagement depended on our judgment, including the assessment of the risks of material non-compliance with the said Shariah rules and principles. In making those risk assessments, we considered such internal control procedures as were relevant to the Company's compliance with Shariah rules and principles. Our engagement was, however, not intended for expressing opinion on the effectiveness of the Company's internal controls for purposes of compliance with the Shariah rules and principles.

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3.3. We believe that the evidence we have obtained through performing our procedures on a sample basis were sufficient and appropriate to provide a basis for our opinion.

3.4. During the course of our assignment, we came across certain matters that have been brought to the attention of the Shariah Supervisory Board and the management of the Company entailing certain Shariah issues. We were informed that it was the opinion of the Shariah Supervisory Board that such matters have no materially adverse Shariah compliance effect. In addition, interpretation and conclusion of the Shariah Supervisory Board of the Company is considered final for the purpose of interpretation of the Shariah matters mentioned in the Takaful Rules, 2005.

4. Framework for the engagement

We have conducted our engagement in accordance with International Standard for Assurance Engagements 3000 (ISAE 3000) issued by the International Auditing and Assurance Standards Board of the International Federation of Accountants. This Standard requires that we comply with ethical requirements and plan and perform the engagement to obtain reasonable assurance regarding the subject-matter i.e. the Company's compliance with the Shariah rules and principles as determined by the Shariah Supervisory Board and the Takaful Rules, 2005.

5. Our opinion

In our opinion, based on the sample selected, the financial arrangements, contracts, products and transactions entered into by the Company and the Waqf, as the case may be, during the year ended 31 December 2010, are in compliance with the requirements of the Shariah rules and principles as prescribed by the Shariah Supervisory Board and the Takaful Rules, 2005.

KARACHI: 01 MARCH 2011

Ernst & Young Ford Rhodes Sidat Hyder
CHARTERED ACCOUNTANTS