

# **TRUST DEED**

Constituting

**AI AMEEN ISLAMIC RETIREMENT SAVINGS FUND  
(AIRSF)<sup>1</sup>**

Pension Fund Manager

**UBL FUND MANAGERS LIMITED**

Trustee

**Central Depository Company of Pakistan Limited  
(CDC)**

**Consolidated till 1<sup>st</sup> STD effective from February 21, 2014**

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<sup>1</sup> Amended as per 1<sup>st</sup> Supplemental Trust Deed effective date February 21, 2014

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## **Re-amended and Restated Trust Deed**

Al Ameen Islamic Retirement Savings Fund (AIRSF) registered under the Trust Act 1882 on Date November 17, 2009 vide registration number 308, book no. IV along with micro film number 75766/6174 at the office of sub-registrar II, Saddar town, Karachi and amended vide 1<sup>st</sup> supplemental trust deed dated February 21, 2014, vide registration number 47, book no. IV along with micro film number 15285/9067 at the office of sub-registrar II, Saddar town, Karachi and now being registered under Sindh Trust Act - 2020 with a notation that the existing Trust will continue and all actions taken and transactions effectuated in the past will remain.

THIS TRUST DEED is made and entered into at Karachi on this \_\_\_\_\_ day of June 2021

### **Note:**

Under the Trust Act 1882, The 1st Supplemental Trust Deed of Al Ameen Islamic Retirement Savings Fund (AIRSF) was entered among

- I. UBL Fund Managers Limited as Management Company
- II. MCB Financial Services Limited (Formerly Muslim Commercial Financial Services (Pvt.) Limited) (MCFSL) as Retiring Trustee
- III. CDC as Incoming Trustee

on January 01, 2014 for the change of Trustee and to amend certain clause(s) of the Trust Deed of the Scheme through 1st Supplemental Trust Deed . The process of handing over and taken over from retiring Trustee “MCB Financial Services Limited (Formerly Muslim Commercial Financial Services (Pvt.) Limited) (MCFSL)” and new Incoming Trustee “ Central Depository Company Pakistan Limited (CDC)” was done at mutually decided effective date February 21, 2014.

The changes with respect to new incoming Trustee have been incorporated in the Trust Deed and now as per requirement of law, this Consolidated Trust Deed updated up to 1st Supplemental Trust Deed is also being registered under Sindh Act, 2000 between UBL Fund Managers Limited as Management Company and Central Depository Company Pakistan Limited (CDC)” as trustee.

### **BETWEEN:**

**UBL FUND MANAGERS LIMITED**, a company incorporated under the Companies Ordinance, 1984, with its registered office at 4<sup>th</sup> Floor, STSM Building, Beaumont Road, Civil Lines, Karachi, Pakistan (the “**Pension Fund Manager**”), of the one part;

### **AND:**

**Central Depository Company of Pakistan Limited** at CDC House, 99-B, S.M.C.H.S., Main Shahra-e-Faisal, Karachi Pakistan (the “**Trustee**”), of the other part.<sup>2</sup>

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<sup>2</sup> Amended as per 1<sup>st</sup> Supplemental Trust Deed effective date February 21, 2014

## WHEREAS:

- (A) The Pension Fund Manager is a non-banking finance company licenced by the Commission under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 through licence No. NBFC- II/ 32/ UBLFM/ AMS/ 18/ 2009 dated July 31, 2009 & NBFC- II/ 33/ UBLFM/ IAS/ 15/ 2009 dated July 31, 2009 (appended hereto as Annexure "A") to carry out Asset Management Services and Investment Advisory Services and registered with the Commission under the Voluntary Pension System Rules, 2005 through certificate of registration No. SECP/PW/Reg-05/UBL dated 29 July 2009 (appended hereto as Annexure "B") as a pension fund manager;
- (B) the Pension Fund Manager has been allowed by the Commission through its letter No. 9 (1) SEC/SCD/PW-UBL-01/75 dated 05 November 2009 (appended hereto as Annexure "C") to constitute a pension fund and to register this Trust Deed, pending authorization for the establishment and operation of the Pension Fund in accordance with the provisions of the Rules and this Trust Deed;
- (C) the Pension Fund Manager has appointed the Trustee as trustee of the Pension Fund and the Trustee has accepted such appointment upon the terms and conditions herein contained; and
- (D) the Commission has approved the appointment of the Trustee as trustee of the Pension Fund through letter No.9 (1) SEC/SCD/PW-UBL-01/77 dated 06 November 2009 (appended hereto as Annexure "D");
- (E) The "Pension Fund Manager" and the "Retiring Trustee" executed Trust Deed on XXXXX, 2010 to constitute UBL Islamic Retirement Saving Fund (UIRSF), (referred to in the said Trust Deed as "the Scheme" or "the Trust" or "the Unit Trust" or "the Fund"), an open end scheme registered as Voluntary Pension Scheme in terms of Rule 9 of Voluntary Pension System Rules, 2005 ,
- (F) The Pension Fund Manager has proposed to change the Trustee of the Fund vide its letter dated October 11, 2013 and MCBFSL has accepted to retire from the trusteeship of the Fund vide its letter No. MCBFSL/COM/6330/13 dated November 26, 2013.
- (G) CDC has accorded its consent to the Pension Fund Manager for being appointed as trustee of AL-Ameen Islamic Retirement Savings Fund (formerly UBL Islamic Retirement Savings Fund) ("UIRSF" or the "Fund" or the "Trust" or the "Scheme") in place of MCBFSL vide its letter No. CDC/T&C-S II/DH/0377/2013 dated December 03, 2013.
- (H) The pension fund be renamed as Al-Ameen Islamic Retirement Savings Fund.
- (I) The SECP has approved the appointment of CDC as Trustee of the UBL

Islamic Retirement Saving Fund (UIRSF) in place of MCBFSL and change of name of the fund from UBL Islamic Retirement Savings Funds to Al-Ameen Islamic Retirement Savings Fund vide its letter No. SCD/PW/UBL-0/5092/2013 dated January 01, 2014 , annexed hereto as Annexure.

- (J) The Pension Fund Manager , MCBFSL as the outgoing trustee and CDC as the incoming trustee, hereby agree upon the terms and conditions for the retirement of MCBFSL and the contemporaneous appointment of CDC as the trustee of UIRSF with effect from the Effective date mentioned in Clause 1 hereafter. The Pension Fund Manager and CDC as the incoming trustee have also agreed to amend certain clauses of the Trust Deed in accordance with Clause 18 thereof.
- (K) The SECP has approved the amendments to the Trust Deed, vide its letter No. SCD/PW/UBL-0/5092/2013 dated January 01, 2014 , annexed hereto as Annexure .
- (L) The Pension Fund Manager and CDC have agreed to amend certain clauses of the Trust Deed in accordance with Clause 18 thereof.

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<sup>3</sup> Amended as per 1<sup>st</sup> Supplemental Trust Deed effective date February 21, 2014

**NOW, THEREFORE, THIS DEED WITNESSES AND IT IS HEREBY AGREED AND DECLARED AS FOLLOWS:**

**1. CONSTITUTION OF THE AL AMEEN ISLAMIC RETIREMENT SAVINGS FUND<sup>4</sup>**

**1.1 PENSION FUND HELD ON TRUST**

1.1.1 A pension fund is hereby constituted and created as a trust under the Trusts Act, 1882 with the name of “**Al Ameen ISLAMIC Retirement Savings Fund**”<sup>5</sup>. The Trustee is hereby nominated, constituted and appointed as the trustee of the Pension Fund, including the Sub-Funds, Individual Pension Accounts, Approved Income Payment Plans and any other structures or plans as may be related to the Pension Fund from time to time, and of all other Trust Property, and the Trustee hereby accepts such appointment and it is declared and agreed that:

- (a) the Trustee shall hold and stand possessed of all of the Trust Property that may from time to time hereafter be vested in the Trustee upon trust as a collection of Sub-Funds, Individual Pension Accounts, Approved Income Payment Plans or any other structures or plans as may be related to the Pension Fund from time to time to provide the benefits under the Pension Fund, subject as provided in this Trust Deed and the Rules;
- (b) each Sub-Fund shall be a common fund (collective investment scheme) whose property shall be held by the Trustee on trust for the benefit of all of the Participants holding Units of the Sub-Fund according to the number of Units of the Sub-Fund held by such Participants, and such Participants shall rank pari passu inter se in relation to such benefit;
- (c) balances in any Individual Pension Account and Approved Income Payment Plan shall be held on trust for the relevant Participant;
- (d) each Participant shall only be liable to the extent of his Contribution to the Pension Fund and no further liability shall be imposed on him in respect of the Pension Fund;
- (e) the Trust Property shall be invested from time to time by the Trustee in accordance with the Investment Policy and at the direction of the Pension Fund Manager;

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<sup>4</sup> Amended as per 1<sup>st</sup> Supplemental Trust Deed effective date February 21, 2014

<sup>5</sup> Amended as per 1<sup>st</sup> Supplemental Trust Deed effective date February 21, 2014

- f) the Pension Fund Manager shall manage, operate, and administer the Pension Fund (including the Sub-Funds) strictly in accordance with the provisions and conditions contained in this Trust Deed, the Rules and Islamic Shariah as per the guidelines provided by the Shariah Advisor; and
- (g) the Trust Property shall be invested from time to time by the Trustee in accordance with the investment policy prescribed by the Commission and at the direction of the Pension Fund Manager. Furthermore, all investments shall be in accordance with Islamic Shariah as per the guidelines provided by the Shariah Advisor.

1.1.2 As soon as may be practicable and after obtaining all applicable Approvals, the Pension Fund Manager shall open participation in the Pension Fund through sale of Units of the Sub-Funds at Net Asset Value to the Eligible Persons.

1.1.3 The Pension Fund Manager may from time to time, with the consent of the Trustee and under intimation to the Commission, frame operational procedures for the conduct of the business of the Pension Fund or in respect of any necessary or incidental matter; *provided that* such procedures shall not be inconsistent with the provisions of this Trust Deed the Rules.

1.1.4 The affairs of the Pension Fund, including the Sub-Funds, Allocation Schemes, Individual Pension Accounts, Approved Income Payment Plans or any structure or plan related to the Pension Fund, shall be conducted in compliance with the Rules.

## **1.2 NAME OF THE PENSION FUND**

The name of the pension fund constituted under this Trust Deed shall be "**AL Ameen ISLAMIC Retirement Savings Fund**".<sup>6</sup>

## **1.3 REGISTERED ADDRESS OF THE PENSION FUND**

The registered address of the Pension Fund shall be 8<sup>th</sup> Floor, State Life Building, I. I. Chundrigar Road, Karachi, Pakistan or such other address as may be designated by the Pension Fund Manager from time to time under intimation to the Commission and the Trustee. The address of the Corporate Office of the Pension Fund Manager shall be 8<sup>th</sup> Floor, Executive Tower, Dolmen City, Block 4, Clifton, Karachi, Pakistan or such other address as may be designated by the Pension Fund Manager from time to time under intimation to the Commission and the Trustee.

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<sup>6</sup> Amended as per 1<sup>st</sup> Supplemental Trust Deed effective date February 21, 2014

## **1.4 SUB-FUNDS**

- 1.4.1 The Pension Fund shall initially consist of three Sub-Funds, to be called “**AIRSF Equity Sub-Fund**” (the “**Equity Sub-Fund**”), “**AIRSF Debt Sub-Fund**” (the “**Debt Sub-Fund**”) and “**AIRSF Money Market Sub-Fund**” (the <sup>7</sup>

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<sup>7</sup> Amended as per 1<sup>st</sup> Supplemental Trust Deed effective date February 21, 2014

**“Money Market Sub-Fund”**) (collectively the **“Sub-Funds”**).

- 1.4.2 The Pension Fund Manager, after successfully managing the Equity, Debt and Money Market Sub-Funds, may, with the permission of the Commission, launch additional Sub-Funds through a deed supplemental to this Trust Deed and a Supplemental Offering Document for the purpose of investments in classes of assets different from those in existing Sub-Funds (for avoidance of doubt, additional Sub-Funds may include combinations of new and existing classes of assets), including securitized investment in real estate or in assets outside Pakistan.
- 1.4.3 Each Participant of the Pension Fund will in turn be the holder of Units of the Sub-Funds in proportions determined in accordance with the Allocation Scheme selected by the Participant or, in the absence of selection by the Participant, the Default Allocation Scheme selected for the Participant by the Pension Fund Manager with Clause 6.4.6 or, in certain conditions prescribed under the Rules, of cash held in an appropriate Bank Account in the name of the Trustee.
- 1.4.4 Units held by a Participant shall be non-tradable and non-transferable to another Participant / person except in the circumstances provided in the Rules.
- 1.4.5 Each Participant shall only be liable to pay the Net Asset Value of the Units of the Sub-Funds subscribed by him and no further liability shall be imposed on him in respect of any Sub-Fund’s Units held by him. Units shall be issued only against receipt by the Trustee of full payment therefor.

## **2. GOVERNING LAW**

This Trust Deed shall be subject to and be governed by the Applicable Laws of Pakistan, including the Ordinance, the Rules, the Income Tax Ordinance, 2001, and shall be deemed for all purposes whatsoever to incorporate the provisions required to be contained in a trust deed by the Rules, and in the event of any conflict between this Trust Deed and the provisions of the Rules, the latter shall supersede and prevail over the provisions contained in this Trust Deed except where the Commission allows deviations under its power given by the Rules.

All the changes in the applicable laws and regulations shall be deemed to be a part of this deed

## **Retirement of MCBFSL and Appointment of CDC as Trustee**

- 2.1 At the Effective date mentioned in Clause 1 above, MCBFSL shall be deemed to have resigned and has ceased to be the trustee of UIRSF and CDC shall be deemed to have been appointed as the Trustee of UIRSF in place of MCBFSL. At the Effective date CDC shall be deemed to have become a party to the Trust Deed as Trustee in place of MCBFSL and all terms, conditions, responsibilities, obligations, rights and entitlements of

- the Trustee under the Trust Deed (as amended), shall become applicable to CDC, as the Trustee of UIRSF.
- 2.2 From the Effective date, all references to MCBFSL under the Trust Deed and the Offering Document shall be deemed to be references to CDC as the Trustee.
- 2.3 At the Effective date, MCBFSL shall hand over to CDC as the new Trustee, all the Trust Property, including assets, securities, instruments and all other properties of UBL Islamic Retirement Saving Fund (UIRSF), which would then be in possession or power of MCBFSL to CDC as new Trustee, along with all and any amounts in the Bank Accounts of the Fund and all sums that may be due from MCBFSL to the Fund on any count whatsoever. The handing over and taking over of Trust Property of the Fund shall be recorded through a "Memo of Handing Over and Taking Over". CDC shall hold and stand possessed of the Trust Property and perform all the functions and be subject to all obligations and liabilities of the Trustee of the Fund and shall exercise all rights, privileges and powers of the Trustee, as contained in the Trust Deed, the Offering Document, the Voluntary Pension System Rules, 2005 (as amended or substituted from time to time) in place of MCBFSL, subsequent to Effective date.
- 2.4 The retirement of MCBFSL and appointment of CDC in its place as the trustee of the Fund shall be deemed to be contemporaneous so that the continuity of the Trust and its business and operations are maintained without any disruption.<sup>8</sup>

### **3. OPERATORS AND PRINCIPLES**

#### **3.1 PENSION FUND MANAGER**

- 3.1.1 Subject to Clause 7.4, the Pension Fund Manager to the Pension Fund shall be:

##### **UBL Fund Managers Limited (UBL FUNDS)**

Corporate Office:  
8th Floor, Executive Tower  
Dolmen City, Block 4, Clifton  
Karachi, Pakistan

Registered Office:  
8<sup>h</sup> Floor, State Life Building No.1  
I. I. Chundrigar Road  
Karachi, Pakistan

Any change in the Corporate Office or Registered Office address of the Pension Fund Manager shall be notified by the Pension Fund Manager to the Commission and the Trustee from time to time.

- 3.1.2 The corporate profile of and up-to-date information regarding the Pension Fund Manager as of the date of the Offering Document shall be given in the Offering Document.
- 3.1.3 As of the date of this Trust Deed, the board of directors of the Pension Fund Manager comprises of:

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<sup>8</sup> Amended as per 1<sup>st</sup> Supplemental Trust Deed effective date February 21, 2014

<b>Name of Director</b>	<b>Position</b>	<b>Other Directorships</b>	<b>Occupation</b>	<b>Address</b>
Mohammad Asghar	Director / Chairman	1. Pakistan Agricultural Storage & Services Corporation Limited (PASSCO) 2. UBL Insurers 3. UBL Executors and Trustees	Banker	23/B GF-1, Sea View Apartment, Phase-V, DHA, Karachi
Atif. R. Bokhari	Director	1. United Bank A.G. Zurich, Switzerland 2. United Executors & Trustees Co. Ltd. 3. United National Bank UK 4. First Women Bank Ltd. 5. Pakistan Machine Tool Factory 6. Institute of Bankers Pakistan 7. Pakistan Bankers Association	Banker	22/1, Khayaban-e-Amir Khusro, DHA Phase VI, Karachi
Mir Muhammad Ali, CFA	Chief Executive/ Director	1. Mutual Fund Association of Pakistan (MUFAP) 2. CFA Association of Pakistan	Investment Management	18/2, 18th Street, Off Khayaban-e-Tanzeem, DHA Phase V, Karachi
Aameer Karachiwalla	Director	1. United Executors & Trustees Co. Ltd. 2. . United National Bank-London 3. UBL Insurers	Banker	35/III, Khayaban-e-Bokhari, Corner 9th Street, Phase No. 6, DHA, Karachi.
Ali Sameer Farooqui	Director	1. United Executor & Trustee Co. Ltd	Banker	4, Khayaban-e-Hafiz, Phase V, DHA, Karachi
Saeed Iqbal	Director	1. World bridge International 2. World bridge Pakistan 3. TheResource Group International 4. The Resource Group Pakistan 5. Cinepax Limited 6. Techlogix International Limited	Banker	3/6/G, Block 6 P.E.C.H.S., Karachi

Shabbir Hussain Hashmi	Director	1. Engro Chemical Pakistan Ltd 2. Engro Polymer & Chemicals Ltd 3. Engro Power Gen (Pvt) Ltd 4. LMKR Holdings Mauritius and LMKR Pakistan (Pvt) Ltd.	Consultant	90/1, 11 <sup>th</sup> Street, Khayaban- e-Shear, Phase 6, DHA Karachi
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### 3.2 TRUSTEE

3.2.1 Subject to Clause 7.6, the Trustee of the Pension Fund shall be:

**Central Depository Company of Pakistan Limited (CDC)<sup>9</sup>**

Registered Office:

CDC House, 99-B, S.M.C.H.S., Main Shahra-e-Faisal, Karachi Pakistan.

Any change in the Registered Office address of the Trustee shall be notified by the Trustee to the Commission and the Pension Fund Manager.

3.2.2 The corporate profile of and up-to-date information regarding the Trustee as of the date of the Offering Document shall be provided in the Offering Document.

### 3.3 DISTRIBUTION COMPANIES

3.3.1 The main Distribution Company of the Pension Fund shall be UBL Fund Managers Limited and its branches.

3.3.2 The Pension Fund Manager may from time to time appoint or remove other Distribution Companies for the Pension Fund under intimation to the Commission and the Trustee.

### 3.4 AUDITOR

3.4.1 The first Auditor of the Pension Fund shall be:

**KPMG Taseer Hadi & Co**

Karachi Office

First Floor, Sheikh Sultan Trust Building No. 2

Beaumont Road

Karachi 75330

whose term of office shall expire on the transmission of the first annual report and accounts but may be reappointed as may be specified in the Rules from time to time.

3.4.2 After the date referred to in Clause 3.4.1, the Pension Fund Manager shall,

<sup>9</sup> Amended as per 1<sup>st</sup> Supplemental Trust Deed effective date February 21, 2014

with the consent of the Trustee, appoint as the Auditor a firm of chartered accountants who shall be independent of the auditor of the Pension Fund Manager and the Trustee. The Pension Fund Manager may at any time, with the concurrence of the Trustee, and shall, if required by the Commission, remove the Auditor and appoint another Auditor in its place. At all times the Pension Fund Manager shall ensure that the Auditor is appointed from the panel of auditors, if any, prescribed by the Commission for this purpose.

- 3.4.3 The Auditor shall hold office until transmission of the annual report and accounts. The Auditor shall be appointed for a term of one year (except the first Auditor whose first term may be shorter than one year), but no Auditor shall be appointed for more than three consecutive terms. An Auditor who has been appointed for three consecutive terms shall be eligible for reappointment after the lapse of at least one year.
- 3.4.4 A person who is not qualified to be appointed as auditor of a public company under the terms of Section 254 of the Ordinance shall not be appointed as the Auditor.
- 3.4.5 A person who is not qualified to be appointed as auditor under the terms of Sections 254(3) and 254(4) of the Ordinance shall not be appointed as the Auditor. For the purposes of this Clause 3.4.5, references to “company” in those Sections shall be construed as references to the Pension Fund Manager and the Trustee. Section 254(5) of the Ordinance will apply to the Auditor *mutatis mutandis*.
- 3.4.6 Appointment of a partnership firm as the Auditor shall be deemed to be the appointment of all persons who are partners in the firm from time to time.
- 3.4.7 The Auditor shall have access to the records, books, papers, accounts and vouchers of the Trust, whether kept at the office of the Pension Fund Manager, Trustee, Custodian, Registrar or elsewhere, and shall be entitled to require from the Pension Fund Manager, the Trustee and their directors, officers and agents such information and explanations as considered necessary for the performance of audit.
- 3.4.8 The Auditor shall prepare an auditor’s report in accordance with the requirements of the Rules and other Applicable Laws for transmission to the Commission and the Participants.
- 3.4.9 In case the Rules or other Applicable Laws relating to appointment of auditors of pension funds are amended or substituted, the amended Rules or other Applicable Laws, as the case may be, shall be deemed to become part of this Trust Deed without the need to execute a supplemental trust deed.
- 3.4.10 The Auditors shall also act as Shariah compliance Auditors, and shall complete an annual Shariah compliance audit of the Pension Fund for each

Accounting Period and shall issue a Shariah compliance audit report to be included in the Annual Report of the Pension Fund. The report shall assess the compliance of the Pension Fund with the investment guidelines recommended by the Shariah Advisor.

- 3.4.11 The Commission shall monitor general financial condition of the Pension Fund, and, at its discretion, may order special audit and appoint an auditor who shall not be the external auditor of the Pension Fund, to carry out detailed scrutiny of the affairs of the Pension Fund, provided that the Commission may, during the course of the scrutiny, pass such interim orders and give directions as it may deem appropriate. On receipt of the special audit report, the Commission may direct the Pension Fund Manager to do or to abstain from doing certain acts and issue directives for immediate compliance which shall be complied forthwith or take such other action as the Commission may deem fit.

### **3.5 LEGAL ADVISER**

- 3.5.1 The first legal adviser of the Pension Fund shall be:

**Akhund Forbes**  
D21, Block 4  
Scheme 5, Clifton  
Karachi, PAKISTAN

- 3.5.2 The Pension Fund Manager may, in consultation with the Trustee, replace the legal adviser or appoint a new legal adviser to a vacancy created by the resignation or removal of the legal adviser. The particulars of the new legal adviser shall be deemed to become part of this Trust Deed without the need to execute a supplemental trust deed.

### **3.6 SHARIAH ADVISER**

- 3.6.1 The Pension Fund Manager shall appoint, with the approval of the Commission, a Shariah Advisor who shall advise the Pension Fund regarding Islamic Shariah.

- 3.6.2 The Pension Fund Manager may, in consultation with the Trustee and with the approval of the Commission, replace the Shariah Advisor with a new Shariah Advisor or appoint a new Shariah Advisor to a vacancy created by the resignation of the Shariah Advisor or the removal of the Shariah Advisor by the Commission. The particulars of the new Shariah Advisor shall be deemed to become part of this Trust Deed without the need to execute a supplemental trust deed.

## **4. CHARACTERISTICS OF THE FUND**

### **4.1 ELIGIBLE PERSONS**

All individuals fulfilling the eligibility criteria prescribed by the Commission under the Rules shall be eligible to contribute to the Pension Fund authorized under the Rules.

Each Eligible Person who opens an Individual Pension Account with the Pension Fund Manager may make Contributions to the Pension Fund, directly as well as through employers of such Eligible Person.

### **4.2 PROCEDURE FOR OPENING INDIVIDUAL PENSION ACCOUNTS**

4.2.1 The Pension Fund Manager shall be responsible for obtaining all Approvals required in connection with the Pension Fund.

4.2.2 Participation in the Pension Fund shall be offered through Authorized Branches. The Pension Fund Manager shall act as the main Distribution Company.

4.2.3 For an Eligible Person to join the Pension Fund as a Participant, they must open an Individual Pension Account with the Pension Fund Manager using the Prescribed Application Form. Only Eligible Persons may apply to join the Pension Fund as Participants.

4.2.4 The Pension Fund Manager shall make arrangements, from time to time, for receiving the completed Prescribed Application Forms and Contributions from or on behalf of Eligible Persons and Participants located outside Pakistan. Details of these arrangements shall be disclosed in the Offering Document.

4.2.5 The Pension Fund Manager shall make arrangements to ensure that Prescribed Application Forms can be obtained in hard copy or electronic form from the Pension Fund Manager, the Authorised Branches and the Sales Agent and/or downloaded from the Pension Fund Manager's website.

4.2.6 Application for opening an Individual Pension Account shall be made by completing a Prescribed Application Form and submitting it with the first Contribution payment, in such form (except in the form of cash) as prescribed by the Pension Fund Manager, in favor of the Trustee at any Authorized Branch of any Distribution Company or directly lodging the completed form with the Pension Fund Manager (for the avoidance of doubt, it is clarified that no other person (including Sales Agents) shall be authorized to accept on

behalf of the Pension Fund Manager any Prescribed Application Forms or any Contributions or any other payment to the Pension Fund Manager or the Pension Fund). The Distribution Company shall ensure that the submitted application is complete in every regard and shall verify that the applicant is an Eligible Person and that the signature of the applicant to any document required to be signed by him under or in connection with the application matches with the applicant's signature as per the applicant's Computerised National Identity Card ("CNIC") or National Identity Card for Overseas Pakistanis ("NICOP").

- 4.2.7 If after receipt of the application by the Distributor, but prior to issue of the Units, the application is found by the Pension Fund Manager, Registrar or the Distributor to be incomplete or incorrect in any material respect, the Pension Fund Manager, Registrar or the Distributor shall advise the applicant Eligible Person in writing to remove the discrepancy whereupon the application shall not be acted upon by the Pension Fund Manager, and in the event the discrepancy is not removed within fifteen days after such advice is given, the amount received together with the application shall promptly be refunded without any accrued interest or mark-up. Applicants shall indicate their Individual Pension Account Number when making each payment of Contribution except when making payment of the first Contribution.
- 4.2.8 Each applicant shall obtain a receipt signed and stamped by an authorized officer of the Distributor acknowledging the receipt of the application, copies of other documents prescribed therein and the demand-draft, pay-order, cheque or deposit slip, as the case may be, submitted together with the application. Such receipt for applications and payment instruments (other than cash) shall only be validly issued by the Distributors.
- 4.2.9 If an application received pursuant to this Clause 4.2 is found by the Pension Fund Manager, Registrar or the Distributor to be complete and correct in all material respects, the Pension Fund Manager, Registrar or the Distributor shall advise the applicant in writing of the opening of the applicant's Individual Pension Account with the Pension Fund Manager and shall also advise the applicant the number of such account.
- 4.2.10 The application procedure described in Clauses 4.2.1 to 4.2.9 may be altered by the Pension Fund Manager from time to time with the approval of the Commission and the Trustee. Such alterations shall be announced through Supplemental Offering Documents issued by the Pension Fund Manager from time to time and shall be deemed to correspondingly alter the provisions of Clauses 4.2.1 to 4.2.9 without the need to execute a supplemental trust deed.

### **4.3 CONTRIBUTION PROCEDURES**

- 4.3.1 A Participant or their employer, if any, may make Contributions in one lump

sum or in installments during any Tax Year.

- 4.3.2 The Offering Document shall stipulate the minimum amount of initial Contribution that is required to open an Individual Pension Account and the Pension Fund Manager may from time to time change such minimum amount through a Supplementary Offering Document.
- 4.3.3 Contributions shall be made subject to the provisions of the Income Tax Ordinance, 2001 (Ordinance No.XLIX of 2001).
- 4.3.4 The Pension Fund Manager shall directly or through the Registrar send an acknowledgement of receipt of each Contribution along with a statement of account to the Participant within one week of the receipt of the Contribution.
- 4.3.5 The Pension Fund may be marketed in conjunction with group life or other insurance/ Takaful schemes or any other scheme, subject to approval of the Commission. Such supplementary schemes shall not be compulsory for all the Participants to join, and the Trustee shall on the instruction of Pension Fund Manager deduct any premia payable in respect of such schemes from the Contributions of those Participants who have opted to join such schemes. The premia in respect of such schemes deducted by the Trustee from the Contributions of any Participant shall be paid by the Trustee on the instruction of Pension Fund Manager to the relevant companies issuing such schemes for account of the Participant and only the net amount of Contributions received after deduction of such premia and any bank charges shall form part of the Trust Property.
- 4.3.6 If the Pension Fund Manager so specifies in the Offering Document or in any Supplementary Offering Document, Contributions paid into the Pension Fund must not be less than such minimum amount as may be specified in the Offering Document or any Supplementary Offering Document.
- 4.3.7 Any alterations to the contribution procedure enunciated in Clauses 4.3.1 to 4.3.6 arising out of amendments to or substitutions of the Rules and/or the Income Tax Ordinance, 2001 and/or the Income Tax Rules shall be announced by the Pension Fund Manager through Supplementary Offering Documents and such alternations shall be deemed to correspondingly alter the provisions of Clauses 4.3.1 to 4.3.6 without need for executing a supplemental trust deed.

#### **4.4 INDIVIDUAL PENSION ACCOUNTS**

- 4.4.1 The Pension Fund Manager shall assign a unique Customer ID to the Individual Pension Account of each Participant. Such unique Individual Pension Account number shall be issued in line with the criteria prescribed by the Commission.

- 4.4.2 Contributions received from or on behalf of any Participant by any Distributor in cleared funds on any Business Day shall be credited by the Distributor on the same Business Day to the Individual Pension Account of the Participant after deducting the Front-end Fees, any premia payable in respect of any schemes selected by the Participant pursuant to Clause 4.3.5 and any bank charges in respect of the receipt of such Contributions, and the net Contribution received in the Individual Pension Account shall be used by the Trustee to purchase such number of Units of the relevant Sub-Funds as is determined in accordance with this Trust Deed and the Units shall be purchased at Net Asset Value notified by the Pension Fund Manager at the close of that Business Day.
- 4.4.3 Contributions shall not be treated as having been received from or on behalf of any Participant by the Distributor unless they are received by the Distributor or the Trustee in cleared funds and only the amount received in cleared funds shall be treated as the Contribution received.
- 4.4.4 If any Contribution is received from or on behalf of any Participant by the Distributor in cleared funds on a day which is not a Business Day, it will be treated as having been received on the first following Business Day.

## **4.5 CHANGE OF PENSION FUND BY PARTICIPANTS**

- 4.5.1 Participants shall be entitled to transfer in accordance with the terms of this Trust Deed the whole or any part of their Individual Pension Account with the UBL Islamic Retirement Savings Fund to a pension fund managed by another pension fund manager.
- 4.5.2 No charge, whatsoever called, shall be deducted for any transfer of a Participant's Individual Pension Account to a pension fund managed by another pension fund manager.
- 4.5.3 The Pension Fund Manager shall use any cleared funds received for the account of a Participant's Individual Pension Account from a pension fund managed by another pension fund manager to purchase such number of Units of the relevant Sub-Funds as is determined in accordance with this Trust Deed and the Units shall be purchased at Net Asset Value notified at the close of the Business Day on which such cleared funds are received by the Trustee.
- 4.5.4 If a Participant desires to transfer his Individual Pension Account, the Participant shall specify in an application given to the Pension Fund Manager the name of the new pension fund manager, the name of the new pension fund, the individual pension account number with the new pension fund manager and the percentage of Units held in the Participant's Individual Pension Account to be transferred. The application shall be given in a form prescribed by the Pension Fund Manager through the Offering Document.

- 4.5.5 Where an application in accordance with the requirements of Clause 4.5.4 is received by the Pension Fund Manager from or on behalf of any Participant at least thirty days prior to any anniversary date of opening of the Participant's Individual Pension Account, the Pension Fund Manager shall, on the anniversary date or, if the anniversary date is not a Business Day, on the first Business Day following the anniversary date, redeem the percentage of Units to be transferred held in the Individual Pension Fund Account at Net Asset Value of the Units notified at the close of the redemption date and shall on the first Business Day following the redemption date transfer the proceeds of the redemption to the pension fund nominated by the Participant; *provided that* where the Units held in the Participant's Individual Pension Account are held in two or more Sub-Funds, Units shall be redeemed from each of the Sub-Funds on the basis of the percentage specified by the Participant.
- 4.5.6 In the event the Commission cancels the registration of the Pension Fund Manager as a pension fund manager or discontinues the authorization of the Pension Fund, in each case in accordance with the Rules and other Applicable Laws, the Pension Fund Manager shall, as soon as practicably possible thereafter, transfer the Individual Pension Accounts of the Participants to pension funds managed by other pension fund managers as selected by the Participants or as directed by the Commission.
- 4.5.7 Participants having pension policies approved by the Commission under Section 63 of the Income Tax Ordinance, 2001 (XLIX of 2001) and issued by Life Insurance/ Takaful Companies before 30 June 2005 are eligible to redeem their units and transfer the balance to their Individual Pension Account, subject to the Rules.

## **4.6 REGISTER OF PARTICIPANTS**

- 4.6.1 The Pension Fund Manager shall perform the Registrar Functions directly or it may appoint a Registrar for such purpose, but in each case the responsibility for performing the Registrar Functions shall be that of the Pension Fund Manager itself. Where the Pension Fund Manager appoints a Registrar for performing the Registrar Functions, the Pension Fund Manager shall ensure that the Registrar complies with all relevant provisions of this Trust Deed and the Rules.
- 4.6.2 The Pension Fund Manager or, as the case may be, the Registrar shall maintain the Register at their respective registered office.
- 4.6.3 The Register shall be maintained in electronic form and be password protected. The Pension Fund Manager shall provide access or shall ensure that access is provided to the Register to all the Participants for viewing information pertaining to the Participants themselves. The Pension Fund Manager shall ensure that the record keeping system employed for

maintaining the Register contains a computerized transaction log which records changes to each Participant's Individual Pension Account, who made them and when they were made. The Pension Fund Manager shall make or shall ensure that the Registrar shall make sufficient provision for taking regular back ups of the Register and for back up storage at an off-site location.

- 4.6.4 The Pension Fund Manager shall or shall ensure that the Registrar shall at all reasonable times during business hours give the Trustee and its representatives access to the Register and to all subsidiary documents and records or certified copies thereof and to inspect the same with or without notice and without any charge. With the prior written approval of the Commission and under intimation to the Pension Fund Manager, the Trustee or its representative may remove the Register to a different location or make any entries therein or alterations thereto.
- 4.6.5 The Registrar shall, within three working days of receiving a written request from any Participant, give to such Participant (whether by post, courier or through electronic means) details of such Participant's account in the Register. Such service shall be provided free of charge to any Participant so requesting once in any financial year. The Pension Fund Manager may, with the approval of the Commission, prescribe charges for servicing any additional requests. The details of charges, if any, shall be disclosed in the Offering Document or in any Supplementary Offering Document from time to time.
- 4.6.6 The Register shall, in respect of each Participant, contain the information required by or under the Rules and shall, at the minimum, contain the following information:
- (a) registration number;
  - (b) Individual Pension Account number;
  - (c) full name, father's name, residency status, CNIC number (in respect of Pakistan nationals) or NICOP number (in respect of overseas Pakistanis), National Tax Number and addresses of Participant;
  - (d) if Participant is registered through an employer:
    - (i) employer's name;
    - (ii) registered address;
    - (iii) National Tax Number;
    - (iv) number of employees contributing in VPS; and
    - (v) employer's contact details;
  - (e) date of birth and sex of the Participant;
  - (f) complete record of the amount and date of each Contribution paid by the Participant;
  - (g) complete record of the amount and date of each Contributions paid

- on behalf of the Participant by the Employer;
  - (h) date and amount of incoming and outgoing transfers to and from the Participant's Individual Pension Account;
  - (i) the number of Sub-Fund Units allocated and held in the name of the Participant in the Individual Pension Account or balance of the Participant's Approved Income Payment Plan;
  - (j) the date on which the name of the Participant was entered in respect of the Sub- Fund Units standing in his name;
  - (k) tax/zakat status of the Participant;
  - (l) nominee(s) of the Participant;
  - (m) record of specimen signatures of the Participant and his nominee(s);
  - (n) information on retirement of the Participant and the payments made or to be made thereupon or thereafter;
  - (o) information on death of Participant and transfers made to the Participant's heirs; and
  - (p) such other information as may be specified by the Commission or required by the Pension Fund Manager.
- 4.6.7 The Register shall be conclusive evidence as to the Units of Sub-Funds held in a Participant's Individual Pension Account or balances of the Participant's Approved Income Payment Plan.
- 4.6.8 Any change of address or status of any Participant shall forthwith be notified in writing to the Registrar who, upon being satisfied with the supporting evidence provided therefor, shall update the Register with the change.
- 4.6.9 The Participant or his nominee (in case of death of the Participant), as the case may be, shall be the only persons to be recognized by the Trustee, the Pension Fund Manager and the Registrar as having any right, title or interest in or to the Units held by the Participant and the Trustee, the Pension Fund Manager and the Registrar may recognize the Participant as the absolute owner thereof and shall not be bound by any notice to the contrary and shall not be bound to take notice of or to see to the execution of any trust, except where required by any court of competent jurisdiction.
- 4.6.10 Upon being satisfied that any Contribution has been received by the Trustee in cleared funds from any Participant, the Registrar shall, within one week (seven days) of the receipt of the Contribution, issue a receipt therefor together with an account statement that shall constitute evidence of the number of Sub-Fund Units or Individual Pension Account or Approved Income Payment Plan balances registered in the name of the Participant and shall contain such other information as may be prescribed by the Commission from time to time.
- 4.6.11 While making payment of the benefits from the Pension Fund to any Participant, the Pension Fund Manager shall ensure that adequate description of the reasons for the payment (for example, retirement, disability,

death benefit) is mentioned in the Register.

- 4.6.12 The Pension Fund Manager shall ensure that the information on the Register shall remain accessible for three years after the last amount in relation to the Pension Fund payable to the Participant, to any other pension fund manager nominated by the Participant to which the Individual Pension Account has been transferred or to any heirs or nominated survivors of the Participant, has been paid.

## **4.7 DATE OF RETIREMENT**

- 4.7.1 A Participant may at any time before or after becoming a Participant choose or change his date of retirement which shall be any date from and including his sixtieth (60th) birthday to and including his seventieth (70th) birthday. The Participant shall send a notice choosing or changing his date of retirement to the Pension Fund Manager and such notice shall be effective only if it is received by the Pension Fund Manager at least thirty days before the chosen or changed date of retirement.

- 4.7.2 If a Participant suffers from any of the following disabilities which render him unable to generate any income, he may, if he so elects, be treated as having chosen the date of such disability as his date of retirement, namely:

- (a) loss of two or more limbs or loss of a hand and a foot;
- (b) total loss of eyesight;
- (c) total deafness in both ears;
- (d) very severe facial disfigurement;
- (e) total loss of speech;
- (f) paraplegia or hemiplegia;
- (g) lunacy;
- (h) advanced case of incurable disease; or
- (i) any injury or disease resulting in a disability due to which the Participant is unable to generate any income.

- 4.7.3 An assessment certificate from the medical board approved by the Commission and appointed by the Pension Fund Manager or any other assessment procedure that the Commission may approve from time to time shall be required to confirm any disability specified in Clause 4.7.2.

## **4.8 BENEFITS ON RETIREMENT**

On the date of retirement of a Participant or, if such date is not a Business Day, on the first Business Day following the date of retirement all of the Units held by him in his Individual Pension Account shall be redeemed at Net Asset Value of each Unit notified at close of the day of redemption and the proceeds realized thereby shall be credited to his Individual Pension Account, which shall earn the rate of interest, markup or profit paid to

depositors for deposits of a similar maturity by a Bank selected by the Pension Fund Manager in its discretion. The Participant shall then have the following options, namely:

- (a) withdraw up to fifty per cent (50) of the amount in his Individual Pension Account in cash; **and**
- (b) **either** purchase an Approved Annuity Plan from a Life Insurance/ Takaful Company of his choice with the remaining amount; *provided that* the Approved Annuity Plan purchased may be single life, joint or survivor life, level (with or without guarantee period), increasing, investment linked and retail price index linked or with any additional features as may be offered by the Life Insurance/ Takaful Company;  
**or**
- (c) enter into an agreement with the Pension Fund Manager to transfer his remaining balance to an Approved Income Payment Plan offered by the Pension Fund Manager and withdraw from it monthly installments till the age of seventy five years or earlier according to the Approved Income Payment Plan. Details of the Approved Income Payment Plan offered by the Pension Fund Manager shall be disclosed in the Offering Document and shall be subject to amendment through Supplementary Offering Documents from time to time.

## **4.9 WITHDRAWAL OF FUNDS BEFORE RETIREMENT**

- 4.9.1 On any Business Day and from time to time before the date of retirement a Participant may redeem the whole or any part of the Units held by him in his Individual Pension Account subject to the conditions laid down in the Income Tax Ordinance, 2001 (XLIX of 2001). The withdrawals may be through single or multiple payments and may be liable to withholding tax or tax penalty, and in case any such liability exists the amount of withholding tax or tax penalty shall be deducted by the Pension Fund Manager from the amount withdrawn and such deducted amount shall be paid to the relevant Authority.
- 4.9.2 Where the request made by a Participant under Clause 4.9.1 is for partial withdrawal from his Individual Pension Account, the request shall be given effect to by redemption of Units of Sub-Funds in such proportion that the remaining balance in his Individual Pension Account is in accordance with the Allocation Scheme last selected by the Participant.
- 4.9.3 If a Participant intends to withdraw funds from his Individual Pension Account before the date of his retirement, he must give written notice of his intention to the Pension Fund Manager in the form prescribed for such purpose by the Pension Fund Manager in the Offering Document, specifying therein whether the withdrawal is required of the whole or part of the Units held by him, and in

the case of part withdrawal, the percentage of Units to be withdrawn.

- 4.9.4 The Pension Fund Manager shall ensure that the form referred to in Clause 4.9.3 shall be available from Authorised Branches and such form shall, if completed by the Participant and submitted to any Authorised Branch, shall be taken to be the notice to the Pension Fund Manager referred to in that Clause.
- 4.9.5 On any Business Day being not later than the sixth (6th) Business Day after the Participant submitted the completed form to any Authorised Branch under Clause 4.9.4, the Pension Fund Manager shall, subject to Clause 4.9.2, redeem the relevant number of Units held by Participant in his Individual Pension Account at Net Asset Value notified at close of the day on which the Participant submitted the completed form as aforesaid or, if such day is not a Business Day, on the first Business Day following that day and the proceeds realized thereby shall be paid to the Participant subject to Clause 4.9.1.
- 4.9.6 The provisions relating to withdrawal of funds before the date of retirement set out in Clauses 4.9.1 to 4.9.5 may change due to amendments in or substitutions of the Rules and/or the Income Tax Ordinance, 2001. Any such changes shall be deemed to become part of this Trust Deed without the need for executing supplemental trust deeds.

## **4.10 BENEFITS ON DEATH BEFORE RETIREMENT**

- 4.10.1 In case of death of a Participant before the date of retirement, all the Units of the Sub-Funds to his credit shall be redeemed at Net Asset Value notified at close of the day on which information of the Participant's death acceptable to the Trustee in its sole discretion (and authenticated in such manner as the Trustee may require to its satisfaction) is given in writing to the Pension Fund Manager by any nominee, executor, administrator or successor of the deceased Participant or, if such day is not a Business Day, the first Business Day following such day, and the proceeds realized thereby shall be credited to the Participant's Individual Pension Account, which shall earn the rate of interest, markup or profit paid to depositors for deposits of a similar maturity by a Bank selected by the Pension Fund Manager in its discretion.
- 4.10.2 The total amount in the Individual Pension Account of the deceased Participant shall be divided among the survivor(s) nominated by the Participant according to the percentages specified in the nomination deed executed by the Participant and delivered to the Pension Fund Manager, and each nominated survivor shall then have the following options, namely:
- (a) withdraw his share of the amount subject to the conditions laid down in the Income Tax Ordinance, 2001 (XLIX of 2001);
  - (b) in accordance with the Rules, transfer his share of the amount into

his existing Individual Pension Account with the Pension Fund Manager or his new Individual Pension Account to be opened with the Pension Fund Manager;

- (c) if he is aged fifty five (55) years or more, use his share of the amount to purchase an Approved Annuity Plan on his life from a Life Insurance/ Takaful Company; or
- (d) if he is aged less than fifty five (55) years, use his share of the amount to purchase a deferred Approved Annuity Plan on his life from a Life Insurance/ Takaful Company to commence when he reaches the age of fifty five (55) years or later.

4.10.3 Death benefits paid to the survivor(s) nominated by a Participant under any group life cover taken out by the Participant as part of the Pension Fund shall be additional benefits payable to the nominated survivor(s).

4.10.4 After a Participant's death the only persons recognized by the Trustee and the Pension Fund Manager as having title to the Sub-Fund Units held in the deceased Participant's Individual Pension Account shall be:

- (a) the survivor(s) nominated in a nomination deed executed by the Participant in a form acceptable to the Pension Fund Manager and delivered by the Participant to the Pension Fund Manager; or
- (b) if no such deed has been delivered by the Participant to the Pension Fund Manager, the executors, administrators or successors of the deceased Participant.

4.10.5 Any person or persons becoming entitled pursuant to Clause 4.10.4 to any Sub-Fund Units in consequence of the death of any Participant may, subject as hereinafter provided, upon producing such evidence as to his title as the Trustee shall think sufficient, exercise rights under Clause 4.10.2; *provided that* in case the persons becoming entitled to any Sub-Fund Units are the executors, administrators or successors of the Participant under Clause 4.10.4(b), then in Clause 4.10.2 reference to "survivor(s) nominated" and "nominated survivor" shall be taken to mean such executors, administrators or successors and reference therein to "percentages specified in the nomination deed executed by the Participant and delivered to the Pension Fund Manager" shall be taken to mean the *inter se* ownership entitlements of such executors, administrators or successors; *provided further that* the Pension Fund Manager or the Trustee may at their discretion request such executors, administrators or successors to provide succession certificates or other such mandate from a court or lawful authority; *provided further that* the Pension Fund Manager or the Trustee shall not be liable or be involved in any manner whatsoever in any disputes among the nominated survivors and/or such executors, administrators or successors and/or the rest of the

legal heirs or the legal representatives of the deceased Participant; *provided further that* all the limitations, restrictions and provisions of this Trust Deed related to withdrawal of funds before retirement shall be applicable shall be applicable to withdrawals pursuant to Clause 10.4.2(a).

#### **4.11 INSTRUCTIONS FROM PARTICIPANTS**

All the instructions from a Participant or his nominees, executors, administrators or survivors with regard to this Pension Fund shall be in writing.

#### **4.12 VALUATION OF ASSETS**

Assets of the Pension Fund shall be valued in the manner specified in the Rules or as may be required by the Commission from time to time.

#### **4.13 FREQUENCY OF VALUATION AND DEALINGS**

4.13.1 The valuation of the Sub-Fund Units will be carried out on each Business Day.

4.13.2 The valuation shall be conducted as at the close of a Business Day.

4.13.3 Contributions from participants and requests for withdrawals and transfer to other pension fund manager will be received on all business days.

#### **4.14 MODE OF ANNOUNCEMENT OF NET ASSET VALUES**

4.14.1 The Net Asset Value of Units determined by the Pension Fund Manager shall be made available to the public at Authorized Branches. The Pension Fund Manager shall arrange to publish the Net Asset Value in a leading newspaper(s) and shall also make it available on its website.

4.14.2 Any sum or Unit price computed under this Trust Deed shall be adjusted to the nearest paisa, 2 rounded upwards.

#### **4.15 PAYMENT OF PROCEEDS**

4.15.1 The amount payable on withdrawal shall be paid to the Participant or, in accordance with this Trust Deed, to his nominated survivors, executors, administrators or successors by crossed cheque, pay order or transfer to their designated banker or Life Insurance/ Takaful Company, as the case may be, not later than the sixth (6th) Business Day from the date of presentation of the duly completed application for withdrawal at any

Authorized Branch. The Pension Fund Manager shall ensure that adequate records in respect of the reason for any payment made are maintained. At the written request of the Participant, the Pension Fund Manager may at its discretion (but shall not be bound) advise the Trustee to pay proceeds through some other mode of payment (other than cash).

- 4.15.2 In the event that any withdrawal request or request to transfer the whole or any part of a Participant's Individual Pension Account is incomplete in any respects, the Pension Fund Manager or the Registrar shall inform the Participant of the discrepancies within one week of the receipt of the request. The payment shall not be made unless all discrepancies have been removed.
- 4.15.3 In the event requests for transfer or withdrawal from the Pension Fund would result in redemption of Units on any day in excess of 10% of the issued Units of any Sub-Fund, the transfer or withdrawal requests so in excess may be deferred in accordance with the procedure set out in Clause 8.4 of this Trust Deed.
- 4.15.4 The receipt of a Participant or, in accordance with this Trust Deed, of his nominated survivors, executors, administrators or successors, or banking documents showing transfer to the Participant or, in accordance with this Trust Deed, to his nominated survivors, executors, administrators or successors, or in accordance with their instructions to any designated banker, Life Insurance/ Takaful Company or another pension fund, as the case may be, or proof of issue of a cheque and its mail to the Participant's or, in accordance with this Trust Deed, to his nominated survivors', executors', administrators' or successors' address for or of any moneys payable in respect of the Participant's Individual Pension Account shall be a good discharge to the Trustee and the Pension Fund Manager in respect of such moneys.
- 4.15.5 The method for payment of proceeds given in 4.15.1 to 4.15.4 shall be subject to change due to any changes prescribed by the Commission under the Rules and such changes shall be deemed to become part of this Trust Deed without the need to execute any supplemental trust deed.

## **4.16 WITHHOLDING TAX**

- 4.16.1 The Trustee on the advice of the Pension Fund Manager shall withhold any tax or tax penalty from payments to the Participants or, in accordance with this Trust Deed, to their nominated survivors, executors, administrators or successors, as the case may be, applicable under the Income Tax Ordinance, 2001 (Ordinance No.XLIX of 2001) and shall deposit the same in the Government treasury.

## **4.17 SHARIAH GOVERNANCE**

- 4.17.1 All operational, management and investment activities of the Pension Fund shall be undertaken in accordance with Islamic Shariah as per the guidelines provided by the Shariah Advisor.
- 4.17.2 The Shariah Advisor shall prescribe investment screening and identification criteria and guidelines for determining Shariah compatibility of investments to be made by the Pension Fund.
- 4.17.3 The Shariah Advisor shall conduct an annual audit of the operations of the Pension Fund to check compliance with the guidelines issued by it from time to time. This audit shall be followed by issuance of a certificate/ report to the Participants by the Shariah Advisor to be included in the Annual Report of the Pension Fund. This certificate/ report shall contain the Shariah Advisor's comments on and assessment of the Shariah compliance status of the Pension Fund including compliance by the Pension Fund of the Shariah Compliant investment guidelines issued by the Shariah Advisor for the period under review.
- 4.17.4 The Shariah Advisor shall also determine non-Shariah Compliant or Haram income that may have been earned by the Pension Fund during any such period of review. Such Haram income shall be distributed by the Pension Fund Manager as Charity to purify the remaining income of the Pension Fund. The method of calculation of the Haram income, its distribution across the Sub-Funds, the timing of the payment of such Haram income and the list of charities to which the Pension Fund Manager shall pay such Haram income shall be decided by the Pension Fund Manager in consultation with the Shariah Advisor and as per guidelines issued by the Commission from time to time.

## **5. FEES AND CHARGES**

### **5.1 PENSION FUND MANAGER REMUNERATION - ALLOCATION OF FRONT-END FEE**

- 5.1.1 The Pension Fund Manager may charge Front-end Fee up to a maximum of 3% from Contributions made to the Pension Fund, unless such Contributions are exempt from a Front-end Fee as provided in the Rules and this Trust Deed.
- 5.1.2 The following Contributions shall be exempt from a Front-end Fee charge:
- (a) a transfer to a Participant's Individual Pension Account received by the Trustee for the Participant's account from another pension fund manager;

- (b) a transfer to a Participant's Individual Pension Account received by the Trustee from pension policies approved by the Commission under Section 63 of the Income Tax Ordinance, 2001 and issued by Life Insurance/ Takaful Companies before 30<sup>th</sup> June 2005; and
- (c) such other Contributions and transfers as may be declared by the Commission from time to time to be exempt from a Front-end Fee charge.

5.1.3 The Pension Fund Manager, in its sole discretion, may choose to reduce or altogether waive the Front-end Fee to any Participant or employer. Once the Pension Fund Manager has reduced or waived the Front-end Fee for any Contribution, or has accepted any Contribution without imposing the Front-end Fee, the Pension Fund Manager may not later re-charge that Front-end Fee; *provided that* Pension Fund Manager's reduction or waiver of Front-end Fee for any Participant or employer or for any Contribution of any Participant does not obligate the Pension Fund Manager to reduce or waive the Front-end Fee for Contributions made by other Participants or employers or for further Contributions of or for the same Participant.

5.1.4 The remuneration of Distribution Companies and Sales Agents shall be paid exclusively from any Front-end Fee received by the Trustee and no charge shall be made against the Trust Property in respect of such remuneration. The remaining amount of any Front-end Fee collected after disbursement of such remuneration shall be paid by the Trustee to the Pension Fund Manager. If the Front-end Fee received by the Trustee is insufficient to pay the remuneration of the Distribution Companies and Sales Agents, the Pension Fund Manager shall make up the difference from its own resources.

5.1.5 Payments mentioned in Clause 5.1.4 above shall be made by the Trustee to the Distribution Companies, Sales Agents and the Pension Fund Manager or, as the case may be, by the Pension Fund Manager to the Trustee, on monthly basis in arrears within thirty days following the end of the calendar month.

5.1.6 The Front-end Fee of 3% of Contributions and the management fee of 1.5% may be subject to change due to any review by the Commission and any change shall be deemed to become part of this Trust Deed without the need for executing any supplemental trust deed.

## **5.2 PENSION FUND MANAGER - MANAGEMENT FEE**

5.2.1 The Pension Fund Manager shall be entitled to remuneration for its services out of the Trust Property by way of an annual management fee of 1.5% of the average of the values of the Net Assets of each of the Sub-Funds calculated during the year for determining the prices of the Units of the Sub-Funds.

- 5.2.2 The remuneration shall begin to accrue from the date of payment in full for all the Seed Capital Units subscribed by the Seed Investors in such manner as to achieve compliance with the undertaking given to the Commission by the Pension Fund Manager pursuant to Rule 9(3)(b) of the Rules (the “**Contribution Date**”). In respect of the first and the last Accounting Periods, such remuneration shall be prorated on the basis of the actual number of days during such period for which such remuneration has accrued against the total number of days during such period.
- 5.2.3 The remuneration due to the Pension Fund Manager shall be calculated and accrued on a daily basis and paid to the Pension Fund Manager monthly in arrears within 15 days following the end of each calendar month in accordance with Clause 5.6. At the end of each Accounting Period a reconciliation shall be conducted for any overpayments or underpayments of management fee to the Pension Fund Manager for that Accounting Period and within 15 days of the end of the Accounting Period any overpaid amount shall be refunded by the Pension Fund Manager for the account of the Pension Fund or any underpaid amount shall be paid to the Pension Fund Manager out of the Trust Property.
- 5.2.4 In consideration of the foregoing, and save as expressly provided in this Trust Deed, the Pension Fund Manager shall be responsible for the payment of all expenses it incurs from time to time in connection with its responsibilities as Pension Fund Manager. The Pension Fund Manager shall not make any charge against the Participants or against the Trust Property or against any Individual Pension Account for its services or for its expenses, except such expenses as are expressly authorized under the provisions of the Rules and this Trust Deed to be payable out of Trust Property. In the event that a Pension Fund Manager erroneously makes an incorrect charge, the Pension Fund Manager shall immediately notify the Trustee and the Commission and credit the incorrectly charged amount to the respective Sub-Funds, at its own expense.
- 5.2.5 The Pension Fund Manager shall bear all expenditures in respect of its secretarial and office space and professional management, including all accounting and administrative services provided in accordance with the provisions of this Trust Deed.

### **5.3 TRUSTEE REMUNERATION**

- 5.3.1 The Trustee shall be entitled to a monthly remuneration out of the Trust Property based on an annual tariff of charges annexed hereto (Annexure - E) and approved by the Commission, which shall be applied to the average daily Net Assets of the Pension Fund during such calendar month. The remuneration shall begin to accrue from the date of payment in full on all Sub-Fund Units subscribed by the Seed Investors, including the Pension

Fund Manager. For any period other than a full calendar month such remuneration shall be prorated on the basis of the actual number of days for which such remuneration has accrued for the total number of days in the calendar month concerned.

- 5.3.2 The remuneration due to the Trustee shall be calculated and accrued on a daily basis and paid to the Trustee monthly in arrears within 15 days following the end of each calendar month in accordance with Clause 5.6. At the end of each Accounting Period a reconciliation shall be conducted for any overpayments or underpayments of remuneration paid or payable to the Trustee for that Accounting Period and within 15 days of the end of the Accounting Period any overpaid amount shall be repaid by the Trustee for the account of the Pension Fund or any underpaid amount shall be paid to the Trustee out of the Trust Property.
- 5.3.3 In consideration of the foregoing, the Trustee shall be responsible for the payment of all expenses incurred by the Trustee from time to time in connection with its duties as trustee of the Trust. The Trustee shall not make any charge against the Participants or against the Trust Property or against any Individual Pension Account for its services or for its expenses, except such expenses as are expressly authorized to be paid out of the Trust Property under the provisions of the Rules and this Trust Deed.
- 5.3.4 The Trustee shall bear all expenditures in respect of its secretarial and office space and professional management, including all accounting and administrative services provided in accordance with the provisions of this Trust Deed.
- 5.3.5 Any change in the remuneration of the Trustee agreed to by the Pension Fund Manager shall require the prior approval of the Commission.

## **5.4 FORMATION COST**

Maximum Formation Costs of PKR 750,000/- that can be charged to the Pension Fund and shall be amortized over a period of three years and shall not include any marketing, sales, promotional or educational, communication or any form of advertisement cost.

## **5.5 OTHER EXPENSES**

Other expenses that shall be chargeable to the Pension Fund in accordance with Clause 5.6 shall include:

- (a) brokerage and transaction costs solely related to investment purchases and sales of the Trust Property;
- (b) legal costs incurred in protecting the interests of the Pension Fund

or the collective interest of the Participants;

- (c) bank charges and financial costs related to borrowings for withdrawals or transfers in relation to the Pension Fund;
- (d) audit fees in relation to the Pension Fund; and
- (e) annual fee payable to the Commission but not any fines, charges, sanctions or penalties asserted by the Commission against the Pension Fund Manager or any of its related companies, in each case in relation to the Pension Fund;
- (f) Taxes applicable to the Pension Fund on its income, turnover, assets or otherwise, if any, but not any fines, charges, sanctions or penalties asserted by the Commission against the Pension Fund Manager or any of its related companies in relation to the Pension Fund; and
- (g) custody charges, including Central Depository Company of Pakistan Limited charges, if any.

## **5.6 FEES, CHARGES, COSTS, ETC. TO BE CHARGED TO THE SUB-FUNDS**

- 5.6.1 The Pension Fund Manager's management fee and the Trustee's remuneration shall be charged each Sub-Fund in proportion to the Net Assets of each Sub-Fund.
- 5.6.2 Formation Cost shall be divided equally among all the Sub-Funds.
- 5.6.3 Brokerage and transaction costs in accordance with Clause 5.5(a), bank charges and financial costs in accordance with Clause 5.5(c), custody charges in accordance with Clause 5.5(g) and Taxes in accordance with Clause 5.5(f) shall be charged to the pertinent Sub-Funds.
- 5.6.4 Legal costs in accordance with Clause 5.5(b), audit fees in accordance with Clause 5.5(d) and annual fees payable to the Commission in accordance with Clause 5.5(e) shall be charged to the pertinent Sub-Funds in proportion to their respective Net Assets.

## **6. INVESTMENT OF THE TRUST PROPERTY & RESTRICTIONS**

### **6.1 TRUST PROPERTY**

- 6.1.1 The Trust Property initially shall be constituted out of the proceeds of the Seed Capital Units issued to the Seed Investors.

- 6.1.2 All cheques, drafts, pay orders and other instruments of payment received on account of the Contributions to the Pension Fund from time to time shall be forthwith delivered by the Distribution Companies to the Trustee in accordance with the instructions given by the Pension Fund Manager from time to time.
- 6.1.3 The net proceeds after deduction of any Front-end Fee shall constitute Trust Property vested in the Sub-Funds of the Pension Fund.
- 6.1.4 The Trustee shall take the Trust Property into its custody or under its control, either directly or through a Custodian and hold it in trust for the benefit of the Participants in accordance with the provisions of the Rules and this Trust Deed. The Trust Property shall always be kept as separate property and shall not be applied to any purpose unconnected with the Pension Fund. All registerable Investments shall be registered in the name of the Trustee and shall remain so registered until disposed of pursuant to the provisions of this Trust Deed. All expenses incurred by the Trustee in effecting such registration shall be payable out of the Trust Property.
- 6.1.5 All cash forming part of the Trust Property shall be deposited by the Trustee in separate account(s) to be opened in the name of the Trustee, as a nominee of the Pension Fund, with Banks or financial institutions having at least minimum BBB (or equivalent) rating, approved by the Pension Fund Manager. Such banks or financial institutions shall be required to allow profit thereon in accordance with the rules prescribed by such banks or the financial institutions for sharing of profits or mark-up on Shariah Compliant deposits maintained in such accounts or under any other arrangement approved by the Pension Fund Manager at rate that are not lower than rates offered by such banks and financial institutions to other depositors for deposits of similar maturity.
- 6.1.6 Save as herein expressly provided, the Trust Property shall always be kept as separate property free from any mortgages, charges, liens, or any other encumbrances whatsoever and the Trustee, the Pension Fund Manager or a Custodian shall not, except for the purpose of the Pension Fund, create or purport to create any mortgages, charges, liens or any other encumbrances whatsoever to secure any loan, guarantee, or any other obligation, whether actual or contingent, on the Trust Property.
- 6.1.7 The Trustee shall have the sole responsibility for the safekeeping of the Trust Property. In the event of any loss caused through negligent, reckless or willful act or omission on the part of the Trustee, the Trustee shall forthwith replace the lost Investment with similar investment of the same class and issue together with all rights and privileges appertaining thereto or compensate the Pension Fund to the extent of such loss.

- 6.1.8 Remuneration of the Pension Fund Manager, remuneration of the Trustee and all other expenses pursuant to Clause 5.5 shall be payable out of the Trust Property.
- 6.1.9 Formation Costs, including expenditure incurred in connection with the establishment and authorization of the Pension Fund, shall be borne by the Pension Fund, paid to the Pension Fund Manager within the first three months of complete receipt of proceeds against Seed Capital Units subscribed by the Seed Investors and amortized over a period of three years.

## **6.2 INVESTMENT POLICY OF THE PENSION FUND**

- 6.2.1 The Pension Fund Manager shall make investment of the Pension Fund in a transparent, efficacious, prudent and sound manner. The Pension Fund will initially consist of three Sub-Funds.
- 6.2.2 Prior to the Contribution Date the Trustee shall hold the Trust Property in respect of each Sub-Fund in cash in a separate account for each Sub-Fund with a Bank having at least minimum rating by a credit rating agency as specified by the Commission or shall invest such cash in Shariah Compliant short term money market investments, as advised by the Pension Fund Manager. Any income from such investments shall accrue to the Sub-Fund to which it pertains. After the Contribution Date all cash shall be invested by the Trustee strictly in compliance with the Investment Policy at the direction of the Pension Fund Manager, in Authorized Investments or in cash (including foreign currencies).
- 6.2.3 All the investments of the UBL Islamic Retirement Savings Fund shall be strictly in compliance with the Prescribed Investment Policy (subject to relaxations if any, granted by the Commission from time to time). Furthermore, Investments shall be made only in those securities that comply with the screening criteria and guidelines stipulated by the Shariah Advisor. Subject to prior approval of the Commission, the Pension Fund may invest in foreign Shariah Compliant securities issued, listed or otherwise and traded outside Pakistan on such terms, guidelines and directions as may be prescribed by the Commission and the State Bank of Pakistan from time to time.

## **6.3 RESTRICTIONS**

The Pension Fund Manager shall not at any time on behalf of the Pension Fund:

- (a) enter into a short sale transaction in any security, whether listed or unlisted;
- (b) purchase from or sell to any Connected Person any security;

- (c) lend, assume, guarantee, endorse or otherwise become directly or contingently liable for or in connection with any obligation or indebtedness of any person; *provided that* investment in sale and repurchase transactions involving Government securities or such listed securities which are regulated by the stock exchanges shall not be prohibited under this paragraph (c) subject to the condition that risk management parameters are disclosed in the Offering Document;
- (d) borrow any funds except for meeting withdrawal requests or transfer of funds to other pension fund managers in relation to the Pension Fund and such borrowing shall not exceed fifteen per cent of the total Net Asset Value of the Pension Fund at any time and shall be repayable within a period of ninety days; *provided that* any such borrowing shall be immediately communicated to the Commission with details of amount and payback plan;
- (e) invest in any security of a company if any director, officer of the Pension Fund Manager owns more than five per cent of the total nominal amount of the securities issued or collectively the directors and officers of the Pension Fund Manager own more than ten per cent of those securities; or
- (f) except where it is necessary to protect its investment, seek to acquire a controlling interest in any enterprise in which it has invested or has any other interest which would give it primary responsibility for management.

## **6.4 ALLOCATION POLICY**

- 6.4.1 A Participant has the option to select any Allocation Scheme in relation to his Contributions and shall make such selection at the date of opening his Individual Pension Account. A Participant may change any Allocation Scheme selected by him in relation to his Contributions to a different Allocation Scheme selected by him by sending written notice of the change to the Pension Fund Manager at least 15 days prior to any anniversary of the date on which his Individual Pension Account was opened and in such case the change will take effect from such anniversary or, if such anniversary date is not a Business Day, on the first Business Day following such anniversary date.
- 6.4.2 The number of Units of any Sub-Fund purchased out of Contributions made by any Participant shall be determined in accordance with the Allocation Scheme selected by the Participant.
- 6.4.3 The Pension Fund Manager may assist a Participant in the selection of a

suitable Allocation Scheme but the final decision and responsibility as to which Allocation Scheme to choose shall lie with the Participant.

- 6.4.4 The Prescribed Allocation Policy current at the date of this Trust Deed requires that the Pension Fund Manager shall offer at least four Asset Allocation Schemes. In addition Pension Fund Manager may, with the approval of the Commission, offer additional Allocation Scheme(s), for example in relation to lifecycle products. Details of all the Allocation Schemes offered in respect of the Pension Fund shall be given in the Offering Document or any Supplemental Offering Document.
- 6.4.5 The Pension Fund Manager or the Registrar shall ensure a built-in mechanism to facilitate the changes in asset allocation automatically between the Sub-Funds within the limits of the Prescribed Allocation Policy as and when required by the Pension Fund Manager.
- 6.4.6 If any Participant fails to select an Allocation Scheme at the date of opening his Individual Pension Account, the Pension Fund Manager shall allocate Contributions of the Participant to the Default Allocation Scheme as described in the Offering Document, which Default Allocation Scheme shall then be deemed to be the Participant's selected Allocation Scheme.
- 6.4.7 The Pension Fund Manager shall make re-allocation of the Sub-Fund Units between the Sub-Funds at least once a year to ensure that allocations of Sub-Fund Units of all the Participants are according to the Allocation Schemes selected by the Participants.
- 6.4.8 An Individual Pension Account shall not be subject to any lien, pledge, encumbrance or attachment in the execution of a decree, nor shall it be chargeable or assignable; and any agreement to charge or assign an allowance shall be void, and no sum shall pass to any trustee or person acting on behalf of a Participant's creditors in the event of his bankruptcy.
- 6.4.9 Each Participant shall provide an undertaking that he has no objection to the Investment Policy and that he is fully aware of the risks associated with the Allocation Scheme selected by him.
- 6.4.10 The criteria of allocations may be subject to changes and modifications from time to time in accordance with the changes in the Investment Policy and the Prescribed Allocation Policy. All such changes shall be announced through Supplemental Offering Documents and shall be deemed to become part of this Trust Deed without the need to execute supplemental trust deeds.

## **7. STATEMENTS AND DECLARATIONS**

### **7.1 PARTICIPATING PARTIES**

- 7.1.1 UBL Fund Managers Limited agrees to act as the pension fund manager of the Pension Fund.
- 7.1.2 [Central Depository Company of Pakistan Limited \(CDC\) agrees to act as the trustee of the Pension Fund.](#)<sup>10</sup>

### **7.2 OBLIGATIONS OF THE PENSION FUND MANAGER**

- 7.2.1 The responsibilities of the Pension Fund Manager are to invest and manage the assets of the Pension Fund according to the provisions of this Trust Deed and the Rules, in good faith, to the best of its ability, and without gaining any undue advantage for itself or any Connected Persons or its officers.
- 7.2.2 The Pension Fund Manager shall be responsible for all acts and omissions of all persons or agents to whom it may delegate the performance of its functions as pension fund manager of the Pension Fund, howsoever designated, as if they were its own acts or omissions.
- 7.2.3 The Pension Fund Manager shall account to the Trustee for any loss in value of the assets of the Pension Fund caused by its negligence, reckless or willful acts or omissions.
- 7.2.4 The Pension Fund Manager shall maintain proper accounts and records to enable a complete and accurate view to be formed of the assets and liabilities and the income and expenditure of each of the Sub-Funds, all transactions for the account of the Sub-Funds and Contributions received by the Pension Fund and withdrawals by the Participants including detail of tax penalties and withholding tax deducted at source and transfer or receipt of balances in the Individual Pension Accounts of the Participants to or from other pension fund managers.
- 7.2.5 The Pension Fund Manager shall prepare and transmit an annual report, together with a copy of the balance sheet and income and expenditure account and the Auditor's report of the Sub-Funds, within three months of the close of each Accounting Period to the Commission and the Participants, and the balance sheet and income and expenditure account shall comply with the requirements of the Rules.
- 7.2.6 The Pension Fund Manager shall within one month of the close of the first, second and third quarter of each Accounting Period, prepare and transmit to the Participants and the Commission a balance sheet as on the end of that quarter and a profit and loss account for that quarter, whether audited or otherwise, of the Pension Fund, and the balance sheet and income and expenditure account shall comply with the requirements of the Rules;

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<sup>10</sup> Amended as per 1<sup>st</sup> Supplemental Trust Deed effective date February 21, 2014

*provided that* the Pension Fund Manager may, with the prior approval of the Commission, post the said quarterly accounts on its website instead of mailing them to the Participants.

- 7.2.7 The Pension Fund Manager shall maintain the Register and inform the Commission of the address where the Register is kept. For this purpose it may appoint a Registrar, who shall maintain Participants' records, issue statements of account and receipts for Contributions, process withdrawals and carry out all other related activities.
- 7.2.8 The Pension Fund Manager will appoint with the consent of the Trustee, at the establishment of the Pension Fund and upon any vacancy, the Auditor.
- 7.2.9 The Pension Fund Manager shall furnish to the Commission within one month of the close of each Accounting Period (i) particulars of the personnel (executive, research and other) managing the Pension Fund, (ii) total number of Participants, (iii) total value of all Individual Pension Accounts, (iv) total Contributions for the previous Accounting Period (if any), and (v) such other information that may be prescribed by the Commission from time to time.
- 7.2.10 The Pension Fund Manager shall send an account statement as at the 30th June and the 31st December each year, within thirty days thereafter to each Participant, confirming the transactions for the six month period before that date in the Participant's Individual Pension Account, including the amount and type(s) of Contributions received (that is, whether from an employer or the Participant); incoming transfers from other pension fund manager(s) or incoming transfers from any provident fund or transfer from a deceased person's Individual Pension Account or other types of benefit disbursements; retirement or pre-retirement payments along with the taxes withheld; death benefit payment or transfer to heirs; outgoing transfer to purchase an Approved Annuity Plan from a Life Insurance/ Takaful Company; outgoing transfer to other pension fund manager(s); withdrawals; premia deducted out of the Contributions on account of any supplementary schemes opted by the Participant; or any other transaction. The statements shall include details of the number of Units allocated and held, the current valuation of the Units and such other information as may be specified by the Commission. Such account statement shall be provided to each Participant free of charge. Additionally, each Participant shall be entitled to receive any statement in respect of his Individual Pension Account at any time on written application. Such information may also be posted on the website or emailed and furnished electronically, subject to prior approval of the Commission.
- 7.2.11 The Pension Fund Manager shall send a certificate as at 30th June each year for claiming the tax credit to the Participants confirming the total Contribution made into their Individual Pension Accounts during the current Tax Year. The Pension Fund Manager shall send the certificate by 31st July each year.

- 7.2.12 The Pension Fund Manager shall, after intimating the Commission and the Trustee, from time to time appoint, remove or replace one or more Distribution Company(ies) for carrying the Distribution Function at one or more locations, on terms and conditions to be incorporated in the Distribution Agreement to be entered into between the Distribution Company and the Pension Fund Manager.
- 7.2.13 The Pension Fund Manager shall send any other statement or certificate to the Participants which may be necessary under the Rules.
- 7.2.14 The Pension Fund Manager shall furnish to the Commission a copy of its annual report and half yearly report, together with copies of the balance sheet, profit and loss account, directors' report and auditors' report within two months of the close of its accounting year and within one month of its half year.
- 7.2.15 The Pension Fund Manager shall not be under any liability except such liability as may be expressly assumed by it under the Rules and this Deed nor shall the Pension Fund Manager (save as herein otherwise provided) be liable for any act or omission of the Trustee or for anything except its own negligence, reckless or willful breach of duty hereunder. If for any reason it becomes impossible or impracticable to carry out the provisions of this Trust Deed the Pension Fund Manager shall not be under any liability therefor or thereby and it shall not incur any liability by reason of any error of law or any matter or thing done or suffered or omitted to be done in good faith hereunder.
- 7.2.16 The Pension Fund Manager shall provide and replicate all recorded information to the trustee and shall arrange the reconciliation of these records with the Trustee on a periodic basis as may be mutually agreed between the two parties or as specified by the Commission.

### **7.3 RESTRICTIONS FOR PENSION FUND MANAGER**

The Pension Fund Manager shall not:

- (a) merge with, acquire or take over management of any other pension fund or pension fund manager unless it has obtained the prior approval of the Commission in writing for such merger, acquisition or takeover;
- (b) pledge any of the securities held or beneficially owned by the Pension Fund except for the benefit of the Pension Fund and with prior approval of the Commission;
- (c) accept deposits from another pension fund;

- (d) make a loan or advance money to any person except in connection with the normal business of the Pension Fund;
- (e) participate in a joint account with others in any transaction;
- (f) apply any part of its assets to real estate; *provided that* the Pension Fund Manager may purchase real estate for its own use out of its own shareholders' fund;
- (g) make any investment with the purpose of having the effect of vesting the management or control in the Pension Fund; or
- (h) employ as a broker, directly or indirectly, any of its directors, officers or employees or a member of a family of such person which shall include spouse, parents, children, brothers and sisters and enter into transactions with any broker who is a Connected Person where such transactions shall equal or exceed ten per cent or more of the brokerage or commission paid by the Pension Fund in any one Accounting Period; *provided that* the Commission may, in each case on merits, permit the ten percent limit to be exceeded if the broker who is a Connected Person offers advantages to the Pension Fund not available elsewhere.

## **7.4 RETIREMENT OR REMOVAL OF PENSION FUND MANAGER**

- 7.4.1 The Pension Fund Manager may, by giving at least 90 days' prior written notice in writing to the Participants with the prior written approval of the Commission, retire from management of the Pension Fund.
- 7.4.2 Where the Pension Fund Manager has given notice in accordance with Clause 7.4.1, its retirement shall be effective on the date being not less than 90 days after the date of such notice on which, with the approval in writing of the Commission, it appoints a new pension fund manager to manage the Pension Fund in accordance with this Trust Deed and the Rules.
- 7.4.3 The Trustee may, by giving notice in writing to the Pension Fund Manager with the prior approval of the Commission, remove the Pension Fund Manager if any of the following events have occurred:
  - (a) the Pension Fund Manager has contravened the provisions of this Trust Deed in any material respect and has failed to rectify the contravention within (i) 30 days from the date of notice in writing given by the Trustee to the Pension Fund Manager regarding the contravention, such notice to be given under intimation to the Commission, or (ii) such other period as may be specified by the

Commission, in respect of the subject contravention; *provided that* such notice by itself shall not be considered as an admission of contravention on part of the Pension Fund Manager who shall have the right to defend such action;

- (b) the Pension Fund Manager goes into liquidation (other than voluntary liquidation on terms previously agreed to with the Trustee for purpose of reconstruction and amalgamation); or
- (c) a receiver is appointed over any of the assets of the Pension Fund Manager.

7.4.4 The removal of the Pension Fund Manager from management of the Pension Fund by the Trustee under Clause 7.4.3 shall be effective on the date on which, with the approval in writing of the Commission, the Trustee appoints a new pension fund manager to manage the Pension Fund in accordance with this Trust Deed and the Rules.

7.4.5 The Commission may, in exercise of its powers under the Rules, remove the Pension Fund Manager from management of the Pension Fund and appoint in its place a new pension fund manager to manage the Pension Fund in accordance with this Trust Deed and the Rules.

7.4.6 The Commission may, in exercise of its powers under the Rules, cancel the registration of the Pension Fund Manager as a pension fund manager, in which case the Pension Fund Manager, if not already removed from the management of the Pension Fund, shall stand removed from such management upon such cancellation.

7.4.7 If the Commission has cancelled the registration of the Pension Fund Manager as provided in Clause 7.4.7, the Commission shall appoint another pension fund manager to manage the Pension Fund in accordance with this Deed and the Rules.

7.4.8 Upon a new pension fund manager being appointed, the Pension Fund Manager shall take immediate steps to deliver all the documents and records pertaining to the Trust to the new pension fund manager and shall pay all sums due to the Trustee.

7.4.9 Upon its appointment the new pension fund manager shall exercise all the powers and enjoy all rights and shall be subject to all duties and obligations of the Pension Fund Manager hereunder as fully as though such new pension fund manager had originally been a party hereto.

7.4.10 If so directed by the Commission, the Pension Fund Manager shall not receive any Contributions from any of the Participants or make any other transaction on account of the Pension Fund as from the date of issue of the

notice as referred to in Clause 7.4.3 or as from the date of issue of the Commission's order in writing under Rule 6 of the Rules.

- 7.4.11 The Trustee shall ensure that accounts of the Pension Fund till the day of the appointment of the new Pension Fund Manager are audited by the Auditors of the Pension Fund and the audit report is submitted, within one month from the date of such appointment, to the Commission, the Trustee and the new Pension Fund Manager. The Trustee with the approval of the Commission shall decide the cost of such interim audit and the same may be charged to the Pension Fund with the prior approval of the Commission.

## **7.5 OBLIGATIONS AND POWERS OF THE TRUSTEE**

- 7.5.1 The Trustee shall comply with the provisions of this Trust Deed and the Rules when performing any act or matter to be done by it in the performance of its duties and such acts or matters may also be performed on behalf of the Trustee by any officer or responsible official of the Trustee or by any nominee or agent appointed by the Trustee in consultation with the Pension Fund Manager; *provided that* the Trustee shall be responsible for the acts and omissions of all persons to whom it may delegate any of its duties, as if these were its own acts and omissions and shall account to the Pension Fund for any loss in value of the Trust Property where such loss has been caused by negligence or any reckless or willful act and / or omission of the Trustee or of any of its directors, officers, nominees or agents.
- 7.5.2 The Trustee shall exercise all due diligence and vigilance in carrying out its duties and in protecting the interests of the Participants. The Trustee shall not be under any liability on account of anything done or not done by the Trustee in good faith in accordance with or in pursuance of any request of the Pension Fund Manager, *provided that* the Trustee's actions and the Pension Fund Manager's requests are not in conflict with the provisions of this Trust Deed or the Rules. Whenever pursuant to any provision of this Trust Deed any certificate, notice, direction, instruction or other communication is to be given by the Pension Fund Manager to the Trustee, the Trustee may accept as sufficient evidence thereof a document signed or purporting to be signed on behalf of the Pension Fund Manager by any person whose signature the Trustee is for the time being authorized in writing by the Pension Fund Manager to accept.
- 7.5.3 The Trustee shall take into its custody or under its control all the Trust Property, including properties of the Sub-Funds and hold the same in trust for the Participants in accordance with the Applicable Law, the Rules and the provisions of this Trust Deed.
- 7.5.4 The Trustee shall be liable for any act or omission of any agent with whom any Investments are deposited as if they were the acts or omissions of any nominee in relation to any Investment.

- 7.5.5 The Trustee shall be liable for the act and omission of the lender and its agent in relation to assets forming part of the property of the Pension Fund and, where borrowing is undertaken for the account of the Pension Fund, such assets may be registered in the lender's name or in that of a nominee appointed by the lender.
- 7.5.6 The Trustee shall ensure that the issue, redemption and cancellation of Units are carried out in accordance with the provisions of this Trust Deed and the Rules.
- 7.5.7 The Trustee shall ensure that the methods adopted by the Pension Fund Manager in calculating the values of the Units of each Sub-Fund are adequate and that the Net Asset Value is calculated in accordance with the provisions of this Trust Deed or as specified by the Commission.
- 7.5.8 The Trustee shall carry out the instructions of the Pension Fund Manager in respect of Investments unless they are in conflict with the Investment Policy, the Offering Document or this Trust Deed.
- 7.5.9 The Trustee shall ensure that the Investment Policy and the borrowing limitations set out in this Trust Deed, the Rules and other conditions under which the Pension Fund was authorized are complied with.
- 7.5.10 The Trustee shall issue a report to be included in the annual report to be sent to Participants whether, in the Trustee's opinion, the Pension Fund Manager has in all material respects managed the Pension Fund and the Sub-Funds in accordance with the provisions of this Trust Deed, and if the Pension Fund Manager has not done so, the respects in which it has not done so and the steps which the Trustee has taken in respect thereof.
- 7.5.11 The Trustee shall ensure that Units are not allocated until Contributions have been received.
- 7.5.12 The Trustee shall, from time to time appoint, remove or replace one or more Custodian(s) as an agent of the Trustee at one or more locations, on terms and conditions to be agreed between the Custodian and the Trustee;
- 7.5.13 The Trustee shall make available or ensure that there is made available to the Pension Fund Manager such information as the Pension Fund Manager may reasonably require from time to time in respect of the Trust Property and all other matters relating to the Pension Fund.
- 7.5.14 The Trustee shall be entitled to require the Auditors to provide such reports as may be agreed between the Trustee and the Pension Fund Manager and as may be considered necessary to facilitate the Trustee in issuing the certification required under the Rules. The Trustee shall endeavor to provide

the certification at the earliest date reasonably possible.

- 7.5.15 None of the Trustee, the Custodian (if Trustee has appointed another person as Custodian), the Pension Fund Manager or any of their Connected Persons shall sell or purchase or deal in the sale of any Investment or enter into any other transaction with the Pension Fund save in the capacity of an intermediary.
- 7.5.16 The Trustee shall promptly provide proxies or other forms of power of attorney to the order of the Pension Fund Manager with regards to any voting rights attaching to any Investments.
- 7.5.17 The Commission may, if it is satisfied that it is necessary and expedient so to do in the interest of the Participants, or in the interest of the capital market and public, by an order in writing, give such directions to the Trustee which are essential to enforce the Rules including but not limited to making arrangements for safe custody of assets of the Pension Fund, submission of reports and disclosure of information.
- 7.5.18 The Trustee shall, if requested by Pension Fund Manager and may if it considers necessary for the protection of Trust Property or safeguarding the interest of Participants, institute or defend any suit, proceeding, arbitration or inquiry or any corporate or shareholders' action in respect of the Trust Property or any part thereof, with full powers to sign, swear, verify and submit pleading and affidavits, to file documents, to give evidence, to appoint and remove counsel and to do all incidental acts, things and deeds through the Trustee's authorized directors and officers. All costs, charges and expenses (including reasonable legal fees) incurred in instituting or defending any such action shall be borne by the Pension Fund and the Trustee shall be indemnified against all such costs, charges and expenses, *provided that* no such indemnity shall be available in respect of any action taken against the Trustee for negligence or breach of fiduciary duties in connection with its duties as the Trustee under this Trust Deed or the Rules.
- 7.5.19 The Trustee shall obtain and maintain replication of all the records of the Participants maintained by the Pension Fund Manager or the Registrar, as the case may be, and shall keep the records updated on fortnightly basis.

## **7.6 RETIREMENT OR CHANGE OF TRUSTEE**

- 7.6.1 The Trustee shall not be entitled to retire voluntarily or otherwise except upon the appointment of a new trustee. In the event of the Trustee desiring to retire, the Pension Fund Manager with the prior written approval of the Commission and within a period of three months of the Trustee giving notice of its intention to retire to the Pension Fund Manager shall by a deed supplemental hereto under the seal of the Pension Fund Manager and the Trustee appoint a new trustee under the provisions of the Rules in place of

the retiring Trustee and also provide in such deed for the automatic vesting of all the assets of the Trust in the name of the new trustee. The retirement of the Trustee shall take effect at the same time as the new trustee is appointed and the supplemental trust deed reflecting this appointment is executed. The Trustee shall ensure that accounts of the Pension Fund till the day of the appointment of the new Trustee are audited by the Auditors and the audit report is submitted within one month time from the date of such appointment to the Commission, the newly appointed Trustee and the Pension Fund Manager. The Trustee with the approval of the Commission shall decide the cost of such interim audit and the same may be charged to the Pension Fund with the prior approval of the Commission.

- 7.6.2 If the Trustee goes into liquidation (otherwise than for the purpose of amalgamation or reconstruction on terms previously agreed to with the Pension Fund Manager) or ceases to carry on business of trusteeship or a receiver of its undertaking is appointed or it becomes ineligible to act as a trustee of the Pension Fund under the provisions of the Rules, the Pension Fund Manager shall forthwith by instrument in writing remove the Trustee from its appointment under this Trust Deed and shall by the same or some other instrument in writing simultaneously appoint as trustee some other company or corporation according to the provisions of the Rules and this Trust Deed as the new trustee.
- 7.6.3 The Commission after giving thirty days notice, may remove the Trustee by order in writing on grounds of any material default or non-compliance with the provisions of the Rules or this Trust Deed, negligence of its duties or incompetence in performing its duties or if the Commission is of the opinion that the Trustee has otherwise neglected or failed to comply with any order or direction of the Commission and considers that it would be in the interest of the Participants so to do; *provided that* such notice shall not per se be regarded as an admission of contravention on part of the Trustee who shall have the right to defend such notice or action.
- 7.6.4 The Pension Fund Manager may also remove the Trustee with the prior approval of the Commission after giving thirty days notice if the Pension Fund Manager feels that the Trustee is charging a remuneration that is not comparable to the market norm and it would be in the interest of the Participants to appoint another trustee. For this purpose, if the Pension Fund Manager, based on a firm quotation or offer received from an alternate institution (qualified to be appointed as trustee of a pension fund) determines that the remuneration being paid to the Trustee is not comparable to the market norm and that for this reason it would be in the interest of the Participants to appoint another trustee on such favorable terms, it will issue a thirty days notice of removal of the Trustee on this ground; *provided that* after receiving such notice from the Pension Fund Manager, the Trustee shall have the option to continue as trustee of the Pension Fund on such favorable terms offered by the alternate institution or to retire as trustee of the Pension

Fund and notify the Pension Fund Manager accordingly. The change of Trustee shall become effective with the Commission's approval once the newly appointed trustee takes charge of all duties and responsibilities.

- 7.6.5 Upon the appointment of a new trustee, the Trustee shall immediately deliver all the documents and records to the new trustee and shall transfer all the Trust Property and any amount deposited in any Individual Pension Account held by or for the Trustee under any Approved Income Payment Plan to the new trustee and shall make payments to the new trustee of all sums due from the Trustee.
- 7.6.6 The new trustee shall exercise all the powers and enjoy all rights and shall be subject to all duties and obligations of the Trustee hereunder as fully as though such new trustee had originally been a party hereto as trustee of the Pension Fund.
- 7.6.7 Notwithstanding the removal or resignation of the Trustee and its subsequent discharge from its duties under this Trust Deed and the Rules, the Trustee shall remain entitled to the benefit of the terms of this Trust Deed till the removal or resignation of the Trustee is effective without prejudice to the Trustee's responsibility or obligation to liquidate any liability for which the Trustee may have become liable under this Trust Deed and / or the Rules.

## **7.7 FOR THE TRUST**

- 7.7.1 **Binding on Participants:** The terms and conditions of the Rules and this Trust Deed and any deed supplemental hereto shall be binding on each Participant, and each Participant by signing the Prescribed Application Form authorizes and requires the Trustee and the Pension Fund Manager to do as required of them by the provisions of the Rules and the terms of this Trust Deed.
- 7.7.2 **Participants Ranking Pari Passu:** The Trustee shall hold and stand possessed of the Trust Property that may from time to time hereafter be vested in the Trustee upon trust for the benefit of the Participants ranking pari passu inter se, according to the number of Units of Sub-Funds held by each Participant in the relevant Sub-Funds. Similarly with respect to any funds held in bank account(s) pending ultimate disposal, all Participants whose funds are held in such bank account(s) shall rank pari passu inter se according to their balance.
- 7.7.3 **Trustee's Reports to Participants:** The Trustee shall include in the annual report to the Participants, or at any frequency prescribed by the Commission, a statement on whether, in its opinion, the Pension Fund Manager has in all material respects managed the Trust Property in accordance with the provisions of the Rules and this Trust Deed and, if in the Trustee's opinion the Pension Fund Manager has not done so, the Trustee's report shall

describe the respects in which the Pension Fund Manager has not done so and the steps the Trustee has taken in respect thereof.

- 7.7.4 **Base Currency:** The currency of transaction of the Pension Fund is the Pakistan Rupee and the Pension Fund Manager, the Trustee or any Distributor are not obliged to transact the issuance or redemption of the Units in any other currency and shall not be held liable, save as may be specifically undertaken by the Pension Fund Manager, after due approval from the Commission or the State Bank of Pakistan, as the case may be, and after fulfilling the foreign exchange regulations for receipt or payment in any other currency or for any obligations arising therefrom.
- 7.7.5 **Limited Liability:** A Participant is not liable to make any further payments after he has paid the Net Asset Value of his Units of Sub-Funds and no further liability can be imposed on Participants in respect of Units they hold.
- 7.7.6 **Losses:** In case any Sub-Fund sustains losses (other than losses due to negligent, reckless or willful act or omission on part of the Pension Fund Manager or the Trustee), such losses shall be charged to that Sub-Fund and not to the entire Pension Fund or to other Sub-Funds.
- 7.7.7 **Claims:** In the event of any claim being raised against the Pension Fund, such claim if found to be tenable by the Pension Fund Manager or any court or lawful authority shall be settled out of such components of the Trust Property which relate to the Sub-Fund(s) to which such claim may relate.

## 8. DEALING, SUSPENSION, AND DEFERRAL OF DEALING

### 8.1 SUSPENSION OF FRESH ISSUE OF UNITS

The Pension Fund Manager may at any time, subject to the Rules and under intimation to the Trustee, suspend acceptance of all or any class of Contributions and suspend the issue of fresh Units in relation to such Contributions; *provided that* any such suspension shall not affect making of Contributions by the existing Participants. The Pension Fund Manager shall immediately notify the Commission if dealing in Units as provided in this Clause 8.1 is suspended and shall also have that fact published, immediately following such decision, in the newspaper in which the Net Asset Values of the Units affected by any suspension of Contributions are normally published.

### 8.2 REFUSAL TO ACCEPT CONTRIBUTIONS

The Pension Fund Manager or the Distribution Company may at any time refuse to accept any Contribution in any of the following cases:

- (a) in case the Contribution is contrary to the Know-Your-Customer (KYC) rules

or policy of the Pension Fund Manager or any other Applicable Laws relating to money laundering that the Pension Fund may be subject to or any rules relating to money laundering that the Pension Fund Manager may frame for self regulation;

- (b) in case the Contribution is made by an applicant who has not provided a valid CNIC or NICOP number;
- (c) in case the Contribution is contrary to the Applicable Laws of the foreign jurisdiction that the Pension Fund or the Participant or prospective Participant may be subject to or if accepting the Contribution may subject the Pension Fund or the Pension Fund Manager to additional regulations under the foreign jurisdiction;
- (d) if accepting the Contribution would in any case be contrary to the interests of the Pension Fund Manager or the Pension Fund or the Participants; and
- (e) if advised by the Commission to do so.

### **8.3 CIRCUMSTANCES OF SUSPENSION OF REDEMPTION**

8.3.1 Units of the Sub-Funds shall be redeemed only for the purposes set out in this Trust Deed.

8.3.2 Subject to Clause 8.3.1, the redemption of any Units of all or any of the Sub-Funds may be suspended or deferred by the Pension Fund Manager:

- (a) during extraordinary circumstances, including war (declared or otherwise), natural disasters, a major breakdown in law and order, breakdown of the communication system, closure of one or more Stock Exchanges on which any of the Securities invested in by the Pension Fund are listed, closure of the banking system or strikes or other events that render the Pension Fund Manager or the Distributors unable to function, the existence of a state of affairs which in the opinion of the Pension Fund Manager constitutes an emergency as a result of which disposal of any Investment would not be reasonably practicable or might seriously prejudice the interest of the Pension Fund or of the Participants, a break down in the means of communication normally employed in determining the price of any Investment, remittance of money cannot be carried out in a reasonable time or if the Pension Fund Manager is of the view that it would be detrimental to the remaining Participants to redeem Units at a price determined in accordance with the Net Asset Value; or
- (b) execution of redemption of Units on any Business Day would result in more than ten percent (10%) of the issued Units of any Sub-Fund

being redeemed; *provided that* any suspension or deferral of redemption of Units shall not affect any Approved Income Payment Plans.

- 8.3.3 Any decision by the Pension Fund Manager for the suspension or deferral of redemption of Units under Clause 8.3.2(a) shall be taken to protect the interest of the Participants.
- 8.3.4 Subject to Clause 19, in the event of suspension or deferral of redemption of Units under Clause 8.3.2(b), the redemption of -Units affected by the suspension or deferral shall be processed in accordance with the queue system described in Clause 8.4.
- 8.3.5 Any suspension or deferral of redemption of Units or any processing of Units in accordance with the queue system described in Clause 8.4 shall end on day on which the conditions giving rise to the suspension or deferral shall in the opinion of the Pension Fund Manager have ceased to exist and no other condition under which suspension or deferral of Units is authorized under this Trust Deed exists or, if such day is not a Business Day, on the first Business Day after such day.
- 8.3.6 Any suspension or deferral of redemption of Units or processing of Units in accordance with the queue system described in Clause 8.4 or any termination thereof under Clause 8.3.5 shall immediately be notified by the Pension Fund Manager to the Commission and published by the Pension Fund Manager in at least one daily newspaper circulating in each of Karachi, Lahore and Islamabad.

## **8.4 QUEUE SYSTEM**

If the Pension Fund Manager suspends or defers the redemption of Units of any Sub-Fund pursuant to Clause 8.3.2(b), the Pension Fund Manager shall invoke a queue system whereby redemptions initiated for the affected Units shall be processed on a first-come-first-served basis for such of the affected Units as do not exceed 10% of the issued Units of the relevant Sub-Fund. Where it is not practical to determine the chronological ranking of any initiated redemptions in comparison to other redemptions initiated on the same Business Day, such initiated redemptions shall be processed on a proportional basis proportionate to the size of each initiated redemption. Redemptions of Units in excess of 10% of the issued Units of the relevant Sub-Fund shall be treated as initiated on the next Business Day; *provided that* if the carried over redemptions or the carried over redemptions together with the fresh redemptions initiated on such next business Day together exceed 10% of the issued Units of the relevant Sub-Fund, such redemptions shall once again be processed on a first-come-first-served basis and the process for redeeming Units as described in this Clause 8.4 shall be repeated and shall continue till such time the outstanding initiated redemptions come down to a level below ten percent (10%) of the then issued Units of the relevant Sub-Fund.

## **9. SAFEGUARD OF MONEY**

Contributions shall be in form of crossed payees account cheques, pay orders or demand drafts or direct bank transfers to the account designated for the purpose by the Trustee and no payment shall be made to an intermediary except to the Pension Fund Manager or to any Distributors.

## **10. DISTRIBUTION RESTRICTIONS**

No payments or distributions shall be made for subscription of Units of any Sub-Fund in addition to the payments expressly allowed under this Trust Deed and the Rules.

## **11. TAXATION**

The Pension Fund shall be subject to taxation in accordance with the provisions of the Income Tax Ordinance, 2001 and any other Applicable Law.

## **12. REPORTS AND ACCOUNTS**

The Pension Fund Manager shall prepare the financial accounts and reports required under the Rules for each of the Sub-Funds of the Pension Fund and such accounts and reports shall be prepared in such manner as may be prescribed by the Commission from time to time.

## **13. WARNINGS**

IF YOU ARE IN ANY DOUBT ABOUT THE CONTENTS OF THIS DOCUMENT, YOU SHOULD CONSULT YOUR STOCK BROKER, BANK MANAGER, LEGAL ADVISER, TAX ADVISER OR OTHER FINANCIAL ADVISER. THE PRICE OF THE UNITS OF THE SUB-FUNDS OF THE UBL ISLAMIC RETIREMENT SAVINGS FUND MAY DECREASE AS WELL AS INCREASE.

## **14. BORROWING**

### **14.1 BORROWINGS BY TRUSTEE**

Subject to Applicable Laws and to the terms and conditions herein contained, the Trustee may at any time and at the request of the Pension Fund Manager shall make arrangements with Banks or financial institutions for borrowing by the Trustee for the account of the Pension Fund:

- (a) *provided that* the charges, fees or mark-up payable to such Banks or financial institutions are not higher than the prevailing market rates on the borrowings of similar amount and duration; and
- (b) provided further that the maximum borrowing for the account of the Pension Fund shall not exceed the limit provided in the Rules but if subsequent to such borrowing, the Net Assets are reduced as a result of depreciation in the market value of the Trust Property or redemption of Units, the Trustee or the Pension Fund Manager shall not be under any obligation to reduce such borrowing unless otherwise directed by the Commission.

#### **14.2 TRUSTEE OR PENSION FUND MANAGER NOT LIABLE FOR TRUST BORROWINGS**

Neither the Trustee nor the Pension Fund Manager shall be required to issue any guarantee or provide security over their own assets for securing borrowings from banks and financial institutions for the account of the Pension Fund. Neither the Trustee nor the Pension Fund Manager shall in any manner be liable in their personal capacities for repayment of such loans or advances.

#### **14.3 TRUSTEE MAY SECURE TRUST BORROWINGS**

For the purposes of securing any such borrowing the Trustee may with the approval of the Pension Fund Manager mortgage, charge, pledge or otherwise encumber in any manner all or any part of the Trust Property pertaining to the Sub-in respect of which such borrowing is required; *provided that* the aggregate amount secured by such mortgage, charge, pledge or other encumbrance shall not exceed the limit provided under the Rules, if any.

#### **14.4 TRUSTEE OR PENSION FUND MANAGER NOT LIABLE FOR CONSEQUENCES OF TRUST BORROWINGS**

Neither the Trustee nor the Pension Fund Manager shall incur any liability by reason of any loss to the Pension Fund or any loss that a Participant may suffer by reason of any depletion in the Net Asset Value that may result from any borrowing arrangements made in accordance with this Trust Deed.

### **15. TRUST ARRANGEMENTS**

#### **15.1 PRIMARY FUNCTIONS**

- 15.1.1 **Fund Management** - The Pension Fund Manager has the responsibility to take all investment decisions in relation to the Pension Fund within the framework of the Rules, the Investment Policy and this Trust Deed.

- 15.1.2 **Control over Assets** - The Trustee has the responsibility for being the nominal owner for the safe custody of the assets of the Pension Fund on behalf of the beneficial owners (the Participants), within the framework of the Rules and this Trust Deed.
- 15.1.3 **Participant Records** - The Pension Fund Manager has the responsibility to maintain Participants' records and for this purpose it may appoint a Registrar who shall be responsible for maintaining Participants' records and providing related services. The Registrar shall carry out the responsibility of maintaining Participants' records, issuing statements of account representing investment of the Participants in the Pension Fund and all other related activities.
- 15.1.4 **Record Keeping** - The Pension Fund Manager has the responsibility for all record keeping and for producing financial reports from time to time in relation to the Pension Fund; *provided that* the Trustee has the responsibility to ensure timely delivery to the Pension Fund Manager of statements of account and transaction advices for banking and custodial accounts in the name and under the control of the Trustee. The Pension Fund Manager shall provide the Trustee unhindered access to all records relating to the Pension Fund.
- 15.1.5 **Participant Services** - The Pension Fund Manager has the responsibility to facilitate the Participants to make Contributions and to redeem the balance in the Individual Pension Accounts and to make adequate arrangements for receiving and processing applications in this regard.
- 15.1.6 **Distribution** - The Pension Fund Manager shall from time to time appoint suitable parties as Distributors with the approval of the Trustee and the Commission. The Distributors shall act as the interface between the Participants, the Pension Fund Manager, the Registrar and the Trustee. The Distributors shall receive applications for contribution and redemption from the Participants.
- 15.1.7 **Sales Agents** - The Pension Fund Manager may, at its own responsibility, from time to time appoint Sales Agents to assist it in promoting sales.

## 15.2 ADMINISTRATIVE ARRANGEMENTS

The Trustee shall have all the obligations entrusted to it under the Rules and this Trust Deed; *provided that* the Trustee shall, in addition to the aforesaid obligations, facilitate the Pension Fund Manager's business in the following manner:

- (a) **Attorney(s) and point person(s):** The Trustee shall, under intimation to the Commission, nominate one or more of its officers to act as attorney(s) for performing the Trustee's functions and for interacting with the Pension Fund Manager.

- (b) **Custodian(s)**: The Trustee shall act as custodian for securities forming part of the Trust Property for which custody services are available with the Trustee. For other securities forming part of the Trust Property, the Trustee shall make appropriate custody arrangements with one or more Custodians. The Trustee shall provide custodial services for Trust Property to the extent other Custodian(s) cannot be identified for this purpose.

### **15.3 BANK ACCOUNTS**

- 15.3.1 The Trustee shall, at the request of the Pension Fund Manager from time to time, open separate Bank Accounts titled “CDC- Trustee UBL Islamic Retirement Savings Fund” for the Pension Fund and each Sub-Fund for, inter alia, (i) receipt of proceeds of Seed Capital Units and subsequent Contributions into the Pension Fund, (ii) credit of proceeds realized on account of any transfer or withdrawal at or before retirement or re-allocation in relation to Individual Pension Accounts, and (iii) withdrawals from Approved Income Payment Plans for the Pension Fund .<sup>11</sup>
- 15.3.2 The Bank Accounts referred to in Clause 15.3.1 shall be opened by the Trustee at such branches of Banks and financial institutions approved by the Pension Fund Manager having minimum investment grade entity rating awarded by a credit rating agency approved by the Commission and at such locations (including outside Pakistan) as determined by the Pension Fund Manager, subject to compliance with Applicable Laws and after obtaining all necessary Approvals as may be required from time to time.
- 15.3.3 Notwithstanding anything in this Trust Deed, the beneficial ownership of the balances in the Bank Accounts opened by the Trustee under Clause 15.3.1 shall vest at all times in the Participants collectively.

### **15.4 TRANSACTIONS RELATING TO THE PENSION FUND**

The Trustee shall authorize and facilitate the provision to the Pension Fund Manager of daily statements of accounts for all the Bank Accounts being operated by the Trustee as a nominee of the Pension Fund.

### **15.5 TRANSACTIONS RELATING TO INVESTMENT ACTIVITY / PORTFOLIO MANAGEMENT**

- 15.5.1 The Pension Fund Manager shall from time to time advise the Trustee of the settlement instructions relating to any investment / disinvestment transactions entered into by it on behalf of the Pension Fund. The Pension Fund Manager shall ensure that the settlement instructions are complete and accurate so as to facilitate timely settlement and the Trustee shall ensure that the settlement is handled promptly and in accordance with such instructions to the extent

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<sup>11</sup> Amended as per 1<sup>st</sup> Supplemental Trust Deed effective date February 21, 2014

that they do not contravene the requirements of the Rules and this Trust Deed.

- 15.5.2 The Trustee shall ensure that, where applicable, payments against Investments are made against delivery, and delivery of Investments is made against payment.
- 15.5.3 The Trustee shall promptly forward to the Pension Fund Manager in relation to Trust Property any notices, reports or other documents issued by the issuers of securities, recipients of any of the Trust Funds (as deposits, refunds, distribution of dividends, income, profits, repayment of capital or for any other reason), any depository, an intermediary or agent in any transaction or received from any court, government regulator, stock or other exchange or any other party having any connection with the transaction.
- 15.5.4 The Pension Fund Manager shall also advise the Trustee on a daily basis of the details of amounts to be paid from the respective Individual Pension Accounts to respective Participants against withdrawal requests.
- 15.5.5 The Pension Fund Manager shall also advise the Trustee on a daily basis of the details of amounts to be transferred to the Sub-Funds.
- 15.5.6 The Trustee shall pay to the Pension Fund Manager's order such sums out of the Front-end Fee that is specified in this Trust Deed as being payable out of the Contributions.
- 15.5.7 The Trustee shall also, if so required by the nature of such notices or deeds mentioned in the foregoing Clause 15.5.3, act in a manner that is in the best interest of the Pension Fund. Such action shall include legal action if called for and the Trustee shall be entitled to recover any legal costs reasonably incurred from the Pension Fund.
- 15.5.8 The Pension Fund Manager shall provide the Trustee with regular reports indicating dividends, other forms of income or inflows, and any rights or warrants relating to the Investments that are due to be received. The Trustee shall report back to the Pension Fund Manager any such amounts or warrants that are received on such accounts from time to time.
- 15.5.9 The Trustee shall provide proxies or other forms of powers of attorney to the order of the Pension Fund Manager with regard to any voting rights attaching to any Investment.

## **15.6 VOTING RIGHTS ON TRUST PROPERTY**

- 15.6.1 All rights of voting attached to any Trust Property shall be exercisable by the Pension Fund Manager on behalf of the Trustee and it shall be entitled to exercise the said rights in what it may consider to be the best interests of the

Participants and may refrain at its own discretion from the exercise of any voting rights and the Trustee or the Participants shall not have any right to interfere or complain.

- 15.6.2 The Trustee shall, upon written request by the Pension Fund Manager and at the Trustee's own expense, from time to time execute and deliver or cause to be executed or delivered to the Pension Fund Manager or the nominees of the Pension Fund Manager powers of attorney or proxies authorizing such attorneys and proxies to vote consent or otherwise act in respect of any Investment in such form and in favor of such persons as the Pension Fund Manager may require in writing. The word "vote" used in this Clause 15.6.2 be deemed to include not only a vote at a meeting but the right to elect or appoint directors, any consent to or approval of any arrangement scheme or resolution or any alteration in or abandonment of any rights attaching to any Investment and the right to requisition or join in a requisition to convene any meeting or to give notice of any resolution or to circulate any statement.
- 15.6.3 The Trustee shall forward to the Pension Fund Manager within six days of receipt of all notices of meetings and all reports and circulars received by the Trustee as the registered holder of any Investment.
- 15.6.4 All record related to voting rights stated in Clause 15.6.2 shall be maintained by the Pension Fund Manager at its registered office in such manner as may be decided by the Pension Fund Manager in consultation with the Trustee or as be required under the Rules or by the Commission from time to time.

## **16. UNITS**

### **16.1 LEGAL STATUS**

- 16.1.1 All Units, including the Seed Capital Units, and fractions thereof represent an undivided share in the Sub-Funds to which they belong and rank pari passu as to their rights in the Net Assets and earnings of such Sub-Fund and shall not be tradable or transferable. Each Participant has a beneficial interest in the Sub-Fund proportionate to the Units of the Sub-Fund held by such Participant. Units of each Sub-Fund shall be issued in registered, un-certificated form.
- 16.1.2 Seed Capital Units subscribed by the Seed Investors shall be offered and issued at the par value and shall not be redeemable for a period of three years from the date of issue or as may be determined by the Commission. The Pension Fund Manager may borrow from any Bank for its working capital requirements and can offer a charge on its entire assets which may include the Seed Capital Units if the Pension Fund Manager has subscribed for those Units.

## **17. MISCELLANEOUS**

### **17.1 ARBITRATION**

In the event of any disputes arising out of this Trust Deed between the Pension Fund Manager on the one part and the Trustee on the other part, including as to the respective rights and obligations of the parties hereto, as well as those relating to the interpretation of the terms and conditions of this Trust Deed, the Offering Document and/or the Supplementary Offering Documents, the same shall be referred to arbitration by two arbitrators, one to be appointed by the Pension Fund Manager and the other to be appointed by the Trustee. In the event of lack of consensus between the two arbitrators, the matter shall be referred to an umpire, to be selected by the two arbitrators before commencement of the reference. The unanimous decision of both the arbitrators, or the decision of the umpire, as the case may be, shall be final and binding upon both the parties. The arbitrators and the umpire shall be selected from amongst, senior partners of renowned firms of chartered accountants or law firms, or senior bankers or senior members of any Stock Exchange (who may even be the heads of corporate members of any Stock Exchange). The venue of the arbitration shall be Karachi. The arbitration shall be conducted in accordance with the Arbitration Act, 1940.

### **17.2 DISPUTES BETWEEN THE PARTICIPANTS AND THE PENSION FUND MANAGER**

If any complaint or dispute arises between any Participant or any of its any nominated survivors, executors, administrators or successors and the Pension Fund Manager under this Trust Deed or the Rules, it shall be referred to an authority as provided under the Rules.

### **17.3 CONFIDENTIALITY**

The Trustee, the Pension Fund Manager, the Registrar and the Custodian(s) and every director or officer of the said parties who are in any way engaged in the business of the Pension Fund and all persons employed or engaged by the said parties in connection with the business of the Pension Fund shall observe strict confidentiality in respect of all transactions of the Pension Fund, its Participants and all matters relating thereto and shall not disclose any information or document which may come to their knowledge or possession in the discharge of their duties except when required to do so in the ordinary course of performance of their duties or by law or if compelled by any court of law or a competent authority.

### **17.4 GENERAL**

17.4.1 Any notice required to be served upon a Participant shall be deemed to have been duly given if sent by post or courier service to or left at his address as appearing in the Register. Any notice so served by post shall be deemed to have been served on the day following that on which the letter containing the same is posted, and in proving such service it shall be sufficient to prove that

such letter was properly addressed, stamped and posted.

- 17.4.2 In case a general notice is required to be served upon all the Participants, the Trustee or the Pension Fund Manager shall advertise any such notice in two leading daily newspapers in Pakistan having primary circulation in Karachi, Lahore and Islamabad.
- 17.4.3 Service of a notice or document on any employer shall be deemed effective service on all the Participants registered through that employer unless the Participant has given notice to the Pension Fund Manager that he is no longer in the employ of that employer.
- 17.4.4 Any notice or document sent by post or courier service to or left at the registered address of a Participant shall notwithstanding that such Participant be then dead or bankrupt and whether or not the Trustee or the Pension Fund Manager have notice of his death or bankruptcy be deemed to have been duly served and such service shall be deemed a sufficient service on all persons interested (whether jointly with or as claiming through or under him) in the Units registered in favour of that Participant.
- 17.4.5 A copy of this Trust Deed and of any deed supplemental hereto shall be made available for inspection at the respective head offices of the Trustee and the Pension Fund Manager at all times during usual business hours and shall be supplied by the Pension Fund Manager to any person on application at a charge disclosed in the Offering Document.

## **18. MODIFICATION OF TRUST DEED**

- 18.1 The Trustee and the Pension Fund Manager acting together shall be entitled by deed supplemental hereto to modify, alter or add to the provisions of this Trust Deed in such manner and to such extent as they may consider expedient for any purpose, subject to 30 days prior notice to the Participants and the subsequent approval of the Commission, if so required; *provided that* the Trustee and the Pension Fund Manager shall certify in writing that, in their opinion such modification, alteration or addition is required pursuant to any amendment in the Rules or to ensure compliance with any fiscal or statutory requirement or to enable the provisions of this Trust Deed to be more efficiently, conveniently or economically managed or otherwise for the benefit of the Participants and that it does not prejudice the interests of the Participants or any of them or operate to release the Trustee or the Pension Fund Manager from any responsibility to the Participants.
- 18.2 Where this Deed has been altered or supplemented, the Pension Fund Manager shall again notify the Participants and the participating employers immediately by a notice published in a newspaper having wide circulation and by placing the same on its website.

- 18.3 The Pension Fund Manager may from time to time with the consent of the Trustee frame operational procedures for conducting the business of the Trust or in respect of any other matter incidental thereto; provided such procedures are not inconsistent with the provisions of the Rules, this Deed or the Offering Document.
- 18.4 If the Commission grants any relaxations or exemptions of Rules for the Pension Fund, these shall be deemed to be part of this Document without the need of altering it. However, in cases of significant changes, the Commission may require issuance of Supplementary Offering Document from time to time.
- 18.5 Where a change or amendment in the Rules or the Income Tax Ordinance, 2001, or any other applicable law or regulation, renders any of the clauses contained in this Deed ineffective or in need of amendment, such clause will automatically stand replaced by the new change or amendment and no modification in this Deed or any Supplemental Deed shall be required. However, if the Pension Fund Manager is amending the Deed or any Supplementary Deed for any reason, the Pension Fund Manager may also amend such clauses that have been automatically overwritten and amended due to a change / amendment in the Rules and / or the Income Tax Ordinance, 2001.
- 18.6 If at any time, any clause of this Deed is and / or becomes in whole or in part illegal, invalid or unenforceable under the laws of any applicable jurisdiction, neither the legality, validity and enforceability of the remaining clauses of this Deed hereof, nor the legality, validity or enforceability of such clause under the law of any other jurisdiction shall in any way be affected or impaired thereby.

## **19. DE-AUTHORIZATION, WINDING UP OF THE PENSION FUND**

- 19.1.1 The duration of the Pension Fund shall be perpetual and it shall not be wound up by way of liquidation.
- 19.1.2 If the Pension Fund Manager does not wish to maintain the authorization of the Pension Fund, it shall apply to the Commission to de-authorize the Pension Fund by giving at least three (03) months notice in writing to the Participants, the Trustee and the Commission, subject to conditions of the Rules.
- 19.1.3 In the event the Pension Fund Manager is of the view that the quantum of

redemption requests that have built up shall result in the Sub-Funds or the Pension Fund being run down to an unmanageable level or it is of the view that the sell-off of assets is likely to result in a significant loss in value for the Participants who are not redeeming, it may apply to the Commission to de-authorize the Pension Fund. In such an event, the queue system, if already invoked, shall cease to apply.

- 19.1.4 The Pension Fund may also be de-authorized by the Commission on the grounds provided in the Rules.
- 19.1.5 Upon the Pension Fund being de-authorized, the Pension Fund Manager shall suspend receiving Contributions forthwith from all of the Participants from the date of issue of the notice under Clauses 19.1.2 and 19.1.3 and proceed to transfer all the records of Individual Pension Accounts and books of accounts of the Pension Fund to another pension fund manager.
- 19.1.6 The Trustee shall ensure that accounts of the Pension Fund till the day of the transfer to the new Pension Fund Manager are audited by the Auditor and the audit and Trustee report is submitted within one month from the date of such appointment to the Commission, the new pension fund manager and the Trustee. The Trustee with the approval of the Commission shall decide the cost of such interim audit and the same shall be charged to the Pension Fund with the prior approval of the Commission.
- 19.1.7 Once the Pension Fund has been de-authorized by the Commission, the Pension Fund Manager may, after transferring all the records of Individual Pension Accounts and books of accounts of the Pension Fund to the new pension fund manager, wind up the Pension Fund under the provisions of the Rules and in the court of jurisdiction.

## 20. DEFINITIONS AND INTERPRETATIONS

### 20.1 DEFINITIONS

Unless the context requires otherwise, in this Trust Deed (including in its Recitals) the following words or expressions shall have the meaning respectively assigned to them below:

- 20.1.1 “**Accounting Date**” means 30th June in each year; *provided, however, that* the Pension Fund Manager may, with the consent of the Trustee and after obtaining approval of the Commission, change such date to any other date;
- 20.1.2 “**Accounting Period**” means the period ending on and including an Accounting Date or, if nearer, on and including the day on which the Net Assets of all the Sub-Funds becomes zero and commencing from and including the date of establishment of the Pension Fund or, if nearer, from

and including the day after the last Accounting Date;

- 20.1.3 “**Account Statement**” means statement of transactions in Units of each Sub-fund in the Individual Pension Account of the Participant, containing such information as may be prescribed by the Commission from time to time;
- 20.1.4 “**Allocation Schemes**” means the allocation schemes offered by the Pension Fund Manager from time to time in conformity with the Prescribed Allocation Policy issued by the Commission.
- 20.1.5 “**Annuity**” means a series of payments of set frequency, sold primarily by Life Insurance Companies, with a primary goal to supplement retirement savings
- 20.1.6 “**Anniversary Date**” means the Business Day following the completion of one full year from the opening of the Individual Pension Account with the Pension Fund Manager and thereafter the Business Day following completion of subsequent one full year.
- 20.1.7 “**Applicable Law**” means any common or customary law, constitutional law, any statute, regulation, resolution, rule, ordinance, enactment, judgment, order, code, decree, directive, notification, clarification, guideline, policy, requirement or other governmental restriction and any form or decision of or determination by or interpretation of any of the foregoing (whether or not having the force of law) by any Authority, now or hereafter in effect, in each case as amended, re-enacted or replaced to the extent applicable;
- 20.1.8 “**Approval**” means any consent, registration, filing, notarization, certificate, licence, approval (including foreign exchange control approval), permit, authority, confirmation or exemption from or by or with any national, supranational or regional government or administrative, fiscal, judicial or governmental body, commission, agency, authority, central bank or similar entity and all corporate, creditors’, shareholders’ and directors’ approvals or consents required for execution of this Trust Deed and performance of the transactions contemplated herein;
- 20.1.9 “**Approved Annuity Plan**” has the meaning ascribed to it by Section 2(3A) of the Income Tax Ordinance, 2001;
- 20.1.10 “**Approved Income Payment Plan**” has the meaning ascribed to it by Section 2(3B) of the Income Tax Ordinance, 2001;
- 20.1.11 “**Auditor**” means the person or firm appointed to be the auditor of the Pension Fund by the Pension Fund Manager with the consent of the Trustee, in accordance with this Trust Deed and the Rules;
- 20.1.12 “**Authority**” means any governmental or judicial or quasi governmental or

judicial authority empowered to administer, enforce, adjudicate or ensure compliance with Applicable Law;

- 20.1.13 “**Authorized Branch**” means those branches of the Distributors that from time to time have been authorized by the Pension Fund Manager under intimation to the Trustee to perform the Distribution Function, and whose addresses have been given in the Offering Document, or on the website of the Pension Fund Manager.
- 20.1.14 “**Authorized Investments**” means investments, whether listed or otherwise, transacted, issued or traded inside or outside Pakistan and as permissible under the Rules or under the Investment Policy prescribed by the Commission;
- 20.1.15 “**Bank**” means a banking company licensed under the Banking Companies Ordinance, 1962 or any other regulation for the time being in force or an institution providing banking services under the banking laws of Pakistan or, if operating outside Pakistan, under the banking laws of the jurisdiction of its operation outside Pakistan and having such minimum entity rating as may be prescribed by the Commission from time to time.
- 20.1.16 “**Bank Accounts**” means the collection and disbursement account(s) in which the Contributions are received and payments are made from the account(s) of each Sub-fund, the beneficial ownership of which vests in the relevant Participants and for which the Trustee has been appointed as trustee under this Trust Deed;
- 20.1.17 “**Business Day**” means a day (such Business Hours thereof) on which Banks and/ or Stock Exchanges are open for business in Pakistan
- 20.1.18 “**Business Hours**” means such dealing periods on each Business Day, as may be determined by the Pension Fund Manager.
- 20.1.19 “**Charity**” means amount paid by the Pension Fund Manager out of the income of the Pension Fund to a charitable/welfare organization in consultation with Shariah Advisor as per the guidelines issued by the Commission from time to time, representing income which is Haram.
- 20.1.20 “**Commission**” means the Securities and Exchange Commission of Pakistan established under the Securities and Exchange Commission of Pakistan Act, 1997 (Act No.XLII of 1997);
- 20.1.21 “**Connected Person**” means each of the following in relation to the Pension Fund Manager:
- (a) any person or company beneficially owning, directly or indirectly, ten

per cent or more of ordinary share capital of the Pension Fund Manager, or being able to exercise, directly or indirectly, ten per cent or more of the total voting power in the Pension Fund Manager;

- (b) any person or company controlled by a Connected Person under the meaning of sub-clause (a);
- (c) any member of the group of which the Pension Fund Manager forms part; or
- (d) any director, officer and employee of the Pension Fund Manager or of any of their Connected Persons as specified in sub-clauses (a), (b) and (c) or any body providing service or exercising power of the Pension Fund Manager;

*provided that* the words “director”, “officer” and “employee” shall include their spouse, lineal ascendants and descendants, brothers and sisters;

- 20.1.22 “**Constitutive Document**” means the principal document governing the formation of the Pension Fund, and includes this Trust Deed and all material agreements;
- 20.1.23 “**Contribution**” means an amount as may be voluntarily determined by a Participant or prospective Participant, payable annually, semi-annually, quarterly, monthly or with any other frequency to the Pension Fund and held in one or more Individual Pension Accounts of the Participant;
- 20.1.24 “**Contribution Date**” has the meaning ascribed to it in Clause 5.2.2;
- 20.1.25 “**Custodian**” means a Bank, a central depository company or any other depository for the time being appointed by the Trustee to hold and protect the Trust Property or any part thereof as custodian or nominee on behalf of the Trustee; *provided that* the Trustee may also itself provide custodial services for the Fund;
- 20.1.26 “**Dealing Day**” means every Business Day on which dealing in the Pension Fund is conducted as disclosed in the Offering Document, provided that the Pension Fund Manager may with the prior written consent of the Trustee and upon giving not less than seven days notice in the newspapers declare any particular Business Day not to be a Dealing Day;
- 20.1.27 “**Deed**” or “**Trust Deed**” means this Trust Deed which is the principal document governing the formation management or operation of the Fund.
- 20.1.28 “**Default Allocation Scheme**” means the default asset allocation scheme as determined by the Pension Fund Manager in conformity with the Prescribed

Allocation Policy for allocating between the Sub-Funds the Contributions received from Participants who have not themselves selected any Allocation Scheme;

20.1.29 “**Distributor**” or “**Distribution Company**” means a company, firm or bank appointed by the Pension Fund Manager under intimation to the Trustee for performing any or all of the Distribution Functions, and shall include the Pension Fund Manager itself, if it performs the Distribution Function.

20.1.30 “**Distribution Function**” means the functions with regard to:

- (a) receiving applications and amounts for the issue of Units in the name of the Trustee , from the Participants;
- (b) issuing receipts in respect of (a) above;
- (c) interfacing with and providing services to the Participants including receiving withdrawal / transfer to / from other Pension Fund Manager(s), applications for redemption, forwarding transfer applications and applications for change of address or any other status, instructions, in writing, of any kind or any other information for immediate transmission to the Pension Fund Manager or the Registrar, as appropriate; and
- (d) accounting to the Pension Fund Manager for (i) Contribution monies received from Participants for issuance of Units in Sub-Fund; and (ii) payments made to the Participants on redemption of Units in the Sub-Fund

20.1.31 “**Eligible Person**” means any person who qualifies the eligibility criteria under the Rules in respect of persons who can make contributions to pension funds authorised under the Rules;

20.1.32 “**Formation Costs**” means all preliminary and floatation expenses of the Pension Fund and shall include expenses in connection with authorization of the Pension Fund, execution and registration of this Trust Deed and legal costs but shall not include any marketing, sales, promotion, education, communication or any form of advertisement costs; and shall not exceed 0.5% of the Seed Capital of each Sub-fund or Rs.750, 000/- in total which ever is less.

20.1.33 “**Front-end Fee**” means the front-end fee payable to the Pension Fund Manager from the Contributions received, before allocation of Units of the Sub-funds, as remuneration under this Trust Deed;

20.1.34 “**Guidelines**” means various guidelines, including instructions and handouts

issued by the Commission to be followed or implemented by the Pension Fund Manager, the Trustee and other persons connected with the Fund in relation to various matters under the Rules;

- 20.1.35 “Haram”** means anything prohibited by the Islamic Shariah.
- 20.1.36 **“Income Payment Plan”** means a plan constituting an agreement with the Pension Fund Manager after retirement enabling withdrawal of the remaining amount in any Individual Pension Account in monthly installments till the age of seventy-five years or as allowed under the Rules;
- 20.1.37 **“Individual Pension Account”** means a distinct account being maintained in the name of each Participant by the Pension Fund Manager to record the Participant’s investment in the Pension Fund and the Units of the Sub-Funds issued thereagainst, including appreciations thereof;
- 20.1.38 **“Investment”** means any Authorized Investment forming part of the Trust Property of any Sub-fund
- 20.1.39 **“Investment Policy”** means the investment policy from time to time determined by the Commission under the Rules;
- 20.1.40 **“Lifecycle Allocation Scheme”** means an Allocation Scheme approved by the Commission, where the percentage allocations to each Sub-Fund will automatically vary based on the age of the Participant;
- 20.1.41 **“Life Insurance Company”** means a company registered under the Insurance Ordinance, 2000 (XXXIX of 2000), to transact life insurance business, and includes the State Life Insurance Corporation of Pakistan;
- 20.1.42 **“Net Assets”** means, in relation to a Sub-Fund, the excess of assets over liabilities of the Sub-Fund, such excess being computed in the manner specified in the Rules or as may be specified by the Commission from time to time;
- 20.1.43 **“Net Asset Value”** or NAV means, in relation to Units of a Sub-Fund, per Unit value of the Sub-Fund, arrived at by dividing the Net Assets of the Sub-Fund by the number of outstanding Units of the Sub-Fund, on the basis indicated in the Rules or as may be specified by the Commission from time to time, which shall constitute the price at which the Units of each Sub-fund shall be issued and the price at which the Units of each Sub-fund shall be redeemed;
- 20.1.44 **“Offering Document”** means the prospectus or other document issued by the Pension Fund Manager with consent of the Trustee and approved by the Commission which contains the investment and allocation policies and all other information in respect of the Pension Fund as required by the Rules

and this Trust Deed and which is circulated to invite offers by the public to contribute to the Pension Fund;

- 20.1.45 “**Ordinance**” means Companies Ordinance, 1984;
- 20.1.46 “**Participant**” means any Eligible Person who opens an Individual Pension Account with the Pension Fund Manager and who makes one or more Contributions or on whose behalf one or more Contributions are made into the Pension Fund;
- 20.1.47 “**Pension Fund Manager**” means UBL Fund Managers Limited or any pension fund manager duly authorized by the Commission to efficaciously manage the Contributions made by or on behalf of Participants in Pension Fund under clause 7.5, and includes the successors-in-interest and assigns of the Pension Fund Manager;
- 20.1.48 “**Prescribed Allocation Policy**” means the allocation policy as prescribed by the Commission from time to time under the Rules;
- 20.1.49 “**Prescribed Application Form**” means a form approved by the Commission from time to time for opening an Individual Pension Account and collecting other information from Participants;
- 20.1.50 “**Records**” include ledgers, day books, cash books and all other manuals or magnetic records used in the business of a Pension Fund Manager;
- 20.1.51 “**Register**” means the register of Participants kept pursuant to the Rules and this Trust Deed;
- 20.1.52 “**Registrar**” means an organization that the Pension Fund Manager appoints for performing the Registrar Functions and, if no such organization is performing such functions, it shall mean the Pension Fund Manager;
- 20.1.53 “**Registrar Functions**” means the functions with regard to:
- (a) maintaining the Register as per the Rules, this Deed or as may be prescribed by the Commission from time to time;
  - (b) processing requests for opening of Individual Pension Account, issue, withdrawal, transfer and transmission of Units and requests for recording changes in data / information / particulars with regard to the Participants or that of their survivors or nominees;
  - (c) issuing statements of account in respect of Individual Pension Account to Participant;
  - (d) such other functions as may be required under the Rules with

respect to record keeping; and

- (e) such other functions as are required under this Trust Deed to be carried out by the Registrar;

20.1.54 **“Retirement Age”** means any age between sixty and seventy years or such age as may be prescribed in the Rules from time to time, which the Participant selects for retirement, in accordance with the provisions of the Rules;

20.1.55 **“Retirement Date”** means the date on which the retirement of a Participant from the Pension Fund becomes effective;

20.1.56 **“Rules”** means the Voluntary Pension System Rules, 2005, and includes all Guidelines issued, directions given, regulations and interpretations made and conditions imposed (either specifically in relation to the Pension Fund or generally) by the Commission thereunder from time to time;

20.1.57 **“Sales Agent”** means an individual, firm, corporate or other entity appointed by the Pension Fund Manager to identify, solicit and assist Eligible Persons to become Participants and make Contributions. The Pension Fund Manager shall compensate Sales Agents out of the Front-end Fee received by the Pension Fund Manager;

20.1.58 **“Seed Capital Units”** shall mean such Units of any Sub-Fund that are issued to the Seed Investors with the condition that they are not redeemable, transferable or tradable for a period of three years from the date of issue or as may be determined by the Commission. Save for this restriction, Seed Capital Units shall all rank pari passu with all other Units;

20.1.59 **“Seed Investors”** of the Pension Fund shall be such initial investors, which may include the Pension Fund Manager, whose subscription shall in aggregate be in compliance of the requirements of Rule 9(3)(b) of the Rules. The Seed Investors shall be issued with Seed Capital Units representing their subscription;

20.1.60 **“Shariah” or “Islamic Shariah”** means divine guidance as given by the Holy Quran and the Sunnah of Prophet Muhammad (Peace Be Upon Him) and embodies all aspects of the Islamic Faith, beliefs, practices, rules and principles;

21.1.61 **“Shariah Advisor”** means an Islamic Financial Institution, an Islamic scholar or a body of Islamic scholars, having knowledge of Islamic finance, considered to be expert(s) in Islamic Shariah to be appointed and/or

replaced in its place by the Pension Fund Manager from time to time with the approval of the Commission for seeking advice regarding compliance with the principles of Islamic Shariah and for monitoring the operations, management and investments of the Fund;

- 21.1.62 **“Shariah Compliant”** shall mean any activity that is in accordance with Islamic Shariah;
- 20.1.63 **“Stock Exchange”** means Karachi Stock Exchange, Lahore Stock Exchange and Islamabad Stock Exchange or any other stock exchange registered under the Securities and Exchange Ordinance, 1969;
- 20.1.64 **“Sub-Fund”** means a collective investment sub-scheme of a specified investment class and / or investment policy set up under and as part of the Pension Fund in accordance with Clause 1.4 and shall include the three initial Sub-Funds named in Clause 1.4.1 and any new Sub-Fund launched pursuant to Clause 1.4.2. Trust Property shall be accounted for and segregated with respect to each Sub-Fund;
- 20.1.65 **“Supplementary Offering Document”** means a document issued by the Pension Fund Manager, in consultation with the Trustee after obtaining the approval of the Commission, describing the special features of the Pension Fund including any Sub-Funds and inviting contributions in the Pension Fund;
- 20.1.66 **“Supplementary Trust Deed”** means a supplemental deed executed between the Pension Fund Manager and the Trustee, with the approval of the Commission, describing any amendments made to this Trust Deed. Such Supplementary Trust Deed shall be binding on each Participant, as if he is party to it and so to be bound by its provisions;
- 21.1.67 **“Takaful Company”** means any General Takaful or Family Takaful Company as defined in the Takaful Rules, 2005;
- 20.1.68 **“Tax”** means all forms of taxation and statutory, governmental, state, federal, provincial, local, government or municipal charges, duties, imposts, contributions, levies, withholdings or liabilities wherever chargeable and whether of Pakistan or any other jurisdiction and any penalty, fine, surcharge, interest, charges or costs relating thereto;
- 20.1.69 **“Tax Year”** shall have the same meaning as ascribed under the Income Tax Ordinance, 2001 (Ordinance No.XLIX of 2001);

- 20.1.70 **“Trust Deed”** means this Trust Deed as amended from time to time by any supplemental trust deed;
- 20.1.71 **“Trust Property”** means the aggregate proceeds credited in the Pension Fund including the Contributions received and seed capital received from Seed Investors of each Sub-Fund after deducting therefrom or providing thereout any applicable Front-end Fee and any other expenses chargeable to the Pension Fund including each Sub-Fund; and includes the Investments and all income, profit and other benefits arising therefrom and all cash, bank balances and other assets, movable or immovable, and property of every description for the time being held or deemed to be held upon trust by the Trustee for the benefit of the Participants pursuant to this Trust Deed;
- 20.1.72 **Trustee”** means Central Depositroy Company of Pakistan Limited (CDC) or any new trustee appointed under Clause 7.7, and includes the successors-in-interest and assigns of the Trustee;<sup>12</sup>
- 20.1.73 **“UBL ISLAMIC Retirement Savings Fund”, “Pension Fund”, “UIRSF” or “Trust”** means the pension fund constituted under this Trust Deed and made up of the Sub-Funds;
- 20.1.74 **“Unit”** means one undivided share in the Sub-Fund to which the share pertains, and where the context so indicates, includes a fraction of a Unit; and
- 20.1.75 **“Zakat”** has the same meaning as in the Zakat and Ushr Ordinance, 1980.

## 20.2 INTERPRETATION

In this Trust Deed, unless the context shall otherwise require:

- (a) a reference to any legislation or legislative provision includes any statutory modification or re-enactment of, or legislative provision substituted for, and any subordinate legislation under, that legislative provision;
- (b) the singular includes the plural and vice versa;
- (c) a reference to an individual or person includes a company, firm, trust, Authority or government and vice versa;
- (d) a reference to any gender includes all genders;
- (e) a reference to a Recital, Clause or Annexure is to a Recital, Clause or Annexure of or to this Trust Deed;
- (f) a Recital or Annexure forms part of this Trust Deed;

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<sup>12</sup> Amended as per 1<sup>st</sup> Supplemental Trust Deed effective date February 21, 2014

- (g) a reference to any agreement or document is to that agreement or document (and, where applicable, any of its provisions) as amended, novated, restated or replaced from time to time;
- (h) a reference to any party to this Trust Deed or any other document or arrangement includes that party's executors, administrators, successors, permitted substitutes, permitted transferees and permitted assigns;
- (i) where an expression is defined, another grammatical form or variation of that expression has a corresponding meaning;
- (j) a reference to any "Account" or "account" includes any renewal, redenomination, redesignation or sub-account thereof;
- (k) "include", "includes" and "including" shall be respectively construed as "include without limitation", "includes without limitation" and "including without limitation", and all derivative terms shall be construed accordingly; and
- (l) words "written" or "in writing" include printing, engraving, lithography, or other means of visible reproduction.

### **20.3 HEADINGS**

In this Trust Deed, headings are for convenience of reference only and do not affect interpretation.

**IN WITNESS WHEREOF THIS TRUST DEED** has been executed at the date mentioned herein above.

**The Common Seal of UBL Fund Managers Limited was hereunto affixed in the presence of:**

**Common Seal**

(1) \_\_\_\_\_

Name: Yasir Qadri

Designation: CEO

CNIC No. 42301-1077910-3

(2) \_\_\_\_\_

Name: Zeeshan

Designation: CBDO

CNIC No. 42101-0880555-5

**The Common Seal of Central Depository Company of Pakistan Limited was hereunto affixed in the presence of:**

**Common Seal**

(1) \_\_\_\_\_

Name: Atiq ur Rehman

Designation: Head of Trustee

CNIC No. 42501-9253203-1

**WITNESS:**

\_\_\_\_\_  
Name: Ghuffran Ali Malik

Occupation: Head of Retail Sales Administration

CNIC No. 45504-1144152-1

\_\_\_\_\_  
Name: Bilal Javaid

Occupation: Manager Operations & Company Secretary

CNIC No.42201-6363434-9

**Annexure 'E**

**MCFSL**

**MUSLIM COMMERCIAL FINANCIAL SERVICES**  
**[PVT] LIMITED**  
**Schedule of Charges related to UBL Retirement Savings Fund**

**Trustee Charges**

● On Net Assets up to Rs. 1,000 million	0.13% per annum or Rs.275,000/= per annum which ever is higher
● On Net Assets from Rs. 1,001 million to Rs 3,000 million	1,250,000 plus 0.10% per annum of any amount exceeding Rs. 1,000 million
● On Net Assets from Rs. 3,001 million to Rs 6,000 million	3,000,000 plus 0.08% per annum of any amount exceeding Rs. 3,000 million
● On Net Assets greater than Rs 6,000 million	5,000,000 plus 0.06% per annum of any amount exceeding Rs. 6,000 million

**CDC Eligible Securities**

- Initial Deposit Fee (One time charges)
- Transaction / Settlement Fee  
[Shares, TFC, Wapda Bonds, Units]
- Custody / Position Fee  
[Shares, TFC, Wapda Bonds, Units]
- Withdrawal Fee

Actual CDC Charges  
[ On a pass through basis ]

**Other Charges**

- |                                       |            |
|---------------------------------------|------------|
| ● Participation Fee (one time charge) | 10,000/=   |
| ● Documentation/ Legal Fee            | At Actuals |
| ● Stamp Duty                          | At Actuals |

**All charges to be billed on a monthly basis.**

