

**TRUST DEED**  
**OF**  
**ABL ISLAMIC PENSION FUND**

*Dated: March 19, 2014*

**BY AND BETWEEN**

***ABL ASSET MANAGEMENT COMPANY LIMITED***

**AND**

***CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED***

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- 1.23 The Pension Fund Manager has appointed Central Depository Company of Pakistan Limited ("CDC") as Trustee of the Pension Fund and CDC has accepted such appointment upon the terms and conditions herein contained and the tariff structure for trusteeship as per Annexure "B" attached herewith.
- 1.24 The Commission has approved the appointment of the CDC as Trustee vide letter No 961/STC/SCD/PW-ABL/AM/42/03/dated March 11, 2014, attached herewith as Annexure "C".

NOW THIS DEED WITNESSETH AND IT IS HEREBY AGREED:

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1.3 DECLARATION OF TRUST

1.3.1 A Pension Fund is hereby constituted and created as a Trust under the Trusts Act, 1882, under the name of "ABL Islamic Pension Fund (ABL-IPF)". The Trustee is hereby nominated, constituted and appointed as the Trustee of the Pension Fund, including the Sub-Funds: Individual Pension Accounts, Allocation Schemes, Approved Income Payment Plans or any structure or plans as may be related to the said Pension Fund, and the Trustee hereby accepts such appointment. The Pension Fund Manager and the Trustee hereby declares and agree that

- a. The Trustee shall hold and stand possessed of all 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 of the Sub-Funds 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 taking *part passu inter se* according to the number of Units of the Sub-Fund held by such Participants, and such Participants shall take *part passu inter se* relation to such benefits;
- c. Balances in any Individual Pension Account and Approved Income Payment Plan shall be the property of the respective Participant;
- d. Each Participant shall only be liable to the extent of his/her 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. Furthermore, all investments shall be in accordance with Islamic Shariah as per the guidelines provided by the Shariah Advisor; and
- f. The Pension Fund Manager shall manage, operate and administer the Pension Fund (including Sub-Funds) strictly in accordance with the provisions and conditions contained in this Deed, the Rules, the guidelines and circulars issued by the Commission from time to time and Islamic Shariah as per the guidelines provided by the Shariah Advisor; and

- 1.3.2 As soon as may be practicable, and after obtaining all applicable Approvals, the Pension Fund Manager shall upon participation in the Pension Fund through offer of Units of Sub-Funds at NAV calculated in the manner prescribed under the Rules or as may be specified by the Commission from time to time to the eligible persons.
- 1.3.3 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 conducting the business of the Trust or in respect of any accessories or other matter incidental thereto, provided that, such procedures shall not be inconsistent with the provisions of this Deed, any Supplementary Trust Deeds and the Rules.
- 1.3.4 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.

1.4 SUB-FUNDS

ABL Islamic Pension Fund will initially consist of the three Sub-Funds to be called "ABL IPF Equity Sub-Fund" (the "Equity Sub-Fund"), "ABL IPF Debt Sub-Fund" (the "Debt Sub-Fund") and "ABL IPF Money Market Sub-Fund" (the "Money Market Sub-Fund") collectively the "Sub-Funds".

The Pension Fund Manager, after successfully managing the Equity, Debt and Money Market Sub-Funds, may with the approval of the Commission launch other Sub-Funds through a Supplementary trust deed and Supplementary Offering Document to incorporate information for investments in other classes of assets.

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including securitized investment in real estate or in assets outside Pakistan. Any reference to the Sub-Fund in this Deed shall be construed to include any new Sub-Fund of the ABI Islamic Pension Fund.

- 1.4.1 Each Participant of the Pension Fund will in turn be the holder of Units of the Sub-Funds in proportion 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 as stated in Clause 4.3.1(f) or, in certain conditions prescribed under the Rules, all such held in an appropriate Bank Account in the name of the Trustee.
- 1.4.2 The Units held by a Participant shall be non-tradable and non-transferable to another Participant person, except in the circumstances mentioned in the Rules.
- 1.4.3 Each Participant shall only be liable to pay the NAV of the Sub-Fund subscribed by him and no further liability shall be imposed on him in respect of any Sub-Fund's Units held by him. Sub-Fund's Units shall be issued only against receipt by the Trustee of full payment thereof.

**2 GOVERNING LAW**

This Deed shall be subject to and be governed by the Applicable Laws of Pakistan, including the Ordinance, the Voluntary Pension System (VPS) Rules 2005, the Income Tax Ordinance, 2001, and shall be deemed 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 deviation under its power given by the Rules.

All the changes in applicable laws and regulations shall be deemed to be part of this Trust Deed irrespective of registration of the Supplementary Trust Deed.

**3 OPERATORS AND PRINCIPLES**

Following are the particulars of current operators and principles of the Fund:

**3.1 PENSION FUND MANAGER**

3.1.1 The Pension Fund Manager to the Pension Fund shall be:

**ABI Asset Management Company Limited,**  
 Registered office  
 11-B, Lalazar,  
 M.T. Khan Road, Karachi-Pakistan

Any change in the 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.

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.

As of the date of this Trust Deed, the Board of Directors of the Pension Fund Manager comprises of the following:

Name	Position	Other Directorship
Shauki Mulkhan Ahmad	Chairman	Brahmin Fibres Limited Brahmin Agencies (Pvt.) Ltd Allied Bank Limited
Mr. Muhammad Wasim Mubtaha	Director	Allied Bank Ltd. Brahmin Fibres Ltd Brahmin Agencies (Pvt.) Ltd Arabian Sea Country Club
Mr. Tariq Mahmood	Director	
Mr. M. Javed Iqbal	Director	CFN Association of Pakistan Cyan Limited
Mr. M. Shatair Meral	Independent Director	
Mr. Kamran Nadeem	Independent Director	Mulla & Phipps Pakistan Offices Limited Information Systems Auditing Limited Associates Karachi Chapter
Mr. Khawaja Muhammad Ahmad	Director	
Mr. Farid Ahmed Khan	CEO	Mutual Fund Association of Pakistan (MIFAP) IFSA Association of Pakistan

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3.2 TRUSTEE

The Trustee for the fund is the Central Depository Company of Pakistan Limited ("CDC") a company incorporated in 1993 under the Companies Ordinance, 1984 and registered with the Securities & Exchange Commission of Pakistan (SECP) as a Central Depository Company of Pakistan Limited with its registered office at CDC House 09-B, Block 'D', SMC H.S. main Shaheed-e-Faisal, Karachi, Pakistan (copy of Commission's approval for appointment of CDC as Trustee is annexed to this Deed as Annexure "C")

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

3.3 DISTRIBUTOR/INVESTMENT FACILITATOR

3.3.1 The main Distributors of the Fund shall be

- i. ABF Asset Management Company Limited and ABF branches

3.3.2 The Pension Fund Manager may from time to time appoint or remove Distributors, Investment Facilitator and Sales Agents for the fund under notification to the Commission and the Trustee

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3.4 REGISTRAR

The Management Company shall carry out the responsibility of maintaining investors records, issuing statements of accounts, issuing Certificates representing Units, processing redemption requests, processing dividend payments and all other related and incidental activities. The Management Company shall not remove the records or Documents pertaining to the Scheme from Pakistan to a place outside Pakistan without the prior written permission of the Commission and the Trustee. The Management Company shall perform the function of Registrar/Transfer Agent. However, at its discretion the Management Company may outsource the Registrar/Transfer Agent to a third party.

3.5 AUDITORS

The first Auditors of the ABF Islamic Pension Fund shall be

**F. Ferguson & Company, Chartered Accountants**

member firm of Price Waterhouse Coopers  
10th Floor, The Building No. 14,  
Chandigarh Road  
Karachi, Pakistan

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

3.5.2 After the date referred in Clause 3.5.1, the Pension Fund Manager shall with the consent of the Trustee appoint an Auditor, a firm of chartered accountants who shall be independent of the auditors 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 Auditors and appoint another Auditor in its place. Furthermore, the Pension Fund Manager shall ensure that the Auditors so appointed, including the first Auditor, are appointed from the panel of Auditors as prescribed by the Commission for this purpose.

3.5.3 The Auditors shall hold office until transmission of the annual report and accounts. The Auditors 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 such number of consecutive terms as may be decided by the Commission from time to time. The following persons shall not qualify to be the Auditors of the Pension Fund:

- a. A person who is at any time during the preceding three years was a director, officer or employee of the Pension Fund Manager or the Trustee;
- b. A person who is a partner of, or in employment of a Director, Officer, Employee or Connected Person of the Pension Fund Manager or Trustee;
- c. The spouse, brothers, sisters or lineal ascendants or descendants of a director, officer or an employee of the Pension Fund Manager or Trustee;
- d. A person who is indebted to the Pension Fund Manager or Trustee; and
- e. A body corporate.



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- 7. 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.
- 8. A person who is not qualified to be appointed as auditor under the terms of Sections 254(1) and 254(4) of the Ordinance shall not be appointed as the Auditor. For the purposes of this Clause "4" 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*.
- 254. Appointment of a partnership firm to be the Auditors shall be deemed to be the appointment of all persons who are partners in the firm from time to time.
- 255. The Auditors 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.
- 256. The Auditors shall prepare an auditor's report as required under the Rules, applicable laws and Regulations to be transmitted to the Commission and the Participants.
- 257. The contents of the Auditors report shall be as required in the Rules. In case the Rules or any other applicable laws relating to appointment of Auditors of the Pension Funds are amended or substituted, the unamended Rules or other applicable laws, as the case may be, shall be deemed to become part of this Deed without the need to execute a Supplemental Trust Deed.
- 258. 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 with or take such other action as the Commission may deem fit.



LEGAL ADVISORS

The first legal advisor of the ABI Islamic Pension Fund is

**M/s Rawaney & Partners**  
 404 4th Floor, Beaumont Plaza,  
 Beaumont Road,  
 Kalyani, Palangal

The Pension Fund Manager may, in consultation with the Trustee, replace the legal advisor or appoint a new legal advisor to a vacancy created by the resignation or removal of the legal advisor. The credentials of the new legal advisor shall be deemed to become part of this Deed without the need to execute a Supplemental Trust Deed.

3.7 SHARIAH ADVISOR

- 37. The Pension Fund Manager shall appoint a Shariah Advisor who shall advise the Pension Fund regarding Islamic Shariah.
- 37.2 The Pension Fund Manager may, in consultation with the Trustee and with the consent of the Commission, replace the Shariah Advisor with a new Shariah Advisor to a vacancy created by the resignation 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 PENSION FUND

4.1 ELIGIBILITY

All individuals fulfilling the eligibility criteria prescribed by the Commission from time to time under the Rules or any directive circular shall be eligible to contribute to the Pension Fund authorized under the Rules directly as well as through employers.

4.2 STRUCTURE OF PENSION FUND

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- 4.21 The Pension Fund shall be in the form of a trust being made up of an equity Sub-Fund, a debt Sub-Fund and a money market Sub-Fund and such other Sub-Funds as may be allowed by the Commission. The Pension Fund shall have different Allocation Schemes that may be specified by the Commission from time to time. Details of Allocation Schemes currently being offered by the Pension Fund Manager shall be given in the Offering Document. When the Additional Allocation Schemes or Sub-Funds are launched, the Pension Fund Manager shall announce the same by Supplementary Offering Document and Trust Deed.
- 4.22 The Pension Fund established is perpetual in life and shall not be wound-up or terminated by way of liquidation.

4.3 APPLICATION PROCEDURES

- 4.3.1 The procedure herein below is designed for paper based transactions. The Pension Fund Manager may at a later date introduce electronic / Internet based options for the transactions.
  - a. Participation in the Pension Fund shall be offered through Authorized Branches/Offices of Distributors and Investment Facilitators/Sales Agents.
  - b. Before contributing, either himself or through the employer, to the Pension Fund, eligible person must open an account with the Pension Fund Manager, to be known as Individual Pension Account (the "IPA") using the Prescribed Application Form.
  - c. Details of documents required to be submitted along with the forms would be as per the Offering Document and as per the Rules, Regulations and Guidelines issued by the Commission from time to time.
  - d. The Pension Fund Manager shall make arrangements that all forms shall be available and can be obtained from the offices of Pension Fund Manager, Investment Facilitators/Sales Agents, and authorize branches - offices of Distributor of the Pension Fund Manager or downloaded from the Pension Fund Manager's website or requested from the Pension Fund Manager by courier or through electronic means.
  - e. The Pension Fund Manager or the Distributor shall verify the particulars given in the Prescribed Application Form. The Investment facilitators / sales agents and distributors shall ensure that only those forms are received and forwarded to the Registrar for further processing which are complete in every respect.

The Participant shall have the option to select any one of the Allocation Schemes offered by the Pension Fund Manager. In the event of no choice made by the Participant, the Pension Fund Manager will have the right to allocate the Contributions to a default Allocation Scheme in light of the Prescribed Allocation Policy, as may be considered in the interest of the participants.

After opening an account or at the time of opening of account a Participant may by using the Form make Contribution towards Pension Fund. Allocation of Contributions among Sub-Funds will be made as per the Allocation Scheme selected by the Participant and the Allocation Scheme once selected can be changed as per the Rules, Regulations and Circulars issued from time to time. Initially, the Allocation Scheme is intimated to the Pension Fund Manager through a Prescribed Application Form.

- f. Application for Contribution shall be made by completing the form and submitting it physically or electronically via designated website to the Authorized Branches of the Distributor or to the Pension Fund Manager together with the payment by cheque, bank draft, pay order, or online transfer as the case may be in favor of "CDC - Trustee ABL Islamic Pension Fund" and crossed "Account Payee only". Zakat contributions, if any, can also be collected with the said Contribution.
- g. If subsequent to receipt of the application by the Distributor or Pension Fund Manager, but prior to issue of the Units, the application is found by the Registrar or the Distributor to be incomplete or incorrect in any material manner, the Registrar or the Distributor will advise the applicant in writing to remove the discrepancy, in the meanwhile the application will be held in abeyance up to fifteen days and in the event the discrepancy is not removed in the said fifteen days, the amount will be refunded out of collection account without any profit or make-up.
- h. If the cheque has been returned unpaid, the application for Contribution will be rejected.
- i. The Applicant must obtain a copy of the application or the receipt signed and stamped by an authorized officer of the Distributor / Investment Facilitators/Sales Agents acknowledging its receipt. However, in case of online Contributions, if any offered by the Pension Fund Manager and with consent of trustee and approval by the Commission the online acknowledgement will be sufficient for the purpose of this clause.



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- l. If an application received pursuant to this Clause 4.3 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.
- m. Subject to the State Bank of Pakistan's regulations or any other applicable law, the Pension Fund Manager will make arrangements, from time to time, for receiving the forms and payments from outside Pakistan from the Participants or Applicants who meet with the eligibility criteria and will disclose these arrangements through its website and its Distributors and agents outside Pakistan.
- n. The prescribed forms can be lodged with any Distributor or Investment Institutions, sales agents, Sales Agent or authorized representatives of the Distributor can collect these forms for onward submission to the Distributor or Pension Fund Manager.

4.3.7 ALLOCATION/ISSUE OF UNITS

- a. The Prescribed Application Form, complete in all respects including payment (on clearing-basis basis), received by the Pension Fund Manager or Distributor at its/their Authorized Branches during Business Hours on any Dealing Day from any Participant shall be immediately credited to the Individual Pension Account of the Participant after deducting the front-end fees or Takaful contributions if any. Such amount in the Individual Pension Account shall be used to purchase the Units of Sub-Funds of the Pension Fund as per the Allocation Scheme selected by the Participant, on the Net Asset Value notified by the Pension Fund Manager at the close of that Dealing Day for each Sub-Fund. All Form received after Business Hours will be transferred to the next Dealing Day.
- b. The Pension Fund Manager shall make reallocation of the Units between the Sub-Funds as per Rules and Offering Document to ensure that the allocation of Units of all the Participants are according to the Allocation Schemes selected by the Participants or where no selection has been made, according to the Default Allocation Scheme.

4.3.8 Application procedure highlighted herein above may be altered by the Pension Fund Manager from time to time with the approval of the Commission. Such alterations shall be announced in its Supplemental Offering Documents and shall be deemed to correspondingly alter the above provisions without the need to execute a Supplemental Trust Deed.

4.4 CONTRIBUTION PROCEDURES AND MINIMUM CONTRIBUTIONS

4.4.1 Contributions from eligible persons and/or from their employers can be paid upto and in installments during any Tax Year. Detailed procedures are mentioned in clause 4.3 above.

4.4.2 The Pension Fund Manager shall send an account statement as an acknowledgement of receipt of the Contribution, to the Participant or the employer, as the case may be, within 7 Business Days of the receipt of Prescribed Application Form complete in all respects along with realization of payment. Such account statement shall provide all the information as per Guidelines issued by the Commission in this regard.

4.4.3 Dispatch of the account statement as an acknowledgement through registered post courier shall be sufficient to meet the needs of the above obligation. However, for contributions limited through the employer's only the acknowledgement receipt of documents provided to the employers shall suffice for the above obligation.

4.4.4 The Fund may be marketed in conjunction with group life or other Takaful schemes or any other scheme subject to approval of the Commission. These supplementary schemes would not be compulsory for all the Participants to join and the Trustee would be authorized to deduct the premiums only from the Contributions of those Participants who have signed to join such schemes. The Trustee would be making payment of deducted premium to the relevant Takaful company on the instruction of the Pension Fund Manager. Only the net amount of Contributions after deduction front end load and premium would form part of the Trust Property.

4.4.5 Contribution procedure enunciated in clauses 4.4.1 to 4.4.4 shall be subject to alterations due to amendments to or substitutions of the Rules and or the Income Tax Ordinance, 2001 and or the Income Tax Rules. Such alterations with prior approval of the Commission shall be announced in Supplementary Offering Documents and shall be deemed to correspondingly alter the above provisions in this Deed without the need to execute a Supplementary Trust Deed.

4.4.6 The Pension Fund Manager may make arrangements to accept contributions through electronic means upon satisfaction of the Trustee.



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4.4.7 Minimum Contributions

- a. The minimum amount of Contribution initially and subsequently into an Individual Pension Account shall be as stated in the Offering Document approved by the Commission. The Participant can make Contribution at any frequency into his/her Individual Pension Account.
- b. The Pension Fund Manager reserves the right to alter the minimum amounts of Contribution, with the consent of the Trustee and under intimation to the Commission and the same will be effective irrespective of registration of Supplementary Trust Deed.

4.5 INDIVIDUAL PENSION ACCOUNT

4.5.1 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.

4.5.2 The Contribution received from any participant on any Business Day by the Trustee shall immediately be credited to the Individual Pension Account of the respective Participant. The amount in the Individual Pension Account shall be used for the purchase of the Units of different Sub-Funds in accordance with the Allocation Scheme selected by the Participant. In the event of no Allocation Scheme being selected by any Participant, the Pension Fund Manager shall allocate the Contributions among the various Sub-Funds in line with Default Allocation Scheme under the Prescribed Allocation Policy, as may be considered in the interest of the participants.

4.5.3 Contributions shall not be treated as having been received from or on behalf of any Participant unless they are received by the Trustee in cleared funds and only the amount received in cleared funds shall be treated as the Contribution received.

4.5.4 If any Contribution is received from or on behalf of any Participant by 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.

4.5.5 The Participant shall have a right to change his/her Allocation Scheme as per the Rules and Circulars issued from time to time.

The Pension Fund Manager shall make reallocation of the Units between the Sub-Funds as per Rules and Offering Document to ensure that the allocation of Units of all the Participants are according to the Allocation Scheme selected by the Participants or where no selection has been made, according to the default Allocation Scheme, as may be considered in the interest of the participants.

The Individual Pension Account and the Units shall not be subject to any lien, pledge or encumbrance, 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 on the bankruptcy of a Participant, no sum shall pass to any trustee or person acting on behalf of his/her creditors.

As part of the Form, each Participant shall provide an undertaking that he/she has no objection to the Prescribed Investment Policy and Prescribed Allocation Policy determined by the Commission and he/she is fully aware of the risks associated with his/her selection of Allocation Scheme.

4.5.9 In case of retirement of the Participant, the units available in the Individual Pension Account shall be encashed on the first Dealing Day falling on or immediately after the date of retirement and such cash shall be deposited in a bank account maintained with a Bank having minimum entry rating by a credit rating agency as specified in the Offering Document which shall earn mark-up at applicable market rates offered for deposits of such amount and duration from the date of retirement till the date at which retirement options are exercised.

4.5.10 In case of death before retirement, the units available in the Individual Pension Account shall be encashed on the Dealing Day on which intimation of the death of the Participant would be received in writing along with the necessary documents as may be acceptable to the PFM and/or Trustee and such cash shall be deposited in a bank account maintained with a Bank having minimum entry rating by a credit rating agency as specified by the in the Offering Document which shall earn mark-up at applicable market rates offered for deposits of such amount and duration from the date of intimation of death of the Participant till the date when the available options are exercised by the nominee/survivors.

4.5.11 The criteria of allocation may be subject to changes and modifications from time to time in accordance with the change in the Prescribed Investment Policy and Prescribed Allocation Policy. All such changes shall be announced by a Supplementary Offering Documents with the consent of the Trustee and shall be deemed to become part of this Trust Deed without the need to execute Supplementary Trust Deeds.

4.6 WITHDRAWAL PROCEDURE BEFORE RETIREMENT

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- 4.6.1 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/her Individual Pension Account subject to the conditions laid down in the Income Tax Ordinance, 2001 (XIX 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.
- 4.6.2 Where the request made by a Participant under Clause 4.6.1 is for partial withdrawal from his/her Individual Pension Account, the request shall be given effect by redemption of Units of Sub-Funds in such proportion that the remaining balance in his/her Individual Pension Account is in accordance with the Allocation Scheme last selected by the Participant.
- 4.6.3 If a Participant intends to withdraw funds from his/her Individual Pension Account before the date of his/her retirement, he/she must give written notice of his/her 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.
- 4.6.4 The Pension Fund Manager shall ensure that the form referred to in Clause 4.6.3 shall be available from Authorized Branches of Distributors and such form shall, if completed by the Participant and submitted to any Authorized Branch of distributor, shall be taken to be the notice to the Pension Fund Manager referred to in that Clause.
- 4.6.5 On any Business Day being not later than the sixth (6th) Business Day after the Participant submitted the completed form to any Authorized Branch under Clause 4.6.3 the Pension Fund Manager shall, subject to Clause 4.6.2, redeem the relevant number of Units held by Participant in his/her 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 4.6.1.
- 4.6.6 The provisions relating to withdrawal of funds before the date of retirement set out in Clauses 4.6.1 to 4.6.5 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.

**TRANSFER OF PENSION FUND MANAGER/PENSION FUND BY THE PARTICIPANT**

Participants shall be allowed to transfer the entire or part of his/her Individual Pension Account with the ABL-IPF to another pension fund manager/pension fund by completing the Forms. For this purpose the Units shall be encashed at the Net Asset Value of each Sub-Fund notified at the date of transfer if a Working Day otherwise on the next Working Day.

No charge whatsoever called shall be deducted for transfer of the Individual Pension Account from ABL-IPF to another pension fund manager/pension fund.

The transfer of individual pension account from one Pension Fund Manager to another Pension Fund Manager or from one pension fund to another pension fund shall only take place once in a financial year.

4.7.4 The application for transfer of the account, specifying the name of the new pension fund manager/pension fund and Individual Pension Account number with the new pension fund manager must be sent by the Participant at least twenty-one days before the effective date of the proposed change. The procedure for transfer of Individual Pension Account from the Pension Fund Manager/pension fund to another pension fund manager/pension fund shall be specified in the Offering Document.

4.7.5 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 practically 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.

4.7.6 Above procedures will be followed both in case of Transfer in and Transfer out of the ABL Islamic Pension Fund. However, in case of transfer in ABL-IPF units shall only be issued upon realization of amount.

4.7.7 Policyholders having pension policies approved by the Commission under Section 63 of the Income Tax Ordinance, 2001 (XIX of 2001) and issued by Lakamal Companies before 30 June 2007 would also be eligible to redeem their Units and transfer the balance to an Individual Pension Account with the ABL Islamic Pension Fund, subject to the Trust Deed and the Rules. This may be subject to change due to any



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changes in or substitution of the Income Tax Ordinance, 2001 and shall be deemed to become part of this Deed without the need to execute any Supplementary Trust Deed.

4.7.1 On receiving a transfer application mentioned in clause 4.7.4 above, complete in all respects, the Pension Fund Manager shall redeem the requested amount out of the balance available in Individual Pension Account of the Participant at the close of first Business Day that falls on or after the effective date of the proposed change and transfer the requisite amount to the requested pension fund.

#### 4.8 REGISTER OF PARTICIPANTS

4.8.1 The Pension Fund Manager has the responsibility to maintain Participant's records and for this purpose it may, under authority to the Trustee, appoint a Registrar, who should be responsible for maintaining Participants' records and providing related services. The Registrar shall perform the Registrar Functions and all other related activities. The Pension Fund Manager shall ensure that the Registrar shall comply with all relevant provisions of this Deed and the Rules.

4.8.2 The Pension Fund Manager or the Registrar as the case may be at their registered office shall maintain a Register of Participants and inform the Commission of the address where the Register is kept. The Register shall also contain the information as prescribed by the Commission.

4.8.3 The Register shall be maintained in electronic form and be password protected. The Pension Fund Manager would grant access to all the Participants to view the account information. The record keeping system shall contain the computerized transaction log which shall record Participant Account changes, who made them and when they were made. The Registrar and the Pension Fund Manager shall make sufficient provision for back up of the Register and its storage at an offsite location.

4.8.4 The Pension Fund Manager 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.

4.8.5 The Registrar shall, within three Dealing Days of receiving a written request from any Participant, post (or send by courier or through electronic means) to such Participant details of such Participant's account in the Register. Such service shall be provided free of charge to any Participant requesting it once in any financial year. The Pension Fund Manager may prescribe charges for servicing of any additional requests with the approval of the Commission. The details of charges if any shall be disclosed in the Offering Document.

The Register shall contain the information required by or under the Rules and shall be maintained in line with the Guidelines on record keeping issued by the Commission from time to time and shall, at the minimum, contain the following information:

- a. Registration number;
- b. Individual Pension Account number;
- c. Full names, father's name, residency status, CNIC number (in respect of Pakistani nationals), NICOP number (in respect of overseas Pakistanis), National Tax Number (if applicable) and addresses of Participant;
- d. If Participant is registered through employer the Individual Pension Account Number will be linked to an Employer Account Number that will contain the following:
  - i. Employer name;
  - ii. Registered address;
  - iii. National Tax Number;
  - iv. Number of employees contributing to VPS; and
  - v. Telephone number and e-mail address;
- e. Date of birth and sex of the Participant;
- f. Complete record of the amount and date of each Contributions paid by the Participant;
- g. Complete record of the amount and date of each Contribution paid by the Employer;
- h. Date and amount of incoming and outgoing transfers;
- i. The number of Sub-Fund Units allocated and standing in the name of the Participant in his Individual Pension Account or Approved Income Payment Plan balances;
- j. The date on which the name of every Participant was entered in respect of the Sub-Fund Units standing in his/her name.



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- k. Tax/Zakat status of the Participant;
- l. Nominee(s);
- m. Record of specimen signatures of the Participant and Nominee(s);
- n. Information on retirement of Participant and the payments made in to be made;
- o. Information on death and transfer of account to heirs, and
- p. Such other information as may be specified by the Commission or Pension Fund Manager may require.

4.8.7 The Register shall be conclusive evidence as to the Sub-Fund Units or Individual Pension Account or Approved Income Payment Plan Account balances held by each Participant.

4.8.8 Any change of address or status of any Participant shall forthwith be notified in writing to the Registrar, who on being satisfied therewith and on compliance with such formalities shall update the Register accordingly.

4.8.9 The Participant or his/her nominee, 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 such Units 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.

4.8.10 Upon being satisfied that the contribution to the Pension Fund has been received in full from the successful applicant, the Registrar shall issue, within seven business days of such contribution, an acknowledgement along with the account statement that will constitute evidence of the number of Sub-Fund Units or Individual Pension Account or Approved Income Payment Plan Account balances registered in the name of the Participant and shall contain such other information as prescribed by the Commission from time to time. However, for contributions routed through the employers, only the acknowledgement receipt of documents provided to the employers shall suffice as an acknowledgement.

4.8.11 While making payment of the benefits, the Pension Fund Manager shall ensure that adequate description of reasons of payment i.e. retirement, disability, death benefit to the beneficiary is mentioned in the Register.

4.8.12 The accessibility of data shall extend three years post the last amount paid to the Participant, subsequent pension fund manager or to the heirs of the Participant by the Pension Fund Manager.

**RETIREMENT AGE**

The Participant may choose his/her Retirement Age which would be between sixty and seventy years or twenty-five years since the age of first contribution to a pension fund whichever is earlier. Participant shall send a notice to the Pension Fund Manager at least thirty days before the chosen date of Retirement.

4.9.1 If a Participant suffers from any of the following disabilities, which render him unable to generate any income he/she may, if he/she so elects, be treated as having reached the Retirement Age at the date of such disability and all relevant provisions shall apply accordingly, namely:

- a. loss of two or more limbs or loss of a hand and a foot;
- b. loss of eyesight;
- c. deafness in both ears;
- d. severe facial disfigurement;
- e. loss of speech;
- f. paraplegia or hemiplegia;
- g. Imbecy;
- h. advance case of incurable disease; or
- i. wounds, injuries or any other diseases etc., resulting in a disability due to which the Participant is unable to continue any work.

4.9.2 An assessment certificate from the medical board approved by the Commission and appointed by the Pension Fund Manager or any such procedure that the Commission has approved would be required to confirm any of the disability, specified above.

**4.10 BENEFITS ON RETIREMENT**

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4.10.1 At the date of retirement of the Participant all the Units of the Sub-Funds to his/her credit shall be redeemed at the Net Asset Value notified at close of the day of retirement, if such day is a Dealing Business Day and otherwise on the next following Dealing Business Day and the amount due shall be credited to his/her Individual Pension Account, which shall earn the applicable market rate of mark-up offered for deposits of such amount and duration. The Participant shall be given Forms listing their choices under the Rules and shall then have the following options, namely:-

- a. Withdraw up to fifty per cent or such percentage of the amount from his/her individual pension account as cash which is permissible under the Income Tax Ordinance, 2001 (XLIX of 2001) and subject to payment of tax as required thereunder;
- b. Use the remaining amount to purchase an annuity from a Life Insurance (Takaful) Company of his/her choice, such payment shall be made directly to the Life Insurance (Takaful) Company by the Trustee of the Fund on the instruction of the Pension Fund Manager; or
- c. Enter into an agreement with the Pension Fund Manager to withdraw from the remaining amount, monthly instalments for up to fifteen years following the date of retirement or as specified in the Rules, according to an Income Payment Plan, approved by the Commission;
- d. the transfer of an individual income payment plan account from one Pension Fund Manager to another Pension Fund Manager or from one income payment plan to another income payment plan shall only take place once in a financial year and notice for the change, specifying the name of new Pension Fund Manager and the income payment plan shall be sent by the participant at least twenty-one days before the effective date of the proposed change.

At the expiry of the Approved Income Payment Plan according to clause (c) above, the Participant shall have option to use the outstanding balance in his/her Individual Pension Account to purchase an Approved Annuity Plan from a Life Insurance (Takaful) Company, of his/her choice or buy an Approved income payment plan for another term or to withdraw the amount from his/her account subject to the conditions laid down in the Income Tax Ordinance, 2001.

According to the rules, the annuity 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) Companies.

#### 4.11 WITHDRAWAL OF FUNDS BEFORE RETIREMENT

4.11.1 A Participant at any time before retirement shall be entitled to redeem the total or part of the Units of the Sub-Funds to his/her credit in the Individual Pension Account subject to the conditions laid down in the Income Tax Ordinance, 2001 (XLIX of 2001) and Offering Document, from time to time. The withdrawals shall be through single or multiple payments.

Where the request is made by a Participant for partial withdrawal from the Individual Pension Account, the Units in the Sub-Funds shall be redeemed on pro rata basis in accordance with the Allocation Scheme last selected by the Participant at the Net Asset Value at the close of the Dealing Day on which the request is complete in all respects was received. Afterwards, the Pension Fund Manager shall forward the request to the Trustee to make payment.

Withholding tax and tax penalty, if any, applicable to all such withdrawals shall be deducted by the Trustee as determined by the Pension Fund Manager and the same shall be deposited in the Government treasury.

4.11.2 Where the request made by a Participant under Clause 4.11.1 is for partial withdrawal from his/her 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/her Individual Pension Account is in accordance with the Allocation Scheme last selected by the Participant.

4.11.3 If a Participant intends to withdraw funds from his/her Individual Pension Account before the date of his/her retirement, he/she must give written notice of his/her 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/her, and in the case of partial withdrawal, the percentage of Units to be withdrawn.

4.11.4 The Pension Fund Manager shall ensure that the form referred to in Clause 4.11.3 shall be available from Distributors and Pension Fund Manager and such form shall, if completed by the Participant and submitted to any Distributor or Pension Fund Manager, shall be taken to be the notice to the Pension Fund Manager referred to in that Clause.

4.11.5 On any Business Day being not later than the sixth (6th) Business Day after the Participant submitted the completed form to any Authorized Branch under Clause 4.11.3, the Pension Fund Manager shall, subject to



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Sd/- Tarek Karim

Clause 4.11.2, redeems the relevant number of Units held by Participant in his/her 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 4.11.1.

4.11.3 The provisions relating to withdrawal of funds before the date of retirement set out in Clauses 4.11.1 to 4.11.6 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.

**4.12 BENEFITS ON DEATH BEFORE RETIREMENT**

4.12.1 In case of death of a Participant before the retirement age all the Units of the Sub-Funds to his/her credit shall be redeemed at the Net Asset Value notified at close of the day of intimation of the Participant's death given in writing to the Pension Fund Manager by any nominee, executor, administrator or successor of the deceased Participant, complete in all respects and acceptable to the Pension Fund Manager and on the Trustee, provided that such day is a Dealing Business Day and otherwise on the next following Dealing Business Day, the amount due shall be credited to his/her Individual Pension Account, which shall earn the applicable market rate of mark-up offered for deposits of such amount and deduction from the date of receipt of death certificate till the date when available options are exercised by the survivors. Death certificate issued by the issuing authority having jurisdiction over the matter and received by the Distribution on Dealing Day shall be considered as intimation of death to the Pension Fund Manager. Detailed procedure for intimation and allocation thereafter shall be provided in the Offering Document and as per laws enforced from time to time.

4.12.2 The total amount in the Individual Pension Account of the deceased Participant shall be divided among the nominated survivors according to the percentages specified in the Nomination Deed executed by the Participant and delivered to the Pension Fund Manager or as may be ordered by the court and each of the nominated survivor shall then have the following options, namely:-

- a. Withdraw his/her share of the amount subject to the conditions laid down in the Income Tax Ordinance 2001 (XIX of 2001);
- b. Transfer his/her share of the amount into his/her existing or new Individual Pension Account or Income Payment Plan Account to be opened with a Pension Fund Manager, according to the Rules;
- c. Use his/her share of the amount to purchase an Approved Annuity Plan on his/her life from a Life Insurance/Takaful Company, only if the age of the survivor is fifty-five years or more; or
- d. Use his/her share of the amount to purchase a deferred Approved Annuity Plan on his/her life from a Life Insurance/Takaful Company to commence at age fifty-five years or later.

Such payment mentioned in clause (c) and (d) above will be made directly by the Trustee of the Fund to the Life Insurance/Takaful Company without tax deduction on the instruction of the Pension Fund Manager. In absence of Nomination Deed the Succession Certificate will prevail.

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).

The nominated survivors (if nominated by the Participant during his/her life time) and the executor or administrators of the deceased shall be the only persons (recognized by the Registrar, Trustee and the Pension Fund Manager) as having title to the Units of the Sub-Funds. Provided however, neither the Trustee, nor the Pension Fund Manager or the Registrar shall be liable or be involved in any manner whatsoever in any disputes among the nominated survivors and/or the rest of the legal heirs or legal representatives of the deceased Participant and shall have the discretion to require the attestation of succession certificate or any other mandate from a court of appropriate jurisdiction or lawful authority. Detailed procedure for intimation and allocation thereafter shall be provided in the Offering Document and as per laws enforced from time to time.

**4.13 INSTRUCTIONS FROM PARTICIPANTS**

All the instructions from a Participant or his/her nominated survivors, executors or administrators, etc. as the case may be with regard to ABL Islamic Pension Fund shall be in writing and duly signed by them.

**4.14 THE METHOD OF DETERMINING NET ASSETS OF PENSION FUND**

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- 4.11.1 Net Assets of the Pension Fund will comprise of the Net Assets of the Sub-Funds, Individual Pension Account, Approved Incoming Payment Plan, Cash collection and disbursement account constituting the Pension Fund and any other assets in any other account related to the Pension Fund
- 4.11.2 Net Asset Value of the Unit of each Sub-Fund shall be calculated on the basis of the Sub-Fund's total Net Asset divided by the number of outstanding Units of that Sub-Fund.
- 4.11.3 NET ASSET VALUE OF SUB-FUNDS: Net asset value in relation to a Sub-Fund means the excess of total value of assets over total value of liabilities of the Sub-Funds. The values of assets and liabilities will be computed in the manner specified in the Rules or as may be specified by the Commission from time to time.

**4.15 FREQUENCY OF VALUATION OF THE ASSETS AND DEALINGS**

- 4.15.1 The valuation of Net Assets of the Sub-Funds will be performed on all Dealing Days and any other day as determined by the Pension Fund Manager
- 4.15.2 Dealing in the Units of the Sub-Funds will be conducted on at least four Dealing Days per week to be announced by the Pension Fund Manager initially in Offering Document and subsequently in newspapers
- 4.15.3 For suspension or deferral in the dealing of Units please refer clause 8 of the Trust Deed

**4.16 UNIT PRICING AND THE CIRCUMSTANCES UNDER WHICH IT CAN CHANGE**

- 4.16.1 Units of the Sub-Funds will be priced at Net Asset Value per Unit determined at the close of the Business Day as per criteria given in the Rules and amendment therein from time to time
- 4.16.2 Unit pricing may change from time to time subject to change in Rules without any need to register the supplementary Trust Deed.

**4.17 THE MODE OF ANNOUNCEMENT OF NET ASSET VALUE**

The Net Asset Value of Units shall be made available at Authorized Branches / Offices of the Distributor and at the offices of Pension Fund Manager, and shall also be published in a leading daily newspaper with wide circulation in most of the cities in which the Pension Fund Manager have its distribution network and on the website of the Pension Fund Manager on the day following the day of valuation of the Net Assets.

**4.18 PAYMENT OF PROCEEDS**

- 4.18.1 The amount payable on withdrawal shall be paid to the Participant or, in accordance with this Trust Deed to his/her nominated survivors, executor, administrators or successors by crossed cheque, pay order or transfer to their designated banker or an insurance/Takaful company as the case may be within six Business Days from the date of presentation of the duly completed application at the Authorized Branch / office of the Distribution Company or at the offices of Pension Fund Manager. The Pension Fund Manager shall ensure that while making payment, adequate records in respect of reason of payment are maintained. At the written request of the Participant, the Pension Fund Manager may at its discretion, advise the Trustee to pay proceeds through some other mode of payment (other than cash)

In the event that the withdrawal or transfer request 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 to provide the missing information. The payment shall not be made until all discrepancies have been removed.

- 4.18.2 The amount payable on transfer shall be paid on behalf of the Participant to the requested pension fund within six Business Days from the date of presentation of the duly completed application. In the event transfer requests on any day exceed 10% of the AUM Islamic Pension Fund, the transfer or withdrawal requests in excess may be deferred in accordance with the procedure set out in Clause 8 of this Trust Deed
- 4.18.3 The receipt of the Participant or banking documents showing transfer to the Participant, insurance/Takaful company or another pension fund as the case may be or proof of issue of a cheque and mail to the Participants address for any moneys payable in respect of the Individual Pension Account shall be a good discharge to the Trustee and the Pension Fund Manager.
- 4.18.5 The method for payment of proceeds given in 4.18.1 to 4.18.3 shall be subject to changes due to any changes prescribed by the Commission under the Rules and shall be deemed to become part of this Deed without the need to execute any Supplemental Trust Deed

**4.19 WITHHOLDING TAX AND TAX PENALTY**

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The Trustee on the advice of the Pension Fund Manager shall withhold the tax on payments to the Participants, nominees or successors as the case may be, applicable according to the Income Tax Ordinance, 2001 (XLIX of 2001), including any amendments and/or substitutions thereof and deposit the same in the Government treasury.

#### 4.20 SHARIAH GOVERNANCE

- 4.20.1 All operational, management and investment activities of the AIF Islamic Pension Fund shall be undertaken in accordance with (Islamic Shariah) as per the guidelines provided by the Shariah Advisor.
- 4.20.2 The Shariah Advisor shall prescribe investment screening and identification criteria and guidelines for determining Shariah compatibility of investments to be made by the Islamic Pension Fund.
- 4.20.3 The Shariah Advisor shall also determine non-Shariah Compliant or Haram income (if) may have been earned by the Islamic 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 Islamic 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

All the following fees and charges are subject to change with prior approval of Commission without any need to alter this Fund Deed. The full disclosure of the fee and charges shall be provided in the Offering Document of the Pension Fund.

##### 5.1 FRONT-END FEE OUT OF THE CONTRIBUTIONS

5.1.1 The Pension Fund Manager may charge Front-end Fee up to a maximum of 5% on Contributions to the 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 are exempt from Front-end Fee:

- Incoming transfer of the Individual Pension Account from other pension fund manager to AIF Pension Fund.
- Incoming transfer from pension policies approved by the Commission under section 63 of the Income Tax Ordinance, 2001 and issued by Life Insurance Companies before 31st July 2005, or
- Such other contributions/transfers as may be declared by the Commission from time to time.

The remuneration of Distributors and Investment Facilitator / Sales Agents shall be paid from any Front-end Fee received by the Trustee and/or may be paid by the Pension Fund Manager when the Trustee pays the Front-end Fee to the Pension Fund Manager for onward payments to Distributors or Investment Facilitator / Sales Agents. Alternatively, the Trustee may pay the same directly to the Distributors or Investment Facilitator / Sales Agents upon instructions of Pension Fund Manager, and no charges shall be made against the Fund Property in this respect. If the Front-end Fee received by the Trustee is insufficient to pay the remuneration of the Distributors and Investment Facilitator / Sales Agents, the Pension Fund Manager shall pay the amount necessary to pay in full such remuneration.

5.1.3 Payments mentioned in Clause 5.1.1 above shall be made by the Trustee to the Distribution Companies, Investment Facilitators, Sales Agents and the Pension Fund Manager or, as the case may be, by the Pension Fund Manager to the Trustee, on monthly basis or arrears within thirty days following the end of the calendar month.

5.1.4 Any Distributor or Investment Facilitator / Sales Agents, whether in Pakistan or overseas, shall not receive any amount of Contributions in his/her own account (so he/she will not be able to deduct any distribution fee on his/her own). Every cheque/demand draft instrument shall be in the name of the Trustee and then the Trustee shall either directly or through the Pension Fund Manager remit the commission to the Distributors or Investment Facilitator / Sales Agents as the case may be.

5.1.5 The Pension Fund Manager, at 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 made an exception to reduce or waive the Front-end Fee for a contribution, accepted that contribution without imposing a Front-end Fee, the Pension Fund Manager may not later recharge that Front-end Fee. However, the decision by a Participant

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Fund Manager to reduce or waive a Front-end Fee for one Participant or for one contribution of a single Participant does not obligate the Pension Fund Manager to reduce or waive the Front-end Fee for other Participants' contributions or for future contributions of the same Participant.

**5.2 REMUNERATION OF THE PENSION FUND MANAGER**

- 5.2.1 The Pension Fund Manager shall be entitled to remuneration for its services out of the Fund Property by way of an annual management fee not exceeding 1.5% of the Net Assets of such Sub-Funds calculated during the year for determining the prices of the units of the Sub-Funds.
- 5.2.2 The remuneration due to the Pension Fund Manager shall be accrued on daily basis and paid on monthly basis, within thirty (30) Business Days after the close of each month, provided that the Pension Fund Manager may from time to time draw in advance out of the accrued remuneration a sum that the Trustee shall consider reasonable.
- 5.2.3 Pension Fund Manager shall not make any charge against the Participants or against the Fund Property for its services or for its expenses, except such expenses as are expressly authorized under the provisions of the Rules and the Trust Deed to be payable out of Fund Property.
- 5.2.4 In consideration of the foregoing and save as aforesaid and as provided the Pension Fund Manager shall be responsible for the payment of all expenses incurred by the Pension Fund Manager from time to time in connection with its duties as Pension Fund Manager of the Trust. The Pension Fund Manager shall also 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 provision of the Trust Deed. 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 remuneration shall begin to accrue from the date of payment in full of the Seed Capital. In respect of any period other than a full year, such remuneration shall be prorated on the basis of the actual number of days for which such remuneration has accrued in the Accounting Period concerned.

**5.3 REMUNERATION OF THE TRUSTEE**

- 5.3.1 The Trustee shall be entitled to a monthly remuneration out of the Fund Property based on an annual tariff of charges annexed hereto (Annexure "B"), which shall be applied to the average daily Net Assets of the Pension Fund during such calendar month.
  - 5.3.2 Such remuneration shall be paid to the Trustee in arrears within fifteen Business Days after the end of each calendar month.
  - 5.3.3 The Trustee shall bear all expenditures in respect of its secretarial and office space and professional management, in accordance with the provisions of this Deed.
  - 5.3.4 The remuneration shall begin to accrue from the date of payment in full of the Seed Capital units subscribed by the Seed Investors. For any period other than a full calendar month such remuneration will 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.
- In consideration of the foregoing and save as aforesaid the Trustee shall be responsible for the payment of all expenses incurred by the Trustee from time to time in connection with their duties as Trustee of the Trust. The Trustee shall not make any charge against the Participants or against the Trust Property or against the Distribution Account for their services or for their expenses, except such expenses as are expressly authorized to be paid out of the Trust Property under the provisions of the Rules and this Deed.

**5.4 OTHER FEES AND CHARGES PAYABLE OUT OF THE PROPERTY OF THE FUND**

- 5.4.1 Other fees and charges to be charged to the Fund shall include:
  - a. Brokerage and Transaction Costs related to investing and disinvesting of the Fund Property.
  - b. Legal costs incurred in protecting or enhancing the interests of the Fund or the collective interest of the Participants subject to approval of the Trustee. This may also include the cost incurred for registration of assets of the Pension Fund in the name of the Trustee.
  - c. Bank charges and borrowing-financial costs: provided that the charges payable to any Bank or Financial Institution against borrowings on account of the Trust as permissible under the rules shall not be higher than the normal prevailing bank charges or normal market rates.
  - d. Auditors' Fees and expenses.

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- e. Annual fee payable to the Commission under Rule 36 of the Rules but not any fines, charges, sanctions or penalties asserted by the Commission against the Pension Fund Manager or any of its related companies;
- f. Preliminary expenses including Formation Costs but excluding any costs relating to marketing, sales promotion, education, communication or any form of advertisement costs shall be subject to a limit of PKR 750,000 or 0.5% of the total Seed Capital, whichever is less. This cost shall be paid to the Pension Fund Manager within the first three months of complete receipt of Seed Capital and amortized over a period of three years;
- g. Taxes applicable to the Trust or its income, turnover, assets or otherwise if any; but not 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
- h. Custody charges including Central Depository Company of Pakistan charges, if any.

6.4 The Pension Fund Manager's Remuneration and the Trustee's Remuneration shall be charged to the Sub-Funds in proportion to the Net Assets of the pertinent Sub-Fund. Formation Costs shall be divided equally among all the Sub-Funds. Any admissible expense identifiable to a specific Sub-Fund shall be charged to that Sub-Fund. Common expenses, like Legal Costs, Audit Fees, Annual Fees payable to the Commission and other Costs and Charges pertaining to the Pension Fund as a whole, shall be divided equally among the Sub-Funds. Any other charges as may be allowed by Commission from time to time shall also be charged as per the above criteria.

**6. INVESTMENT POLICY AND INVESTMENT & BORROWING RESTRICTIONS**

**6.1 INVESTMENT OF FUND PROPERTY:**

- 6.1.1 The Fund Property shall initially be constituted out of the proceeds (the "Seed Capital") of the Sub-Fund Units (Core Units) issued to initial investors (the "Seed Capital Investors").
- 6.1.2 The aggregate proceeds of all Contributions including Zakatul contribution if any to the Fund from time to time shall be collected in the collection account and transmitted in the respective Sub-Fund accounts in the name of the Trustee after deducting Front-end Fees and Zakatul contribution if any in accordance with the instructions given by the Pension Fund Manager from time to time. The net proceeds after deduction of Front-end Fee and Zakatul contribution, if any, shall constitute Pension Fund Property vested in the Sub-Funds of the Pension Fund. Front-end Fee and Zakatul contribution will be transmitted in the name of Pension Fund Manager and specified insurance/Zakatul company respectively.
- 6.1.3 The Trustee shall take the Fund Property into its custody or under its control, either directly or through the Custodian and hold it in trust for the benefit of the Participants in accordance with the provisions of the Rules and this Deed. The Fund Property shall always be kept as separate property and shall not be applied to any purpose unconnected with the Fund. The Fund Property of each Sub-Fund shall be kept and accounted separately and shall not be commingled. All registrable investments shall be registered in the name of the Trustee and shall remain so registered until disposed of pursuant to the provisions of this Deed. All expenses incurred by the Trustee in effecting such registration shall be payable out of the Fund Property.
- 6.1.4 All cash forming part of the Trust Property shall be deposited by the Trustee in separate accounts to be opened in the name of the Trustee, as a nominee of the Trust, with Scheduled Commercial Banks having at least minimum rating as mentioned in the Offering Document approved by the Pension Fund Manager or as specified by the Commission from time to time. Such Banks shall be required to allow profit or mark-up thereon in accordance with the rules prescribed by such Banks for sharing of profits or mark-up on deposits maintained in such account or under any other arrangement approved by the Pension Fund Manager.
- 6.1.5 Save as herein expressly provided, the Fund Property of each Sub-Fund 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 Fund, create or purport to create any mortgages, charges, liens or any other encumbrances whatsoever to secure any loan, guarantee, or any other obligation, actual or contingent, on the Fund Property.
- 6.1.6 Remuneration of the Pension Fund Manager; Remuneration of the Trustee; Brokerage and Transaction Costs related to investing and disinvesting of the Trust Property; legal costs incurred in protecting the interests of the ARI, Islamic Pension Fund or the collective interest of the Participants; bank charges and other costs including Audit Fees, Formation Costs, Annual Fee payable to the Commission, shall be



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payable out of the Trust Property. Provided further that the Formation Costs, including expenditure incurred in connection with the establishment and authorization of the ABL Islamic Pension Fund shall also be borne by the Pension Fund and paid to the Pension Fund Manager within the first three months of completion of receipt of proceeds against Seed Capital Units subscribed by the Seed Investors and amortize over a period of three years.

#### 6.1.7 BANK ACCOUNTS

- a) The Trustee will maintain Bank Accounts for the Pension Fund in Banks having a minimum rating as mentioned in the Offering Document or as specified by the Commission from time to time, approved by the Pension Fund Manager and their branches as specified by the Pension Fund Manager from time to time. These Bank Accounts would be titled as follows:
  - b) For collection of Contribution "CDC-Trustee ABL Islamic Pension Fund"
  - c) For withdrawal of accumulated balance "CDC-Trustee ABL Islamic Pension Fund Redemption Account"
  - d) Others separately for each Sub-Fund "CDC-Trustee ABL Islamic Pension Fund (Equity / Debt / Money Market/ any other Sub-Fund approved by the Commission) Account"
- a) The amounts received from the Seed Capital Investors would be deposited in the bank account titled CDC-Trustee ABL Islamic Pension Fund for onwards allocation to the individual Bank Accounts of the respective Sub-Funds. The Pension Fund Manager may start investment of this amount as per the Prescribed Investment Policy as soon as the total Seed Capital is received.

The Trustee, at the request of the Management Company shall open Bank Accounts titled as above clauses 6.1.7 sub clause b, c, d, for the Trust at designated Islamic Banks or Islamic window of Conventional Banks or Current Accounts with Conventional Banks inside or outside Pakistan, subject to the relevant laws, Trust Deed, Rules and Regulations, for collection, investment, redemption or any other use of the Trust's Funds.

However, Collection Accounts/Redemption Accounts (a non interest bearing current account) can be opened in conventional banks after approval from the Shariah Advisor.

For the purpose of operational efficiency and distribution, current accounts in conventional banks may be opened with prior approval from the Shariah Advisor. It is to be strictly ensured that no unnecessary balances at the close of each business day are kept in these accounts and these accounts are only used when utmost necessary.

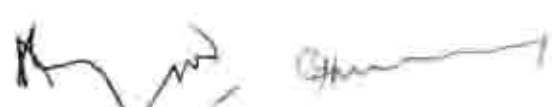
#### 6.2 INVESTMENT POLICY OF ABL ISLAMIC PENSION FUND AND ITS SUB-FUNDS

- 6.2.1 Pension Fund Manager shall make investment of the ABL Islamic Pension Fund in a transparent, efficacious, prudent and sound manner. Pension Fund will initially consist of three Sub-Funds, Equity, Debt and Money Market sub-fund.
- 6.2.2 All investments shall be sharia compliant as per guidelines issued by the sharia advisor.
- 6.2.3 All the investments of the ABL Islamic Pension Fund shall be strictly in compliance with the Prescribed Investment Policy (subject to relaxations if any, granted by the Commission from time to time). Subject to prior approval of the Commission, the Sub-Fund may seek to invest in foreign securities 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 INVESTMENT RESTRICTIONS

- 6.3.1 The Fund Property shall be subject to such exposure limits as are provided in the Rules, subject to relaxations granted by the Commission from time to time.
- 6.3.2 The Fund shall not at any time:

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- a) Enter into a short sale transaction in any security, whether listed or unlisted.
- b) Purchase from or sell any security to any Connected Person.
- c) Enter into transactions with any single broker who is a Connected Person that account for ten per cent or more of the Fund's brokerage commission in any one Accounting Year of the Fund.
- d) Lend, assume, guarantee, underwrite or otherwise become directly or contingently liable for or in connection with any obligation or indebtedness of any person. However, investment in sale and repurchase transactions involving Islamic Government Securities or such Shariah compliant listed securities which are regulated by the Stock Exchanges shall not be attracted by this rule under the risk management parameters given in above.
- e) Invest in any security of a company if any director or officer of the Pension Fund Manager or their lineal ascendant or descendant 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.
- 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.

6.3 The investment of properties of the Sub-Funds shall be subject to the restrictions/limitations prescribed by the Constitution vide its Prescribed Investment Policy from time to time.

**6.4 BORROWING RESTRICTIONS**

6.4.1 Subject to any statutory requirements for the time being in force and to the terms and conditions herein contained, the Trustee may at any time at the request of the Pension Fund Manager consent with the Pension Fund Manager in making and varying arrangements with Banks or Financial Institutions for borrowing by the Trustee for the account of the Pension Fund, provided that the borrowing shall not be resorted to except for meeting the withdrawal requests or transfer of funds to other Pension Fund Managers.

6.4.2 Borrowing shall not be resorted to except for meeting withdrawal requests or transfer of funds to other Pension Fund Managers and such borrowing shall not exceed the limits provided in the Rules at the time of borrowing. However, if subsequent to such borrowing the Net Assets are reduced as a result of depreciation in the market value of the Fund Property or withdrawal of funds, the Trustee or Pension Fund Manager will not be under any obligation to reduce such borrowings unless the expiry of borrowing facility. Such borrowing shall be repayable within a period of ninety days.

The charges payable to any Bank or Financial Institution against borrowings on account of the Trust as permissible above shall not be higher than the normal prevailing bank charges or normal market rates for similar service and/or facility.

The maximum borrowing for the account of the Trust shall not exceed fifteen per cent of the total Net Asset Value of the Pension Fund and the maximum borrowing for the account of any Sub-Fund shall not exceed fifteen per cent of the total Net Asset Value of such Sub-Fund or such other limit as may be provided in the Rules. If subsequent to such borrowing, the Net Assets are reduced as a result of depreciation in the market value of the Fund Property or withdrawal of funds, the Pension Fund Manager or the Trustee shall not be under any obligation to reduce such borrowing.

6.4.5 Neither the Trustee, nor the Pension Fund Manager shall be required to issue any guarantee or provide security over their own assets for securing such borrowings from Banks and Financial Institutions. The Trustee or the Pension Fund Manager shall not in any manner be liable in their personal capacities for repayment of such loans or advances.

6.4.6 For the purposes of securing any such borrowing the Trustee may upon instruction of the Pension Fund Manager mortgage, charge or pledge in any manner all or any part of the Fund Property provided that the aggregate amount secured by such mortgage, charge or pledge shall not exceed the limits provided under the Rules.

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

All borrowings shall be done based on Islamic financial structures duly approved by the shariah advisor



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## 7 STATEMENTS AND DECLARATIONS

### 7.1 PARTICIPATING PARTIES

**ABL Asset Management Company Limited**, an unlisted public limited company incorporated under the Companies Ordinance, 1984 (hereinafter called the "Pension Fund Manager" which expression where the context so permits, shall include its successors in interest and assigns), registered as a Non-Banking Finance Company with a license to perform Asset Management and Investment Advisory Services under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (hereinafter referred to as the "NBFC Rules") and registered as a Pension Fund Manager under the Voluntary Pension System Rules, 2005, having its registered office at 11-B, Lalazar M-1, Khan Road, Karachi of One Part.

**AND Central Depository Company of Pakistan Limited (CDC)**, a public limited company incorporated under the Companies Ordinance, 1984, and registered to act as central depository company under Rule 4(3) of the Central Depository Companies (Establishment & Regulations) Rules, 1996, having its Registered Office at CDC House, 99-B Block B S.M.E. H.S., Main Shahrah-e-Faisal, Karachi, hereinafter called the "Trustee" which expression where the context so permits, shall include its successors in interest and assigns) of the Other Part.

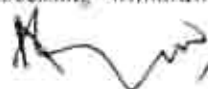

### 7.2 OBLIGATIONS OF PENSION FUND MANAGER

7.2.1 The Pension Fund Manager shall also act as the Investment Advisor of the Fund.

7.2.2 The Pension Fund Manager shall:—

- a. be obliged to manage and invest the assets of the Pension Fund according to the provisions of this deed and the Rules, in the best interest of the Participants in good faith and to the best of its ability, and without gaining any undue advantage for itself or any of its related parties or its officers;
- b. be responsible for the acts and omissions of all persons to whom it may delegate any of its functions as Pension Fund Manager, howsoever designated, as if they were its own acts and omission;
- c. account to the Trustee for any loss in value of the assets of the Pension Fund where such loss has been caused by its gross negligence, reckless or wilful act or omission;
- d. maintain at its principal office, proper accounts and records of the Pension Fund and each Sub-fund and each Individual Pension Account to enable a complete and accurate view to be formed of the assets and liabilities and the income and expenditure of the Pension Fund and the Sub-funds, all transactions for the account of the Pension Fund and Contributions received by the Pension Fund and withdrawals by the Participants including detail of the Front-end Fee deducted from the Contributions and the 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. The Pension Fund Manager shall provide and replicate these records to with the Trustee at regular intervals to be decided by the Trustee. The extent of records to be provided to the Trustee shall be mutually decided with the Pension Fund Manager or as specified by the Commission;
- e. 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 Pension Fund and each Sub-fund within four months of closing of the Accounting Period to the Commission, Trustee and the Participants; and the balance sheet and income and expenditure account shall comply with requirements as set out in Schedule I to the Rules;
- f. within one month of the close of the first and third quarter of its year of account of the Fund and within two months of the close of second quarter; prepare and transmit to the Participants, Trustee and the Commission a balance sheet as at 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 requirements as set out in Schedule I. The companies may, with the prior approval of the Commission, post the said quarterly accounts on their website;
- g. The Pension Fund Manager shall maintain a Register of Participants of the ABL ISLAMIC PENSION FUND and inform the Commission of the address where the register is kept. For this purpose it may appoint a Registrar, who is responsible for maintaining Participants' records and providing related services. The Registrar shall carry out the responsibility of maintaining Participants' records, issuing statements of account, receipts for contribution, processing withdrawals and all other related activities;

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- h. appoint, from the list of auditors prescribed by the Commission from time to time, with the consent of the Trustee, at the establishment of the Pension Fund and upon any vacancy, an Auditor independent of the auditor of the Pension Fund Manager and the Trustee and such Auditor shall not be appointed for more than three consecutive years.
- i. The Pension Fund Manager shall furnish to the Commission within one month of the close of the Accounting Year, (i) particulars of the personnel (executive, research and other) managing the AIB Islamic Pension Fund (ii) total number of Participants (iii) total value of all Individual Pension Accounts (iv) total Contributions for the previous year and (v) such other information that may be prescribed by the Commission from time to time.
- j. send an account statement as at the 30th June and the 31st December each year, within thirty days after the end of each date, to individual Participants, confirming the aggregated transactions for that six month period and indicating the type(s) of Contributions received; contribution from the employer or the Participant, incoming transfers from other pension fund manager(s) or incoming transfers from Provident Fund or transfer from a deceased person's account or other, type(s) of benefit disbursements: retirement, pre-retirement payment along with the taxes withheld, death benefit payment or transfer to heirs, outgoing transfer to purchase an Approved Annuity Plan from a Life Insurance (Takatuf) Company, outgoing transfer to other pension fund manager(s), premium deducted out of the Contributions on account of supplementary schemes, withdrawals or other. 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, free of charge. Additionally, the Participant shall be entitled to receive any statement, in respect of his/her 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.
- k. The Pension Fund Manager under intimation to 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.
- l. furnish to the Commission a copy of its annual report together with copies of the balance sheet, profit and loss account, the directors' report and the auditors' report within one month of its annual general meeting and shall furnish its half yearly report to the Commission within two months of close of its half year.
- m. send any other statement or certificate to the Participants which may be necessary under these Rules.
- n. The Pension Fund Manager shall not be under any liability except such liability as may be expressly assumed by it under the Rules and (his 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 therefore 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.

**RESTRICTIONS FOR PENSION FUND MANAGER:-**

- The Pension Fund Manager on behalf of the Fund shall not —
- a. merge with, acquire or take over management of any other pension fund unless it has obtained the prior approval of the Commission in writing to the scheme of 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 subject to 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, unless provided in the Rules or approved by Commission 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; and
  - h. employ as a broker, directly or indirectly, any of its director, officer or employee or a member of a family of such person which shall include spouse, parents, children, brothers and sisters and enter into transactions with any connected broker, which shall equal or exceed ten per cent or more of the brokerage or commission paid by the Pension Fund in any one accounting year.



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Provided that the Commission may, in each case in merits, permit the ten per cent to be exceeded if the connected broker offers advantages to the Pension Fund not available elsewhere; and

- L. Enter into a short sale transaction in any security

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#### 7.4. LIMITATIONS AND PROHIBITIONS

- 7.4.1 Pension Fund Manager on behalf of the Pension Fund shall not 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 purchase and resale transactions involving Islamic Government securities or such eligible listed securities which are regulated by Stock Exchanges shall not be prohibited by this sub-clause subject to the condition that risk management parameters are disclosed in the Offering Document of the Pension Fund approved by the Commission
- 7.4.2 Borrowing shall not be resorted to except for meeting withdrawal requests or transfer of funds to other pension fund managers 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. Any such borrowing shall be immediately communicated to the Commission with details of amount and payback plan
- 7.4.3 The Pension Fund shall not be invested in any security of a company, if any director or 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 or officers of the Pension Fund Manager own more than ten per cent of those securities
- 7.4.4 Except where it is necessary to protect its investment, the Pension Fund Manager shall not 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.

#### 7.5. RETIREMENT OR REMOVAL OF PENSION FUND MANAGER

- 7.5.1 The Pension Fund Manager may retire at any time after issuing a three months' notice to the Participants about its intention, with the prior approval of the Commission under intimation to the Trustee.
- 7.5.2 The Trustee may, with the prior approval of the Commission, remove the Pension Fund Manager if the Pension Fund Manager has contravened the provisions of this Deed in any material respect and has failed to rectify the contravention within (1) 30 days from the date of notification in writing, under intimation to the Commission or (2) such other period as may be specified by the Commission in respect of the subject contravention. Provided that such notice shall not be considered as an admission of contravention on part of the Pension Fund Manager who shall have the right to defend such notice or consequent action.

The Pension Fund Manager will stand retired immediately in case of the following events and no notice is required to be served. All the other provisions relating to audit and approvals as mentioned herein shall be applied accordingly:

- A receiver is appointed over any of the assets of the Pension Fund Manager
- 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).

If the Commission is of the opinion that the Pension Fund Manager has contravened any provision of the Rules, or has otherwise neglected or failed to comply with any order or direction of the Commission or with any requirement of the Rules or has failed or neglected to carry out its duties to the satisfaction of the Trustee, or the Commission, as the case may be, and considers that it would be in the interest of the Participants so to do, the Commission, on its own motion or on the report of the Trustee, by order in writing may immediately -

- cancel or suspend the registration of the Pension Fund Manager;
- remove the Pension Fund Manager managing the Pension Fund;
- issue appropriate orders to the Pension Fund Manager;
- order compensation to be paid to the Participants;
- impose fine; or
- take any combination of the above mentioned actions.

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- 7.5.5 The Commission may cancel the registration of the Pension Fund Manager or impose fees, and if in the opinion of the Commission, the performance of the Pension Fund Manager is below and the investment return in the Sub-Funds during any particular year is below the specified benchmark.
- 7.5.6 If the registration of the company as a Pension Fund Manager is cancelled under as mentioned above, the Commission shall appoint with consent of the Trustee another Pension Fund Manager for the Pension Fund according to the provisions of this deed and the Rules and the Pension Fund Manager whose Registration has been cancelled shall not be eligible to be registered as a Pension Fund Manager again.
- 7.5.7 The removal of Pension Fund Manager and appointment of a new pension fund manager shall always require the prior approval of the Commission.
- 7.5.8 Upon a new pension fund manager being appointed, the Pension Fund Manager will 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.
- 7.5.9 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.
- 7.5.10 If so directed by 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 such notice as referred above.
- 7.5.11 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 fund and the audit report is submitted, within one month time from the date of such appointment, to the Commission and the Trustee. The Trustee with the prior approval of the Commission shall decide the cost of such interim audit.

**7.6 OBLIGATIONS OF TRUSTEE**

7.6.1 The Trustee shall comply with the provisions of this Deed and the Rules, in 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 Trust 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 any of its directors, officers, nominees or agents.

7.6.2 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 Deed or the Rules. Whenever pursuant to any provision of this 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.

The Trustee shall:

- a. take into its custody or under its control all the property of the Pension Fund and hold it in trust for the Participants in accordance with the applicable law, the Rules and the provisions of the Constitutive Documents; and the cash and register able assets shall be registered in the name of or to the order of the Trustee;
- b. be liable for any loss caused due to its willful act or omission or that of its agent or delegate in relation to custody of assets or any investment forming part of the property of the Pension Fund;
- c. 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;
- d. ensure that the issue, redemption and cancellation of Units are carried out in accordance with the provisions of the Rules and the Constitutive Documents of the Pension Fund;
- e. ensure that the methodology adopted by the Pension Fund Manager in calculating the values of the Units of each Sub-Fund of the Pension Fund are adequate and that the Net Asset Value is



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calculated in accordance with the provisions of the Constitutive Documents or as specified by the Commission.

- i. carry out the instructions of the Pension Fund Manager in respect of Investment Policy, unless they are in conflict with the provisions of the Constitutive Documents.
- ii. ensure that the investment policy prescribed by the Commission from time to time and the borrowing limitations set out in the Trust Deed, the Rules and other conditions under which the ABL Islamic Pension Fund was authorized are complied with.
- iii. 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 in accordance with the provisions of the Constitutive Documents, 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.
- iv. ensure that Units are not allocated until Contributions have been received.
- v. 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.
- vi. ensure that the Pension Fund Manager has specified a criteria in writing to provide for a diverse panel of brokers at the time of offering of a pension fund or for any subsequent change.
- vii. ensure that the Pension Fund Manager has been diligent in appointing brokers and shall not enter, on behalf of a pension fund, into transactions with any broker that exceed Fifteen per cent of the commission payable by a pension fund in any one accounting year.

Provided that this restriction shall not apply to transactions relating to money market instruments or debt securities.

- viii. Immediately inform the Commission if any action of the Pension Fund Manager contravenes any provision of the Ordinance, these rules, constitutive document, offering document, guidelines, codes, circulars, directives or any other applicable laws; and
- ix. comply with the directions of the Commission given in the interest of the participants.

7.6.4 The Trustee shall, from time to time appoint, remove or replace one or more Custodian(s) as an agent for performing the Custodian Function at one or more locations, on terms and conditions to be agreed between the Custodian and the Trustee and approved by the Pension Fund Manager;

7.6.5 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 Trust;

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 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 in a manner so as to enable the Pension Fund Manager to meet obligation of finalization of financial statements of the Sub-Funds within the required time period.

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.

7.6.8 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.

7.6.9 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 Trust and the Trustee shall be indemnified against all such costs, charges and expenses, provided that, no such



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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 Deed or the Rules

7.6.10 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 with the Pension Fund save in the capacity of an intermediary

**7.7 RETIREMENT OR CHANGE OF TRUSTEE**

7.7.1 The Trustee shall not be entitled to retire voluntarily or otherwise except with the prior approval of the Commission and on appointment of a new trustee and such retirement shall take effect at the same time as the new trustee is appointed

7.7.2 In the event of the Trustee desiring to retire, the Pension Fund Manager with the prior written approval of the Commission, within a period of three months of the Trustee giving notice of its intention to retire to the Pension Fund Manager shall by a Supplementary Trust Deed 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 Supplementary 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 of the fund 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 Pension Fund Manager with the prior approval of the Commission shall decide the case of such interim audit

7.7.3 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 Trust under the provisions of the Rules, the Pension Fund Manager shall with prior approval of the Commission by instrument in writing remove the Trustee from its appointment under this 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 Deed as the new trustee.

7.7.4 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 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

The Pension Fund Manager may also remove the Trustee with the prior approval of the Commission after giving three months' notice if the Pension Fund Manager feels that the Trustee is charging a remuneration which 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. However after receiving such notice from the Pension Fund Manager, the Trustee shall have the option to continue as Trustee of the Fund on such favorable terms offered by the alternate institution or to retire as Trustee of the Fund and notify the Pension Fund Manager accordingly. The change of Trustee will become effective with the Commission's approval, once the newly appointed trustee takes charge of all duties and responsibilities and appoint another trustee, provided that such notice shall not per se be regarded an admission of contravention on part of the Trustee who shall have the right to defend such notice or action

7.7.6 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 to the new trustee and make payments to the new trustee of all sum due from the Trustee

7.7.7 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

7.7.8 Notwithstanding the removal or resignation of the Trustee and its subsequent discharge from its duties under this Deed and the Rules, the Trustee shall remain entitled to the benefit under the terms of this Deed till the removal or resignation of the Trustee is effective without prejudice to the Trustee's responsibility or



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obligation to liquidate any liability for which the Trustee may have become liable under this Deed and of the Rules

7.8. DEED BINDING ON EACH PARTICIPANT

The terms and conditions of the Rules and this Deed and any Supplementary Trust Deed shall be binding on each Participant as if he/she has been party to this Deed and so to be bound by Deed's provisions 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 Deed and the Rules.

7.9. UNITS TO RANK PARI PASSU

7.9.1 All Units, including the Core Units and fractions thereof represent an undivided share in the pertinent Sub-Funds of the Fund 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 held by such Participant in such Sub-Fund. Units of each Sub-Fund shall be issued in registered, un-certificated form.

7.9.2 Seed Capital Units subscribed by the Seed Investors shall be offered and issued at the Par Value and shall not be redeemable transferable or tradable for a period of three years from the date of issue or as may be determined by the Commission. Such restriction and its termination date shall be entered into the Register and shall be noted on any Certificate issued in respect of such Units.

7.10 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 pertinent Sub-Fund. 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.

7.11 TRUSTEE TO REPORT TO PARTICIPANTS

7.11.1 The Trustee shall report to the Participants on all matters provided in the Rules and this Deed. In particular, the Trustee shall issue a report to the Participants to be included in the annual report to be sent to the Participants at any frequency prescribed by the Commission, a statement on stating whether in the Trustee's opinion, the Pension Fund Manager has in all material respects managed the Pension Fund in accordance with the provisions of the Rules and this Deed and the Rules 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, which the Trustee has taken in respect thereof.

The Trustee shall be entitled to require the Auditors to provide such reports 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.

7.12 TRUST ARRANGEMENTS

7.12.1 Primary Functions:

- a. **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, Prescribed Investment Policy, and the Trust Deed
- b. **Control over Assets** - The Trustee has the responsibility for being the nominal owner for the safe custody of the assets of the Fund on behalf of the beneficial owners (the Participants), within the framework of the Rules and Trust Deed.
- c. **Participant Records** - The Pension Fund Manager has the responsibility to maintain Participants' records and for this purpose it may appoint a Registrar, 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 Fund, and all other related activities.
- d. **Record Keeping** - The Pension Fund Manager has the primary responsibility for all record keeping, and for producing financial reports from time to time in relation to the Pension Fund; However, 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



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of the Trustee, The Pension Fund Manager and) provide the Trustee unhindered access to all records relating to the Fund.

- 4. **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.
- 5. **Distribution** - The Pension Fund Manager shall from time to time appoint suitable parties as Distributors under sanction to the Commission and the Trustee. The Distributors shall receive applications for Contribution and withdrawal from the Participants.
- 6. **Sales Agents** - The Pension Fund Manager shall at its own responsibility, from time to time appoint Sales Agents to assist it in promoting sales.

7.12.2 **Administrative Arrangements:**

The Trustee shall have all the obligations entrusted to it under the Rules and Trust Deed establishing the Fund. However, the Trustee shall in addition to the aforesaid obligations facilitate the Pension Fund Manager's business in the following manner:

- a. **Attorneys and Point Persons:** The Trustee shall, under sanction to the Commission, nominate one or more of its officers to act as attorneys for performing the Trustee's functions and for interacting with the Pension Fund Manager.
- b. **Custodians:** The Trustee shall act as custodian for securities forming part of the Trust Property in which custody services are available with the Trustee. For other securities forming part of the Trust Property, the Trustee shall make appropriate arrangements with one or more Custodians for custody of securities in which investment may be made on behalf of the Fund. The Trustee shall provide custodial services for Trust Property to the extent others Custodians cannot be identified for this purpose.

7.12.3 **Bank Accounts**

- a. The Trustee shall, at the request of the Pension Fund Manager from time to time, open separate Bank Accounts titled "CDC- Trustee ABL Islamic Pension Fund" for the Pension Fund and each Sub-Fund for, inter alia, (i) receipt of proceeds of Seed Capital Entry 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.
- b. The Bank Accounts referred to in clause "a" of 7.12.3 shall be opened by the Trustee at such branches of Banks approved by the Pension Fund Manager having minimum investment grade credit 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.

Notwithstanding anything in this Trust Deed, the beneficial ownership of the balances in the Bank Accounts opened by the Trustee under clause "a" of 7.12.3 shall vest at all times in the Participants collectively.

**Transactions Relating to the ABL Islamic Pension Fund:**

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

7.12.4 **Transactions Relating to Investment Activity/ Portfolio Management**

- a. 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 Trust. The Pension Fund Manager shall ensure timely delivery of the settlement instructions, and that the same are complete and accurate so as to facilitate timely settlement, and the Trustee shall ensure that the settlement is handled in a prompt and in accordance with such instructions to the extent that they do not contravene the requirements of the Rules and the Trust Deed.
- b. The Trustee shall ensure that, where applicable, payments against investments are made against delivery and vice versa.

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- d. The Trustee shall promptly forward to the Pension Fund Manager in relation to Trust Property any notices, reports or other documents issued by the owners of securities, recipients of any of the Trust Funds (as deposits, refunds, distribution of dividends, income, profits or mark-up, repayment of capital or for any other reason), any depositories, 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.
- e. 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' named withdrawal requests. Such payments shall be effected by the Trustee out of the respective accounts of the Sub-Funds of the Fund by way of transfer of the appropriate amounts to the designated bank accounts of the Participants.
- f. 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.
- g. The Trustee shall pay to the Pension Fund Manager's order such sums out of the Trust-end Fee that is specified in Trust Deed establishing the Fund, if any, as being payable out of the Contributions.
- h. The Trustee shall also, if so required by the nature of such notices or deeds mentioned in the foregoing clause, act in a manner that is in the best interest of the Trust. Such action shall include legal action if called for and the Trustee shall be entitled to recover any legal costs reasonably incurred from the Trust.
- i. 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.
- j. 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.

7.12.6 Voting Rights on Trust Property

- a. 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.
- b. The Trustee shall upon written request by the Pension Fund Manager from time to time execute and deliver or cause to be executed or delivered to the Pension Fund Manager or their nominees proxies 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 sub-clause shall 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.
- c. 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 the investment.
- d. All record related to voting rights stated in clause (c) 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.

7.13 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 there from.

7.14 LIMITED LIABILITY

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A Participant is not liable to make any further payments after he/she has paid the Net Asset Value of his/her Units of Sub-Funds and no further liability can be imposed on Participants in respect of Units they hold.

**7.15 LOSSES**

In case any Sub-Fund sustains losses (other than losses due to willful or gross negligent act on part of the Pension Fund Manager or the Trustee), such losses shall be charged to the pertinent Sub-Fund and not to the entire Pension Fund or other Sub-Funds.

**7.16 CLAIMS**

In the event of any claim(s) being raised against the Pension Fund, such claim(s) 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 Fund Property which relates to the pertinent Sub-Fund(s) to which such claim(s) may relate to.

**8 DEALING, SUSPENSION, AND DEFERRAL OF DEALING**

**8.1 TEMPORARY CHANGE IN THE METHOD OF DEALING 'OR' SUSPENSION OF DEALING**

Under the circumstances mentioned in the Offering Document, the Pension Fund Manager may request the Trustee to approve a temporary change in the method of dealing in Units of all or any of the Sub-Funds. Such approval shall not be unreasonably withheld. The Pension Fund Manager may, at any stage with the consent of the Trustee and the prior approval of the Commission, suspend the dealing of Units and for such periods it may so decide. Such suspension shall be immediately communicated to the Participant through publication in the newspaper in which the daily NAV of the Sub-Funds are published.

**8.2 SUSPENSION OF FRESH ISSUE OF UNITS**

The Pension Fund Manager may, with consent of the Trustee and under intimation to the Commission, at any time subject to the Rules, suspend the issuance 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 announce the details of exemptions at the time a suspension of fresh issue is announced. The Pension Fund Manager shall immediately notify the Commission and the Trustee if dealing in Units of all or any of the Sub-Funds is suspended and shall also have the fact published, immediately following such decision, in any one of the newspapers in which the Fund's prices are normally published. And the same shall be displayed at all the distribution and sales points in a clear and visible manner.

If the Pension Fund Manager is of the view that investment of inflow of substantial funds will be difficult, it may, with the consent of the Trustee and prior approval of the Commission, decline at its discretion opening of new Individual Pension Accounts.

**REFUSAL TO ACCEPT THE CONTRIBUTIONS**

The Pension Fund Manager or the Distributor 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 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 participants may be subject to or if accepting the contribution may subject the 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; or
- e. If advised by the Commission to do so.

**8.4 SUSPENSION OF REDEMPTION OF UNITS / WITHDRAWAL OF FUNDS**

8.4.1 The Pension Fund Manager may with the consent of the Trustee and with the prior approval of the Commission suspend withdrawal from any of the Sub-Funds, subject to the Rules at any time during:

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- a. 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 banking system or strikes or other events that render the Pension Fund Manager or the Distributors unable to function;
- b. 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 interests of the Pension Fund or of the Participants;
- c. Break down in the means of communication normally employed in determining the price of an investment; or
- d. When remittance of money cannot be carried out in reasonable time and if the Pension Fund Manager is of the view that it would be detrimental to the remaining Participants to subscribe Units at a price so determined in accordance with the Net Asset Value (NAV);
- e. 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 Plan.

8.42 The Pension Fund Manager may announce, with the consent of the Trustee and with the prior approval of the Commission, a suspension or deferral of withdrawal and such a measure shall be taken to protect the interest of the Participants in the event of extraordinary circumstances or in the event withdrawal requests accumulate in excess of ten (10) per cent of the Units of the pertinent Sub-Fund in issue or ten (10) per cent of the pertinent Sub-Fund's NAV. In the event of a large number of withdrawal requests accumulating, the requests may be processed in a Queue System and under extreme circumstances the Pension Fund Manager may decide to wind up the Pension Fund by transferring the assets and records to another Pension Fund Manager with the prior approval of the Commission.

8.43 Such suspension or queue system shall end on the day following the first Business Day on which the conditions giving rise to the suspension or queue system shall in the opinion of the Pension Fund Manager have ceased to exist and no other condition under which suspension or queue system is authorized under the Deed exists. In case of suspension and invoking of a queue system and end of suspension and queue system the Pension Fund Manager shall immediately notify the Commission and the Trustee and publish the same in newspaper in which prices of Sub-Funds are normally published.

**8.5 QUEUE SYSTEM**

8.5.1 In the event before retirement withdrawal requests on any Business Day exceed ten (10) percent of the Units of any Sub-Funds in issue, the Pension Fund Manager may invoke a queue system whereby requests for withdrawal shall be processed on a first come first served basis for up to ten (10) percent of the Units of such Sub-Fund in issue. Where it is not practical to determine the chronological ranking of any requests in comparison to others received on the same Business Day, such requests shall be processed on a proportional basis proportionate to the size of the requests.

The Pension Fund Manager shall proceed to sell adequate assets of the pertinent Sub-Fund and/or arrange borrowing as it deems fit in the best interest of the Participants and shall determine the NAV to be applied to the withdrawal requests based on such action.

The requests in excess of the ten (10) percent shall be treated as withdrawal requests qualifying for being processed on the next Business Day at the NAV to be determined for such withdrawal requests.

8.5.2 If the carried over requests and the fresh requests received on the next Business Day still exceed ten (10) percent of the Units in issue, these shall once again be treated on first-come-first served basis and the process for generating liquidity and determining the NAV shall be repeated and such procedure shall continue till such time the outstanding withdrawal requests come down to a level below ten (10) percent of the Units of the pertinent Sub-Fund then in issue.

**9 NO MONEY SHOULD BE PAID TO ANY INTERMEDIARY**

No money (cash) should be paid by the Participant to any intermediary. All the Contributions and payments made by/to the Participants, as the case may be shall be through a banking channel by using appropriate instruments. Furthermore, all payments shall be made to and received from the Fund's account only.

**10 DISTRIBUTION RESTRICTION POLICY**

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Distribution of dividend shall not be allowed under the Rules.

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## 11 TAXATION

All the provisions of the Income Tax Ordinance, 2001 and other applicable laws shall apply to the Fund, income of the fund and the Participants. The details of the existing tax treatment may be included in the Offering Document of the Pension Fund.

## 12 REPORTS AND ACCOUNTS

### 12.1 FUND ACCOUNTS

Pension Fund Manager shall prepare Financial Accounts and Reports required under Rules for ABL Islamic Pension Fund including Sub-Funds as prescribed by the Commission from time to time.

### 12.2 ANNUAL ACCOUNTING PERIOD

- 12.2.1 The Annual Accounting Period shall commence on 1st July and shall end on 30th June of the succeeding calendar year.
- 12.2.2 Accounting Date shall be the 30th day of June in each year and any interim dates at which the financial statements of the Fund are drawn up. Provided, however, that the Pension Fund Manager may, with the consent of the Trustee and after obtaining approval of the Commission and the Commissioner of Income Tax, change such date to any other date.
- 12.2.3 Accounting Period shall be the period ending on and including an Accounting Date and commencing (in case of the first such period) on the date on which the full amount of Seed Capital is received and in any other case from the end of the preceding Accounting Period.

### 12.3 PERIODIC REPORTS TO BE SENT TO PARTICIPANTS

- 12.3.1 Annual report and quarterly reports will be prepared and sent to the Participants. For details please refer Obligations of Pension Fund Manager clause 7.2.2(a) and (f).
- 12.3.2 The balance sheet and income and expenditure accounts mentioned above shall be prepared separately for each Sub-Fund and in addition thereto consolidated accounts shall be prepared for the entire Fund.

### 12.4 PERIODIC REPORTS TO BE SENT TO COMMISSION

Annual report and quarterly reports will be prepared and sent to the Commission. For details please refer Obligations of Pension Fund Manager clause 7.2.2(a) and (f).

## 13 WARNINGS

IF YOU ARE IN ANY DOUBT ABOUT THE CONTENTS OF THIS DOCUMENT, YOU SHOULD CONSULT YOUR STOCK BROKER, BANK MANAGER, LEGAL ADVISOR, TAX ADVISOR OR OTHER FINANCIAL ADVISOR. THE PRICE OF THE UNITS OF THE SUB-FUNDS OF THE ABL ISLAMIC PENSION FUND AND THE INCOME FROM THEM MAY GO DOWN AS WELL AS UP. THE PARTICIPANTS ARE ADVISED TO READ THE OFFERING DOCUMENT CAREFULLY.

### TRANSACTIONS WITH CONNECTED PERSONS

The Pension Fund Manager on behalf of the Pension Fund shall take exposure in any form or invest in debt or equity securities of connected persons or purchase from or sell any security to any of the Connected Person.

No single connected stockbroker shall account for ten per cent or more of the Pension Fund's brokerage or commission in any one financial year of the Pension Fund. Provided that the Commission may, in each case on merits, permit the ten per cent to be exceeded if the connected broker offers advantages to the Pension Fund not available elsewhere.

- 13.1 Neither the Trustee or the Custodian (if Trustee has appointed another person as Custodian) nor the Pension Fund Manager shall sell or purchase any investment with the Pension Fund save in the capacity of intermediary or in the normal course of business.
- 13.2 All cash forming part of the ABL Islamic Pension Fund assets shall be deposited with the Trustee or the Custodian, which is a Bank, return shall be paid on the deposit by such Trustee or Custodian at a rate that is not lower than the rate offered by the said Bank to depositors of similar duration.

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**15 LEGAL STATUS OF THE UNITS**

- 15.1 All Units, including the core Units, and fractions thereof represent an undivided share in the pertinent Sub-Funds of the Fund 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 held by such Participant in such Sub-Fund. Units of each Sub-Fund shall be issued in registered, un-certificated form.
- 15.2 Core Units subscribed by the Seed Investors shall be offered and issued at the Par Value and shall not be tradable, transferable or 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 of ABI Islamic Pension Fund if the Pension Fund Manager has subscribed for those Units.

**16 DE-AUTHORIZATION, WINDING UP OF THE PENSION FUND**

- 16.1 The duration of the Pension Fund shall be perpetual and shall not be wound up by way of liquidation.
- 16.2 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.
- 16.3 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 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.
- 16.4 The Pension Fund may also be de-authorized by the Commission on the grounds provided in the Rules.
- 16.5 Upon the Pension Fund being de-authorized, the Pension Fund Manager shall suspend receiving contributions forthwith from any of the Participants from the date of issue of the notice under Clauses 16.1, 16.2, 16.3 and 16.4 and proceed to transfer all the records of Individual Pension Accounts and books of accounts of the Pension Fund to another pension fund manager.
- 16.6 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 Auditors of the Fund 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 (in case of any new appointment). The Trustee with the prior approval of the Commission shall decide the cost of such interim audit.
- 16.7 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.

**17 MODIFICATION OF THE CONSTITUTIVE DOCUMENTS**

- 17.1 The Trustee and the Pension Fund Manager acting together shall be entitled by a Supplementary Trust Deed to modify, alter or add to the provisions of this 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 verify 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 Deed to be more efficiently, conveniently or economically managed or otherwise for the benefit of the Participant(s) and that it does not prejudice the interests of the Participant(s) or any of them or operate to release the Trustee or the Pension Fund Manager from any responsibility to the Participant(s).
- 17.2 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.
- 17.3 The Pension Fund Manager may, from time to time, with the consent of the Trustee frame such operational procedures for conducting the business of the Trust or in respect of any other matter incidental thereto, provided such operational procedures are not inconsistent with the provisions of the Rules, this Deed or the Offering Document.



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- 17.4 If the Commission grants any relaxations or exemptions of Rules for the Pension Fund, these shall be deemed to be part of this Deed without the need of altering it. However, in cases of significant changes, the Commission may require issuance of a Supplementary Trust Deed from time to time.
- 17.5 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 Supplementary 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 or amendment in the Rules and or the Income Tax Ordinance, 2001.
- 17.6 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, whether 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.

**18. ARBITRATION IN CASE OF DISPUTES BETWEEN THE PENSION FUND MANAGER AND THE TRUSTEE**

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 hereof, 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, relating to the Fund, the same shall be referred first to the Commission and thereafter, if the dispute still continues, 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, in 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 senior partners of renowned 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.

**19. DISPUTES BETWEEN THE PARTICIPANTS AND THE PENSION FUND MANAGER**

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

**20. GENERAL**

- 20.1 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/her 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. In proving such service it shall be sufficient to prove that such letter was properly addressed, stamped and posted.
- 20.2 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/her 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 favor of that Participant.
- 20.3 A copy of this Deed and of any such Supplementary Trust Deed shall be made available for inspection at the respective Head Offices of the Trustee and of the Pension Fund Manager at all times during all Business Hours and shall be supplied by the Pension Fund Manager to any person on application at a charge mentioned in the Offering Document to be determined from time to time by the Pension Fund Manager with the prior approval of the Commission.
- 20.4 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 any leading daily newspapers in Pakistan having primary circulation in Karachi, Lahore and Islamabad. The cost of issuing and publishing a general notice shall be charged to the Trust.



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20.5 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/she is no longer in the employ of that employer

**21 CONFIDENTIALITY**

The Trustee, the Pension Fund Manager, the Registrar and the Custodian and every director or officer of the said parties who are in any way engaged in the business of the Fund and all persons employed or engaged by the said parties in connection with the business of the Trust shall observe strict confidentiality in respect of all transactions of the 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 his/her duties except when required to do so in the ordinary course of performance of his/her duties or by law or if compelled by any court of law or a competent authority

**22 DEFINITIONS**

Unless the context requires otherwise the following words or expressions used in this Deed, shall have the following meanings respectively assigned to them viz.

- 22.1.1 "Accounting Period" means a period ending on and including an Accounting Date and commencing (in case of the first such period) from the date of receipt of entire of Seed Capital and (in any other case) from the end of the last Accounting Period, as the case may be.
- 22.1.2 "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.
- 22.1.3 "Allocation Schemes" means the allocation schemes offered by the Pension Fund Manager in light of the Prescribed Allocation Policy issued by the Commission from time to time
- 22.1.4 "Annuity" means a series of payments of set frequency.
- 22.1.5 "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
- 22.1.6 "Approved Annuity Plan" means an Annuity Plan approved by the Commission under Section 2(3A) of the Income Tax Ordinance, 2001.
- 22.1.7 "Approved Income Payment Plan" means an Income payment plan approved by the Commission under Section 2(3B) of the Income Tax Ordinance, 2001
- 22.1.8 "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 or of 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.
- 22.1.9 "Asset Management Company" means a company which has been licensed by the Commission under Rule 5 of the Non-Banking Finance Companies Rules, 2003, to offer investment schemes under trust deeds and to issue redeemable securities.
- 22.1.10 "Auditors" means a person qualified under the provisions of section 254 of the Ordinance to act as an auditor of a company appointed by the Pension Fund Manager, with the consent of Trustee, as the auditor for the Pension Fund, who shall be independent of the auditor of the Pension Fund Manager and the auditor of the Trustee, as provided under the Rules. However, the Trustee and the Pension Fund Manager shall ensure that the auditors are selected from the list of auditors as prescribed by the Commission from time to time for this purpose
- 22.1.11 "Authorized Branch or Branches" means those branches of the Distributors authorized by the Pension Fund Manager to perform Distribution Functions whose addresses shall be given in the Offering Document.
- 22.1.12 "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.
- 22.1.13 "Bank" means any Scheduled Bank, as defined under the State Bank of Pakistan Act, 1956 and licensed to carry on banking business and shall include a bank incorporated outside Pakistan and carrying on banking business in Pakistan as a Scheduled Bank.



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- 22.1.14 "Bank Accounts" means those account(s) opened and maintained for the Trust by the Trustee at Banks, the beneficial ownerships in which shall vest in the Participants.
- 22.1.15 "Business Day" means a day (such Business Hours hereof) when Banks and Stock Exchanges are open for business in Pakistan and for which Pension Fund Manager is open for business.
- 22.1.16 "Business Hours" means period in a Business Day as determined by Pension Fund Manager from time to time.
- 22.1.17 "Commissariat" means Securities and Exchange Commission of Pakistan established under the Securities and Exchange Commission of Pakistan Act, 1997 (XLI) of 1997.
- 22.1.18 "Connected Person" shall have the same meaning as assigned in the Rules.
- 22.1.19 "Constitutive Document" means the principal document governing the formation of the Pension Fund, and includes this Trust Deed and any supplemental Trust Deed of the Pension Fund and all material agreements.
- 22.1.20 "Contribution" means an amount as may be voluntarily determined by an individual payable at any frequency to one or more Pension Fund Managers and held in one or more Individual Pension Accounts of a Participant, subject to any specified minimum limit prescribed by the Pension Fund Manager.
- 22.1.21 "Core Units" means units issued to the Seed Capital Investors.
- 22.1.22 "Custodian" means a Bank, the 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 on behalf of the Trustee; the Trustee may also itself provide custodial services for the Fund.
- 22.1.23 "Deed" or "Trust Deed" means this Trust Deed which is the principal document governing the formation, management or operation of the Fund.
- 22.1.24 "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 One day notice in the newspapers declare any particular Business Day not to be a Dealing Day.
- 22.1.25 "Default Allocation Scheme" means the default asset allocation scheme as determined by the Pension Fund Manager in light of the Prescribed Allocation Policy, allocating the Contributions received from the Participants between the Sub-Funds, as deemed fit, for those Participants who have not selected any Allocation Scheme.
- 22.1.26 "Distributor(s)" means Company (ies), Firm(s), Sole Proprietorship Concern, Individual, or Bank(s) 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 Functions.
- 22.1.27 "Distribution Functions" means the functions with regard to:
  - a. Receiving applications for contributing to the Pension Fund;
  - b. Interfacing with and providing services to the Participants including receiving Withdrawal, Transfer applications, conversion notices and applications for change of address for immediate transmission to the Pension Fund Manager or the Registrar as appropriate;
 Acknowledging receipt by delivering customer copy in respect of (a) and (b) above; and  
 Accounting to the Pension Fund Manager for (i) monies received from the applicants when the Contributions, (ii) payments made to the Participants on withdrawal from Individual Pension Account, and (iii) expenses incurred in relation to the Distribution Functions.
- 22.1.28 "Eligible Person" means any person who qualifies the eligibility criteria under the Rules in respect of persons who can make contributions to pension funds authorized under the Rules;
- 22.1.29 "Exposure" includes facility and subscription to or investment in equity securities, debt instruments or securities, unit or certificates of shares of a collective investment scheme, money-market placements, deposits, certificates of deposits, CPS, forward contracts, derivatives and credit cards but does not include:
  - a. obligation under letters of credit and letters of guarantee to the extent of cash margin held by an NBFC;
  - b. a facility provided to financial institutions through REPO transactions with underlying statutory liquidity requirement eligible securities;
  - c. letters of credit established for the import of plant and machinery; and
  - d. deposits of less than ninety days.



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- 22.1.30 "**Facility**" includes financing under a system which is based on participation in profit and loss, markup or mark-down in price, hire-purchase, lease rent sharing, bills of exchange, promissory notes or other instruments with or without buy-back arrangement by a seller, participation term certificate, musharika or modaraba certificate, term finance certificate or any other mode, guarantees, indemnities, letters of guarantee, indemnity, letter of credit and any other obligation, whether fund based or non-fund based.
- 22.1.31 "**Financial Institution**" means a Bank, development finance institution, Non-Banking Finance Company or Modaraba.
- 22.1.32 "**Form**" means a form prescribed under the Rules to collect information from the Participants.
- 22.1.33 "**Formation Cost**" means all preliminary and flotation expenses of the Fund including expenses in connection with authorization of the Fund and its application fee payable to the Commission, execution and registration of the Constitutive Document, issue, legal costs, and all expenses incurred during the period leading up to the authorization to a maximum limit of PKR 750,000/- or 0.5% of the total Seed Capital, whichever is less.
- 22.1.34 "**Front-end Fee**" means the sales charge or commission, not exceeding three percent (3%) of the amount of Contributions from Participants.
- 22.1.35 "**Fund**" means ABI Islamic Pension Fund or, "Trust" or "Unit Trust" constituted by this Deed.
- 22.1.36 "**Fund Property**" means the aggregate proceeds of the sale of all Units at NAV after deducting there from Front-end Fee, and any expenses chargeable to the Fund, and includes the investment and all income, profits or mark-up, shares, securities, deposits, right and bonus shares, cash, bank balances, dividends, fees, commissions, receivables, claims, contracts, licenses, privileges and other benefits arising there from and all cash and other movable and other assets and properties of every description, whether accrued or accruing, for the time being held or deemed to be held upon trust by the Trustee for the benefit of the Unit Holders pursuant to the Trust Deed and shall include the income.
- 22.1.37 "**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.
- 22.1.38 "**Haram**" means anything prohibited by the Islamic Shariah.
- 22.1.39 "**Income Payment Plan**" means a plan to enter into an agreement with the Pension Fund Manager after retirement enabling withdrawal of the remaining amount, in monthly instalments, as per the rules.
- 22.1.40 "**Individual Pension Account**" means an individual account of a Participant maintained by the Pension Fund to record his/her investment and the Units of the Sub-Funds as issued there against, including appreciations thereof.
- 22.1.41 "**Individual Pension Account Number**" of a Participant means his/her Computerized National Identity Card (CNIC) number followed by a hyphen, a two digit suffix denoting the particular Pension Fund Manager and a serial number, if any.
- 22.1.42 "**Investment**" means any Authorized Investment forming part of the Fund Property.
- 22.1.43 "**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.
- 22.1.44 "**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.
- 22.1.45 "**Net Assets**" means the excess of assets over liabilities of the Fund, such excess being computed in the manner as specified under the Rules.
- 22.1.46 "**Net Asset Value**" means per Unit Value of the Sub-Funds arrived at by dividing the Net Assets by the number of Units outstanding, Net Assets being computed in the manner specified under the Rules or as may be specified by the Commission from time to time.
- 22.1.47 "**Nomination Deed**" is the deed issued by the Court specifying the nominees of the deceased Participant and their respective entitlement.
- 22.1.48 "**Offering Document**" means a document issued by the Pension Fund Manager with consent of the Trustee and after approval of the Commission and contains the contribution and investment policy and all other information in respect of the Fund, as required by the Rules/Guidelines and is circulated to invite offers by the public to invest in the Fund.
- 22.1.49 "**Ordinance**" means the Companies Ordinance 1984.
- 22.1.50 "**Par Value**" means the First Offer Price of a Unit.



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Sub-Registrar

- 22.1.51 "Participant" means any person who has contributed or on whose behalf Contributions are made into one or more pension funds and held in one or more identifiable Individual Pension Accounts managed by one or more Pension Fund Managers
- 22.1.52 "Pension Fund" means a fund made up of Sub-Funds created from the Contributions paid by the Participants and would consist of all the assets for the time being held or deemed to be held by Sub-Funds and includes all income or investment returns thereon but excludes fees, charges and expenses related to the management of the investments of Sub-Funds
- 22.1.53 "Pension Fund Manager" means an asset management company or a life insurance company duly authorized by the Commission to efficiently manage the contributions made by or on behalf of participants in pension fund and meet such other conditions as may be prescribed from time to time by the Commission
- 22.1.54 "Prescribed Allocation Policy" means the allocation policy as prescribed by the Commission from time to time
- 22.1.55 "Prescribed Application Form" means a Form approved by the Commission to open an Individual Pension Account and collect other information from the Participants
- 22.1.56 "Prescribed Investment Policy" means Investment Policy prescribed by the Commission from time to time under the Rules
- 22.1.57 "Records" include ledgers, day books, cash books and all other numerical or magnetic records used in the business of a Pension Fund Manager
- 22.1.58 "Register" means the Register of the Participants kept pursuant to the Rules and this Trust Deed
- 22.1.59 "Registrar" means an organization that the Pension Fund Manager may appoint for performing the Registrar Functions and may include a department of the Pension Fund Manager
- 22.1.60 "Registrar Functions" means the functions with regard to:
  - a. Maintaining the Register
  - b. Processing requests for Contribution, Withdrawal, Change of pension fund manager, reallocation of units between the Sub-Funds and Transmission of balance in the Individual Pension Account and requests for recording of lien or for recording of changes in data with regard to the Participants;
  - c. Issuing Account Statements to the Participants
  - d. Dispatching income distribution advice and by bank transfer instructions;
  - e. Other functions to be performed as per Registrar Agreement; and
  - f. Such other functions as may be required under the Guidelines on record keeping
- 22.1.61 "Regulations" means regulations made by the Commission under these rules
- 22.1.62 "Retirement Age" means any age between sixty and seventy years or twenty-five years since the age of first contribution to a pension fund whichever is earlier 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
- "Retirement Date" means the date on which the retirement of a Participant from the Pension Fund becomes effective;
- "Rules" mean the Voluntary Pension System Rules, 2005, as amended from time to time
- 22.1.65 "Sales Agent" means an Individual, Firm, Corporate or other Entity appointed by the Pension Fund Manager, at its sole responsibility, to identify, solicit and assist Participants in contributing to the Fund
- 22.1.66 "Schedule" means the schedule of these rules
- 22.1.67 "Seed Capital" means the amount invested or arranged by the Pension Fund Manager as initial investment in each Sub-Fund of the Pension Fund. This investment will be kept for a minimum period of three years from the date of investment or as determined by the Commission
- 22.1.68 "Seed Capital Investor" means the investor of Seed Capital
- 22.1.69 "Stock Exchange" means any stock exchange registered under the Securities and Exchange Ordinance, 1969 (XVII of 1969)



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- 22.1.70 "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;
- 22.1.71 "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 for seeking advice regarding compliance with the principles of Islamic Shariah and for monitoring the operations, management and investments of the Fund;
- 22.1.72 "Shariah Compliant" shall mean any activity that is in accordance with Islamic Shariah;
- 22.1.73 "Sub-Fund" means a collective investment sub-scheme of a specified investment class and/or investment policy set up within the overall Pension Fund. The Trust Property shall be accounted for and segregated with respect to each Sub-Fund.
- 22.1.74 "Supplementary Offering Document" means a document issued by the Pension Fund Manager, with consent of the Trustee after approval of the Commission, describing the new features of the Pension Fund to invite offers by the public to invest in the fund.
- 22.1.75 "Supplementary Trust Deed" means a deed registered between the Pension Fund Manager and the Trustee, with approval of the Commission, amending or adding to the Trust Deed. Such Supplementary Trust Deed shall be binding on each Participant, as if he/she is party to it and so to be bound by its provisions.
- 22.1.76 "Tax Year" shall have the same meaning as ascribed under the Income Tax Ordinance, 2001.
- 22.1.77 "Transaction Costs" means the costs incurred or estimated by the Pension Fund Manager to cover the costs (such as, but not restricted to, Brokerage, Taxes or Levies on transactions, etc.) related to the investing or disinvesting activity of the Fund's portfolio, necessitated by creation or cancellation of Units.
- 22.1.78 "Trust" means a trust established by a deed under the provisions of the Trusts Act, 1882.
- 22.1.79 "Trustee" means Central Depository Company of Pakistan Limited (CDC) or any other company appointed with approval of the Commission from time to time.
- 22.1.80 "Trust Property" means the aggregate proceeds credited in the Pension Fund including the Contribution(s) received and Seed Capital (received from Seed Investors of each Sub-Fund) after deducting there from or providing there out any applicable front-end fee and any other expenses chargeable to the Pension Fund including the Sub-fund; and includes the Investments and all income, profit or mark-up and other benefits arising there from 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 Participant pursuant to this Deed.
- 22.1.81 "Trusts Act" means Trusts Act 1882 (II of 1882)
- 22.1.82 "Unit" means an undivided share in a Sub-Fund of the Pension Fund.
- 22.1.83 "Unlisted Security" means a security not listed or quoted on a stock exchange.
- 22.1.84 "Zakat" has the same meaning as in Zakat and Ushr Ordinance (XVIII of 1980), 1980.



Words and expressions used but not defined herein shall have the meanings assigned to them in the Ordinance, the Securities and Exchange Ordinance, 1969, the Insurance Ordinance, 2000, the Rules and the Non-Banking Finance Companies Rules, 2005. Words importing persons include corporations, words importing the masculine gender include the feminine gender, words importing singular include plural and words "written" or "in writing", include printing, engraving, lithography or other means of visible reproduction.

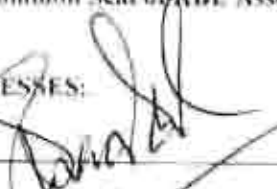
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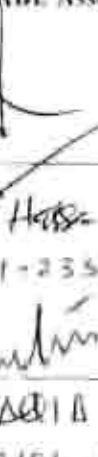
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Sub-Registrar  
Karachi

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

The Common Seal of ABL Asset Management Company Limited was hereto affixed in the presence of:

WITNESSES:

1.   
Syed Hassan Melah  
42101-2358361-5

2.   
SAADIB MATIN  
42101-6680731-5

1. Name: PRADIP A KARAN  
Signature: [Signature]  
NIC No: 42201-8134436-5

2. Name: \_\_\_\_\_  
Signature: \_\_\_\_\_  
NIC No: \_\_\_\_\_

Sub-Registrar  
Karachi

WITNESSES:

1.   
Syed Hassan Melah  
2.   
SAADIB MATIN  
42101-6680731-5

FOR CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED

1. Name: AFTAB DUAAN  
Signature: [Signature]  
NIC No: 42201-0417599-9

2. Name: ABDUL SAMAN  
Signature: [Signature]  
NIC No: 42201-1818807-7

