

TRUST DEED

CONSTITUTING

ATLAS INCOME **FUND**

This Trust Deed is made and entered into at Karachi, on the 20th day of February 2003 by and between:

- (1) **Atlas Asset Management Company Limited**, a company incorporated under the Companies Ordinance 1984 with its registered office at Ground Floor, Federation House, Sharae Firdousi, Clifton, Karachi-75600 (hereinafter called the "Management Company" which expression where the context so permits shall include its successors in interest and assigns) of the one part and;
- (2) **Muslim Commercial Financial Service (Pvt) limited** a company incorporated in Pakistan having its registered office at 2nd Floor, Admajee House. I.I. Chundrigar Road, Karachi-75000 (hereinafter called the "Trustee which expression where the context so permits shall include its successors in interest and assigns) of the other part.

WHEREAS:

- A. The Management company has been incorporated and its registered as an Asset Management Company (AMC) under the Asset Management Companies Rules, 1995 (hereinafter referred to as the Rules") to inter alia establish and operate unit trusts;
- B. The Management Company has been authorized by the Securities and Exchange Commission of Pakistan (hereinafter referred to as the "Commission") vide its letter No. SC/MF-DD(MS)/363/2002 dated October 08, 2002 appended hereto as Annexure "A" to constitute a Trust under the name and title of Atlas Income Fund (hereinafter referred to as the "Unit Trust or Trust" or Scheme") and to register this Trust Deed, pending authorization for the establishment and operation of the Scheme in accordance with the provisions of the Rules and this Deed.
- C. The Management Company has nominated and appointed the Trustee as trustee of the Scheme and the Trustee has accepted such appointment upon the terms and conditions of this Deed;
- D. The Commission has approved the appointment of Trustee, vide letter No. SC/MF/DD(MS)/423/2002 dated November 20, 2002 appended hereto as Annexure "B"
- E. Subject to the terms of the Trust Deed, the scheme is geared towards maximizing income of the extent consistent with preservation of capital and maintenance of liquidity by investing in both short term and medium term non-equity based securities and other investments.

NOW THIS TRUST DEED WITNESSES AND IT IS HEREBY DECLARED AS FOLLOW:

1. DEFINITIONS

Unless the context requires otherwise the following words or expression shall have the meaning respectively assigned to them:

- 1.1 **"Accounting Date"** means in case of the final Accounting Period, the date on which money required for the final distribution is transferred to the Distribution Accounts, and in any other case the thirtieth day of June in each year provided that the Management Company with a written consent of the

Trustee, change such date to any other date and such change shall be intimated to the commission.

- 1.2 **“Accounting Period”** means a period in and including an Accounting Date and commencing (in case of the first such period) on the date on which the Deposited Property is first paid or transferred to the Trustee and (in any other case) from the end of the preceding Accounting Period.
- 1.3 **“Account Statement”** means statement of transaction in Units in the folio of the Holder.
- 1.4 **“Administrative Plans”** means investment plans offered by Management Company, where such plans allow investors a focused investment strategy in any one or a combination of unit trust schemes managed by the Management Company and for which the Trustee is appointed as the trustee.
- 1.5 **“AMC”** means Asset Management Company.
- 1.6 **“Audit Date”** means the date on which the Auditor issues its report in respect of the schemes balance sheet and income and expenditure account for the corresponding Accounting Period.
- 1.7 **“Auditor”** means the Auditors of the Trust appointed by the Management Company as per the Rules.
- 1.8 **“Authorized Branch”** means those branches of the Distribution authorized by the Management Company.
- 1.9 **“Authorized Investment”** means Pakistan origin investment transacted, issued, traded or listed inside or outside Pakistan and included any of the following:
 - (a) Bonds, debentures, debenture stock, participation term certificates, term finance certificates, Euro bonds, Global Deposit Receipts (GDR) and other asset backed or mortgaged backed securities. Such investments shall include those for ready as well as those for future settlements;
 - (b) Treasury bills and other Government Securities;
 - (c) Money Market Instruments, Certificates of Deposit and Bankers Acceptances;
 - (d) Deposits in Banks or with financial institutions;
 - (e) Investment in any debt security that may or may not be listed on the Stock Exchange’ and
 - (f) Repurchase transactions (REPO’s) and reserve REPO’s including Carry Over Transactions (COT). Purchase or sale of a security for ready settlement and the reverse thereof (sale or purchase, as the case may be) for further settlement

But does not include Restricted investments.
- 1.10 **“Back-end Load”** means Sales Load deducted from the Net Asset Value in determining the Redemption Price
- 1.11 **“Bank”** means a banking company licensed under the Banking Companies Ordinance, 1962 or an other regulation for the time being in force.
- 1.12 **“Bank Accounts”** mean those accounts the beneficial ownership of which rests in the Holder and for which Trustee has been appointed as the trustee.
- 1.13 **“Broker”** means any person engaged in the business of effecting transaction securities for the account of others.

- 1.14 **“Business Day”** means a day on which Banks are open for business in Pakistan
- 1.15 **“Carry Over Transaction (COT)”** means a form of financing through the Stock Exchange consisting of two simultaneous transaction, the first for purchase of an underlying security (Shares) on the following scheduled settlement date for the security and the second for selling back the security for a subsequent settlement date.
- 1.16 **“Certificate”** means the definitive certificate acknowledging the number of Units registered in the name of the Holder issued at the request of the Holder pursuant to the provision of this Deed.
- 1.17 **“Companies Ordinance”** means the Companies Ordinance, 1984, as amended from time to time.
- 1.18 **“Commission”** means the Securities and Exchange Commission of Pakistan,, established under section 3 of the Securities and Exchange Commission of Pakistan Act, 1997.
- 1.19 **“Connected Person”** shall have the same meaning as in the Rules.
- 1.20 **“Constitutive Document”** means the Trust Deed that is the principal document governing the formation, management or operation of the Trust, the Offering Document and all material agreements in relation to the Trust.
- 1.21 **“Contingent Load”** means Sales Load payable on redemption of Units within a certain number of years from the date of purchase and /or at a rate declining for every year Units are held.
- 1.22 **“Core Investors”** mean initial investors, who shall be required to subscribe to and to hold number of Units of par value of not less than two hundred fifty million Rupees (Rs. 250,000,000) for the maximum two years from the date of payment in full such Units.
- 1.23 **“Core Units”** means such Units of the Trust that are issued to Core Investors with the condition that these are not redeemable for a period of two years from the date of issue. However, such Units are transferable with this condition and shall rank pari passu with all other Units save for this restriction. Any transfer of these Core Units, during the first two years off their issue, shall be affected only on the receipt by the Transfer Agent of a written acceptance of this condition by the transferee and the Management Company will, prior to such transfer, intimate the Commission.
- 1.24 **“Custodian”** means a Bank that may be appointed by the Trustee with the approval of the Management Company to hold and protect the Deposited Property or any part thereof as custodian on behalf of the Trustee and the said appointment will be intimated to the Commission.
- 1.25 **“Deposited Property”** means the aggregate proceeds of the sale of all Units at Offer Price after deducting there from or providing there out any applicable Sales Load and Duties and Charges and includes the investment and all income, profit and other benefits arising there from and all cash 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 to the Holder pursuant to this deed but does not include any amount standing to the credit of the Distribution Account.
- 1.26 **“Discount Rate”** means the rate at which the State Banks of Pakistan makes funds available to banks for short period against the collateral of government bonds’ and if no longer published then the substitute thereof.

- 1.27 **“Distribution Accounts”** means the account (which may be current, saving or deposit account) maintained by the Trustee with a Bank, approved by the Management Company in which the amount required for the distribution of income to the Holders shall be transferred.
- 1.28 **“Distribution/ Distribution Company”** means a company, firm or a Banks appointed by the Trustee with the approval and instruction of the Management Company for performing the Distribution Function and shall also include the Management Company itself, if it performs the Distribution Function.
- 1.29 **“Distribution Function”** mean with regard to;
- (a) Receiving application for issue of Units together with the aggregate Offer Price for Units applied for by the applicants;
 - (b) Issuing of receipts in respect of (a) above;
 - (c) Issuing Units to the applicant in accordance with the terms of the Scheme. (d) Interfacing with and providing services to the Holders including receiving redemption applications, transfer application, conversion notices and applications for change of address or issue of duplicate Certificates for immediate transmission, in accordance with the instruction given by the Management Company or the Trustee, to the Management Company or the Transfer Agent as appropriate ; and
 - (e) Accounting to the Trustee for all (1) money received from the applicant for issuance of Units’ (2) payments made to the Holders on redemption of Units’ and (3) expenses incurred in relation to the Distribution Function.
- 1.30 **“Duties and Charges”** mean in relation to any particular transaction or dealing stamps and other duties, taxes, Government charges, brokerage, bank charges, transfer fees, registration fees and other duties and charges whether in connection with the constitution of the Deposited Property or the creation, issue, sale, transfer, redemption or purchase of Units or the sale of purchase of investment or in respect of the issue, transfer, cancellation or replacement of a Certificate or otherwise which may have become or may be payable in respect of or prior to or upon the occasion of the transaction of dealing in respect of which such duties and charges are payable but do not include the remuneration payable to the Distribution Company or any commission, charges or costs which may have been taken into account in ascertaining the Net Asset Value.
- 1.31 **“Formation Cost”** means all preliminary and flotation expenses of the Trust including expenses in connection with authorization of the Scheme, execution and registration of the Constitutive Document, issue, circulation and publication of the Offering Document and all expenses incurred during the initial period.
- 1.32 **“Front-end Load”** mean the Sales Load that is included in the Offer Price of Units.
- 1.33 **“Government Securities”** means securities and other instrument issued and to be issued by any Federal or Provincial Government of the Islamic Republic of Pakistan and /or State Banks of Pakistan, including but not limited to Federal Investment Bonds, Pakistan Investment Bonds and any securities/instruments replacing or substituting the foregoing from time to time.
- 1.34 **“Holder” or “Unit Holder”** means the investors for the time being entered in the Register as owner of a Unit, including investors jointly so registered pursuant to the provision of this Deed.
- 1.35 **“Initial Period” or Initial Offering Period”** means a period determined by the Management Company not exceeding ninety days during which Units will be offered at the Initial Price in terms of the Offering Document.

- 1.36 **“Initial Price”** means the price per Unit during the Initial Offering Period determined by the Management Company.
- 1.37 **“Investment”** means any Authorized Investment forming part of the Deposited Property.
- 1.38 **“Investment Facilitator/Sales Agents”** means an individual, firm, corporate or other entity appointed by the Management Company to identify, solicit and assist investors in investing in the Scheme. The Management Company shall compensate the Investment Facilitator/Sales Agent out of the Sales Load collected by it in the Offer Price.
- 1.39 **“Net Asset”** shall have the same meaning as in the Rules.
- 1.40 **“Net Asset Value” or “NAV”** means per unit value of the Trust arrived at by dividing the Net Asset by the number of Unit outstanding.
- 1.41 **“No Sales Load”** means no Sales Load payable on sale or redemption of Unit.
- 1.42 **“Offer Price”** means the sum to be paid to the Trustee for issuance of one Unit, such price to be determined pursuant to clause 15 of this Deed.
- 1.43 **“Offering Document”** means the prospectus, advertisement or other document (approved by the Commission), which contains the investment and distribution policy and all other information in respect of the scheme, as required by the Rules and it calculated to invite offers by the public for purchase of units in the Unit Trust.
- 1.44 **“Ordinance”** means the Securities and Exchange Ordinance, 1969, as amended from time to time.
- 1.45 **“Par Value”** means the face of a unit that shall be Rupees five hundred (Rs. 500) or such other amount as may be determined by the Management Company in consultation with the Trustee from time to time and such other amount shall be intimated to the commission.
- 1.46 **“Permitted Amendments”** is defined in clause 33.3
- 1.47 **“Personal Law”** means the law of inheritance and succession as applicable to the individual Unit Holder.
- 1.48 **“Redemption Price”** means the amount to be paid to the relevant Holder of a unit upon redemption of that Unit, such amount to be determined pursuant to clause 18 of this Deed.
- 1.49 **“Register”** means the Register of the Holder kept pursuant to the Rules and this Deed.
- 1.50 **“Register Functions”** means the function with regard to:
- (a) Maintaining the Register;
 - (b) Receiving application for redemption and transfer/ transmission of Units directly from Holder or legal representatives or through Distributors;
 - (c) Processing requests for issue, redemption, transfer and transmission of Units and request for recording of pledge or for recording of changes in formation/particular/data with regard to the Holders;

- (d) Issuing Account Statement of Holder;
- (e) Issuing Certificate including Certificates in lieu of undistributed income of Holder;
- (f) Dispatching income distribution warrant and allocating Unit to Holder in investment of dividends as per clause 30.4 of this Deed ;
- (g) Canceling old Certificates on redemption or replacement. (h)

Maintaining record of lien/ pledge/charge; and

- (i) Keeping record of change of addresses/ other particular of the Holders;

1.51 **“Reporting Currently /Base Currency”** means the currency used in presenting the financial statement which will be the Pakistani Rupee.

1.52 **“Restricted Investments”** means the following:

- (a) Shares forming the party of a company’s equity; (b)

Bearer securities;

- (c) Securities on margin

- (d) Securities which result in assumption of unlimited liability (actual or contingent):

- (e) Commodities or commodity contracts; and

- (f) Real estate or interest in real estate save and except in securities which are secured by real estate or interest therein or issued by companies that invest in real estate or interest therein and are approved by the Management Company.

1.53 **“Rules”** means the Asset Management Companies Rules, 1995, as amended from time to time.

1.54 **“Sales Load”** means the sales and processing charge or commission (excluding Duties and Charges) not exceeding five percent (5%) of the Net Asset Value, (the exact percentage will be disclosed in the Offering Document), which may be included in the Offer Price of certain class of Units or deducted from the Net Asset Value in order to determine the Redemption Price of certain classes of Units. The Management Company may apply different levels of Sales Load for different plans under the Atlas Income Fund.

1.55 **“Stock Exchange”** means Karachi Stock Exchange, Lahore Stock Exchange, Islamabad Stock Exchange or any other stock exchange registered under Section 5 of the Ordinance.

1.56 **“Subscription Day”** means every Business Day provided that the Management Company may with the prior written consent of the Trustee and upon giving not less than seven days notice in at least one English and one Urdu newspaper widely circulated in Pakistan, declare any particular Business Day not to be a subscription day.

1.57 **“Supplementary Offering Document”** means a document issued by the Management Company, in consultation with the Trustee, after seeking approval of the commission, describing the special features of an administrative plans offering investment in the Income Funds or a combination of the Income Fund and other schemes managed by the Management Company, or any amendments made to the Offering Document.

- 1.58 **“Transfer Agent”** means a company including a Bank that the Management Company may appoint for performing the Registrar Function.
- 1.59 **“Trust”, “Unit Trust” or “Scheme”** means the unit Trust constituted by this Trust Deed for continuous offer for sale of Units.
- 1.60 **“Unit”** means one undivided share in the Trust.

Words and expressions used but not defined herein shall have the meanings assigned to them in the Rules. Words importing persons include corporations, words importing the masculine gender include the feminine gender, words importing singular include plural words “written” or “in writing” include printing, engraving lithography, or other means of visible reproduction.

2. DECLARATION OF TRUST

It is hereby declared unequivocally, that a unit trust in the name and title of Atlas Income Fund is hereby created and the Management Company is hereby appointed to establish, manage, operate and administer the said Unit Trust and the Trustee is hereby nominated, constituted and appointed as the Trustee of the Unit Trust. The Management Company and the Trustee hereby agree to such appointment and further declare.

- a) The Trustee shall hold and stand possessed of the Deposited Property that may time to time hereafter be vested in the Trustee upon trust as a single common fund for the benefit of the Holders ranking *pari passu inter se* according to the number of Units held by each Holder;
- b) The Deposited Property shall be investment from time to time by the Trustee at the requested of the Management Company strictly in terms of the provisions contained and the conditions stipulated in this Deed, the Offering Documents, the Rules and the conditions (if any) which may be imposed by the Commission from time to time.
- c) The Management Company shall manage, operate and administer the Fund in accordance with the Rules

3. DEPOSITED PROPERTY

- 3.1 The aggregate proceeds of all Units issued from time to time after deducting Duties and Charges and after deducting there from or providing there out any applicable Sales Load shall constitute part of the Deposited Property and the Distribution Company shall remit such proceeds, unless exempted under this Deed or applicable law, the Sales Load and the Duties and Charge to the Trustee in accordance with the instructions given by the Management Company from time to time.
- 3.2 The Deposit Property shall initially be constituted out of the proceeds of the Units issued to the Core Investors and other Units issued during the initial Period after deducting any applicable Duties and Charges there from or any Sales Load.
- 3.3 The Trustee shall take the Deposited Property into its custody or under its control either directly or through the Custodian and hold it in trust for the benefits of the Holders in accordance with the provisions of the Rules and this Deed. The Deposited Property shall always be kept as a separate property and shall not be applied to make a loan or advance except in connection with the normal business of the Trust. All register able investment shall be registered in the name of the Trustee and shall remain so registered until disposed if pursuant to the provisions of this Deed. All expenses incurred by the Trustee in effecting such registration shall be payable out of the Deposited Property.
- 3.4 Save, as herein expressly provided, the Deposited Property shall always be kept as separate property free from any mortgages, charges, liens or any other encumbrances whatsoever and the Trustee or the Custodian shall not create any mortgages, charges, liens or any other encumbrances whatsoever to secure

- any loan, guarantee, or any other obligation actual or contingent incurred, assumed or undertaken by the Trustee, the Custodian or any other person.
- 3.5 The Trustee shall have the sole responsibility for the safekeeping of the Deposited Property. Subject to the provisions of Clause 7.2 below, in the event of any loss arising as a result of an act/omission of the Trustee, in violation of the terms of this Deed, the Trustee shall have an obligation to replace the lost investment forthwith with similar investment of the same class and issue together with all rights and privileges pertaining thereto or compensate the Trust to the extent of any such loss.
- 3.6 All cash forming part of the Deposited Property shall be deposited by the Trustee in a separate account, in the name of the Trustee with a scheduled Banks or financial institution approved by the Management Company, having at least minimum investment grade rating, as per criteria laid down by a credit rating agency approved by the Commission. The Bank or a financial institution shall allow profit thereon in accordance with the rules prescribed by the Bank or financial institution for sharing of profits or mark-up on deposits maintained in such account or under any other arrangement approved by the Management Company.
- 3.7 Remuneration of the Management Company and the Trustee, brokerage and transaction cost relating to investing and disinvesting to the Deposited Property, all expenses incurred by the Trustee effecting the registration of all register able property in the Trustee's name, legal and related costs as may be incurred in protecting or enhancing the interests of the Scheme or the collective interests of the Holders; Bank charges and borrowing/financial coast, audit fee; listing fee payable to a Stock Exchange; formation Cost and taxes if any applicable to the Trust shall be payable out of the Deposited Property.

4. INVESTMENT OF THE DEPOSITED PROPERTY

- 4.1 During and prior to the commencement of the initial period the Trustee shall hold the Deposited Property in cash in a separate account with a Bank or a financial institution having at least, if available, an investment grade rating (assigned by any credit rating agency licensed by the Commission) and approved by the Management Company. After the Initial Period all cash, except in so far as such cash may in the opinion of the Management Company be required for transfer to the Distribution Account, shall be invested by the Trustee from time to time in such Authorized Investment as may (subject always to the provision of this Deed) be directed by the Management Company.
- 4.2 Any Investment may at any time be realized at the discretion of the Management Company either in order to invest the proceeds of sale in other Authorized Investment or to provide cash required for the purpose of any provision of this Deed or in order to retain the proceeds of sale in cash or on deposit as aforesaid or partly one and partly another. Any Investment which ceased to be an Authorized Investment shall be realized and the net proceeds of realization shall be applied in accordance with the clause; Provided that the Trust may postpone the realization of such Investment for such period as the Management Company may determine to be in the interest of Holders.
- 4.3 The purchase or sale of any Investment in listed securities for the account of the Trust shall be made on the Stock Exchange through a Broker who must be a member of the Stock Exchange. The Broker will be appointed, from time to time, by the Trustee with the approval and the instruction of the Management Company.

The Management Company shall not nominate directly or indirectly as a broker, any of its directors, executives, officer or employees or their family members (which term shall include its spouse, parents, children, brother or sisters).

- 4.4 The Deposited Property shall be subject to such exposure limits as are provided in the Rules; Provided that it will not be necessary for the Trustee to sell any Investment merely because owing to appreciation or depreciation of any Investment or redemption of Units such limit may be exceeded, subsequent to the acquisition of such Investment.
- 4.5 If and so long as the value of the holding in a particular company or sector shall exceed that exposure limit imposed in a particular company and sector by the Rules the Trustee shall not purchase any further investment in such company or sector.
- 4.6 The Deposited Property shall not be invested in any security of a company if any director or officer of the Management Company or any of their connected person owns more than five percent (5%) of the total nominal amount of the Securities issued of such company, or collectively the directors and officers of the Management Company or any of their Connected Person owns more than ten percent (10%) of the securities issued of the said company.
- 4.7 The Trust shall not purchase from or sell any securities to the Management Company or to any directors, officer or employee of the Management Company or to an person who beneficially owns ten percent (10%) or more of the equity of the Management Company, save in the case such party is acting as an intermediary
- 4.8 The Trust will not at any time :
- (a) Investment or deal in Restricted Investments.
 - (b) Participate in a joint account with others in any transaction.
 - (c) Make short sales of any security or maintain a short position
- 4.9 Subject to the Rules and any other applicable law, the Management Company may, on behalf of the Scheme, write call options on any of the securities held in the portfolio, if there is a market based exit mechanism from options so written. The Management Company may also, on behalf of the scheme, buy put option equivalent to any securities held in the portfolio. Under no circumstances shall the Management Company buy or sell options on behalf of the scheme that results in an exposure beyond the number of underlying securities held in the portfolio of the Scheme. The Management Company may, however, buy or sell call or put options on one or more item (financial or otherwise) that in its opinion would act as a hedge against risk.
- 4.10 The Management Company may from time to time, for the account for the Trust, request the Trustee to enter into underwriting, sub-writing contracts in relation to the subscription or purchase of Authorized Investments upon such terms in all respects as the Management Company shall think fit but subject always to the provisions of the Rules and the Constitutive Documents and so that no such contract shall relate to an Authorized Investment which is acquired would constitute a holding in excess of the exposure limit specified in the Rules. The underwriting and sub-writing commission and all Authorized Investment acquired pursuant to any such contract shall from part of the Deposited Property and any subscription or purchase moneys payable there under shall be paid out of the Deposited Property.

5. VOTING RIGHTS ON DEPOSITED PROPERTY

- 5.1 All rights of voting attached to any Deposited Property shall be exercisable by the Management Company on behalf of the Trustee and the Management shall be entitled to exercise the said rights in what it may consider to be the best interest of the Holders, and may refrain at its own discretion from the exercise

of any voting rights and the Trustee of the Holder shall not have any right to interfere or complain.

- 5.2 The Trustee shall upon written request by the Management Company and at their expense, from time to time execute and deliver or cause to be executed or delivered to the Management Company or their nominees powers of attorneys or proxies authorizing such attorneys and proxies to vote consent or otherwise act in respect of any Investment in such form and in favour of such persons as the Management Company may require in writing.

The phrase “rights of voting” or the word “vote” used in the sub-clause shall be deemed to include not only a vote at the 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.

- 5.3 The Trustee shall forward to the Management Company in a timely manner all notices of meetings and all reports and circulate received by the Trustee as the registered holder of any Investments.

6. BORROWING

- 6.1 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 written request of the Management Company, concur with the Management Company in making and varying arrangements with Banks or other financial institutions for borrowing by the Trustee for the account of the Trust. Provided that the charges payable to such Bank or financial institution are not higher than the normal bank charges. Provided further that the maximum for the account of the Trust shall not exceed the limit provided in the Rules but if subsequent to such borrowing, the Net Assets have reduced as a result of depreciation in the market value of the Deposited Property or redemption of Units, the Management Company shall not be under any obligation to reduce such borrowing.
- 6.2 For the purpose of securing any such borrowing the Trustee may with the approval of the Management Company mortgage, charges or pledge in any manner all or any part of the Deposited Property, provided that the aggregate amount to be secured by such mortgage, charge or pledge shall not exceed the limit provided in the Rules.
- 6.3 Neither the Trustee nor the Management Company shall be required to issue any guarantee or provide security over their own assets for securing such borrowings on account of the Trust from banks and financial institution. The Trustee or the Management Company shall not in any manner be liable in their personal capacities for repayment of any borrowings.
- 6.4 The Trustee or the Management Company shall not incur any liability by reason of any loss to the Trust or any loss that a Holder may suffer by reason of any depletion in the Net Asset Value that may result from any borrowing arrangement made hereunder.

7. DUTIES AND POWERS OF TRUSTEE

- 7.1 The Trustee shall comply with the provisions of the Rules and the Constitutive Documents for 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 with the written approval of the Management Company

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 Deposited 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, officer, nominees or agents.

- 7.2 The Trustee shall exercise all due diligence and vigilance in carrying out its duties and in protecting the interests of the Holders. The Trustee shall not be under any liability on account of anything done or suffered by the Trustee in good faith in accordance with or in pursuance of any request of the Management Company provided they are not in conflict with the provisions of the Constitutive Documents or the Rules. Whenever pursuant to any provision of this Deed or the Rules. Whenever pursuant to any provision to this Deed any certificate, notice, direction, instruction or other communication is to be given by the Management Company to the Trustee, the Trustee may accept as sufficient evidence thereof a document signed or purporting to be signed on behalf of the Management Company by any person whose signature the Trustee is for the same time being authorized in writing by the Management Company to accept.
- 7.3 The Trustee shall carry out the instruction of the Management Company in all matter including investment and disposition of the Deposited Property, if such instructions are not in conflict with the provisions of the Constitutive Document or the Rules or any applicable law and regulations.
- 7.4 The Trustee shall, from time to time, on the instruction of the Management Company appoint, remove or replace one or more Distribution Company(s) for carrying the Distribution in 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 Trustee.
- 7.5 The Trustee shall, with the approval of the Management Company, from time to time appoint, remove or replace one or more custodian 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 Management Company.
- 7.6 The Trustee shall appoint in Broker in terms of clause 4.3 of this Deed.
- 7.7 The Trustee shall make available or ensure that there is made available to the Management Company such information as the Management Company may reasonably require from time to time in respect of the Deposited Property and all other matters relating to the Scheme.
- 7.8 The Trustee shall report on all matters provided in the Rules including issue to the Holders a report on all the mattered in which it is required to issue a report under the Constitutive Documents and the Rules to the Holders including a report to be included in the annual report whether in its opinion, the Management Company has in all material respects managed the Deposited Property in accordance with the provisions of the Rules and the Constitutive Documents and if the Management Company has not done so, the respect in which it has not done so and the steps the Trustee has taken in respect thereof.
- 7.9 The Trustee shall, if requested by Management Company. Institute or defend any suit, proceeding, arbitration or inquiry or any corporate or shareholders action in respect of the Deposited 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 on account of the Deposited Property and the Trustee shall (out of the Deposited Property) be indemnified against all such costs. Charges and expenses: Provided that no such indemnity shall be available in respect of any action taken against the Trustee for negligence or breach of fiduciary duties in connection with its duties as the Trustee under this Deed or the Rules. The Trustee and the Management Company shall not be liable in respect of any losses, claims, damages or other liabilities whatsoever suffered or incurred by the Trust arising from or consequent to any such suit, proceeding, arbitration or inquiry or corporate or shareholder's action or otherwise howsoever and (save as herein otherwise provide), all such losses, claims, damages and other liabilities shall be borne by the Trust.

- 7.10 Neither the Trustee or the Custodian (if Trustee has appointed another person as Custodian) nor the Management Company or any of their connected person shall sell or purchase or deal in the sale of any Investment or enter into any other transaction with the Trust (save in the capacity of an intermediary)
- 7.11 The Trustee shall not be under any liability except such liability as may be expressly assumed by it under the Rules and this Deed nor shall the Trustee (save as herein otherwise provided) be liable for any act or omission of the Management Company nor for anything except its own negligence or willful breach of duty hereunder. If for any reason it becomes impossible or impracticable to carry out the provisions of this Deed the Trustee 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.

Notwithstanding removable/resignation of Trustee, the Trustee shall remain entitled to the benefit of this clause.

- 7.12 The Trustee shall promptly forward to the Management Company any notices, reports or other documents issued by the issuer by the securities, recipients of any of the Trust funds (as deposits, refunds, distribution of dividends, income, profits, repayment of capital or for any other reason), any depository, an intermediary or agent in any transaction or from any court, government, regulator, stock or other exchange or any other party having any connection with the transaction. The Trustee shall promptly act on any instruction of the Management Company in all such matters relating to recovery of the Deposited Property.
- 7.13 The Trustee shall promptly provide proxies or other forms of powers of attorney to the order of the Management Company with regard to any voting rights attaching to any investments.
- 7.14 Any transaction between the Trustee and the Management Company or any of the Connected Person as principal, shall only be made, if permissible under the Rules and with the prior written consent of the Trustee.
- 7.15 The Trustee shall ensure that: (a) the sales, issue, repurchase, redemption and cancellation of Units are carried out in accordance with the provisions of the Constitutive Documents and the Rules: and (b) the methods adopted by the Management Company in calculating the value of the Units are adequate and in accordance with the provisions of the Constitutive Documents and the Rules.

8. REMUNERATION OF TRUSTEE AND ITS AGENT

- 8.1 The Trustee shall be entitled to a monthly remuneration out of the Deposited Property based on an annual tariff of charges which is as follows.

Net Assets	Charges
* Up to Rs .250 million	0.50% p.a. with a minimum of Rs. 1.25 million p.a.
* an amount exceeding to Rs. 250 million up to Rs. 500 million	Rs. 1.25 million + 0.35% of amount exceeding Rs. 250 million p.a.
* an amount exceeding to Rs. 500 million up to Rs. 1,000 million	Rs. 2.125 million +0.25% of amount exceeding Rs. 500 million p.a.
* an amount exceeding 1,000 million	Rs. 3.375 million +0.10% of amount exceeding Rs. 1,000 million p.a.

The Calculation for remuneration shall be based on average daily or weekly Net Asset during such calendar month. The remuneration shall begin to accrue from the date if payment in full of all Units subscribed by the Core Investors. For any period 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.

- 8.2 Such remuneration shall be paid to the Trustee in arrears with thirty (30) Business Days after the end of each calendar month.
- 8.3 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 including any remuneration and expenses of the Custodian. The Trustee shall not make any charge against the Holders or against the Deposited Property or against the Distribution Account for its service or for its expenses, except such expenses as are expressly authorized to be payable out of the Deposited Property under the provisions of the Rules and the Constitutive Documents.
- 8.4 The Trustee shall bear all expenditures in respect of their secretarial and office space and professional management, including all accounting and administrative service provided in accordance with the provision of this Deed.

9. DUTIES AND POWERS OF MANAGEMENT COMPANY

- 9.1 The Management Company shall comply with the provision of the Rules and the Constitutive Documents for 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 Management Company by any officer or responsible official of the Management Company or by any nominee or agent appointed by the Management Company and any act or matter so performed shall be deemed for all purposes of this Deed to be the act of the Management Company. The Management Company shall be responsible for the acts and omissions of all persons to whom it may delegate any of its functions as manager as if these in value of the Deposited Property, where such loss has been caused by its negligence, reckless or willful act and/ or omission or by its officers, officials or agents.
- 9.2 The Management Company shall manage the Deposited Property in the interest of the Holders in good faith and to the best of its ability and without gaining any undue advantage for itself or any of its Connected Persons, and subject to the restrictions and limitations as provided in the Constitutive Documents and the Rules. Any purchase or sale of investment made under any of the provisions of this Deed shall be made by the trustee according to the instruction of the Management Company in this respect, if such Documents or the Rules. The Management Company

shall not be liable for any loss caused to the Trust or to the value of the Deposited Property due to any elements or circumstance beyond its reasonable control.

- 9.3 The Management Company may from time to time appoint, remove or replace the Transfer Agent.
- 9.4 The Management Company shall make available or ensure that there is made available for the Trustee such information as the Trustee may reasonably require in respect of any matter relating to the Trust.
- 9.5 The Management Company shall not be under any liability except such liability as may be expressly assumed by it under the Rules and the Constitutive Documents nor shall the Management Company (save as herein otherwise provided) be liable for any act or omission of the Trustee nor for anything except its own negligence or willful breach of duty hereunder. If for any reason it becomes impossible or impracticable to carry out the provisions of the Constitutive Documents the Management Company 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 in good faith hereunder.
- 9.6 The Management Company shall if it considers necessary request the Trustee, for the protection of Deposited Property or safeguarding the interest of the Unit Holders, to institute or defend any suit, proceeding, arbitration or inquiry or any corporate or shareholders' action in respect of the Deposited Property or any part thereof
- 9.7 The Management Company has the primary responsibility for all record keeping, regular determination and announcement of Unit prices and for producing financial reports from time to time as provided in the Rules and this Deed

10. REMUNERATION OF MANAGEMENT COMPANY AND ITS AGENTS

- 10.1 The Management Company shall be entitled to receive:
 - (a) An annual remuneration of an amount not exceeding three percent (3%) of the average daily (or weekly) Net Assets during the first five years of the Scheme and two percent (2%) of such asset thereafter:
 - (b) An additional performance bonus as provided in the Rules
- 10.2 The remuneration shall begin to accrue from day of payment in full of all the units subscribed by the Core Investors. In respect of any period other than a full calendar year such remuneration shall be prorated on the basis of the actual number of days accrued in the calendar year concerned.
- 10.3 The remuneration due to the Management Company shall be paid on or before the date that is thirty days after the Accounting date, provided that the Management Company may from time to time draw in advance out of the accrued remuneration a sum that the Trustee shall consider reasonable.
- 10.4 In consideration of the foregoing and save as aforesaid the Management Company shall be responsible for the payment of all expenses incurred by the Management Company from time to time in connection with their responsibilities as Asset Management Company to the Trust, including the remuneration and expenses of the Transfer Agent, the Destruction Company and any selling and promotional expenses of the Transfer Agent, the Distribution company and any selling and promotional expenses incurred in respect of the sale of the Units. The Management Company shall not make any charge against the Holders or against the

Deposited Property or against the Distribution Account for its services or for its expenses, except as are expressly authorized under the provisions of the Rules and this Deed to be payable out of the Deposited Property.

- 10.5 The Management Company shall bear all expenditures in respect of its secretarial and office space and professional management, including all accounting and administrative services provided in accordance with the provisions of this Deed.

11. CHANGE OF TRUSTEE

- 11.1 The Trustee shall not be entitled to retire voluntarily or otherwise except upon the appointment of a new trustee. In the event of the Trustee desiring to retire the Management Company within a period of six months (or in default the Trustee) with the prior written approval of the Commission may be a deed supplemental hereto under the seal of the Management Company or the Trustee (as the case may be) 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.
- 11.2 If the Trustee goes into liquidation (otherwise than for the purpose of amalgamation or reconstruction on terms previously agreed with the Management Company for purpose of reconstruction and amalgamation) or ceases to carry on business 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 Management Company shall forthwith by instrument in writing remove the Trustee from its appointment under this Deed and shall be the some other company or corporation according to the provisions of the Rules and Constitutive Documents as the new trustee.
- 11.3 The Management Company may remove the Trustee, with the prior approval of the Commission, after giving twenty-one days notice in writing to the Trustee on grounds if any material default or non-compliance with the provisions of the Constitutive Documents or the Rules, and appoint another trustee provided such removal does not itself constitute admission of such default or non-compliance on part of the Trustee.
- 11.4 Upon the appointment of a new trustee, the Trustee shall immediately deliver and hand over all the documents and records to the new trustee and shall transfer all the Deposited Property and any amount deposited in any Distribution Account to the new trustee and make payments to the new trustee of all sum due from the Trustee.
- 11.5 The new trustees all 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.

12. CHANGE OF THE MANAGEMENT COMPANY

- 12.1 The Trustee may with the prior approval of the Commission, remove the Management Company by giving at least twenty-one days notice in writing to the Management Company if any of the following have occurred.
- (a) The Management company has contravened the provisions of this Deed in any material respect and has failed to rectify the contravention within a reasonable period after the contravention has come to its notice;

- (b) The Management Company goes into liquidation (other than voluntary liquidation on terms previously agreed to with the Trustee for purpose of reconstruction and amalgamation);
 - (c) A receiver is appointed over any of the assets of the Management Company.
- 12.2 The Management Company may voluntarily retire at any time with the prior written consent of the Commission and the Trustee.
 - 12.3 The removable of the Management Company and appointment of a new management company shall always require the prior approval of the Commission and the Trustee.
 - 12.4 If the Commission has cancelled the registration of the management Company under the provisions of the Rules, the Trustee shall appoint another asset management company as the management company for the Scheme according to the provisions of the Constitutive Documents and the Rules.
 - 12.5 Upon a new management company being appointed, the Management Company will take immediate steps to deliver all the documents and records pertaining to the Trust to the new management company and shall pay all sums due to the Trustee.
 - 12.6 Upon its appointment the new management company shall exercise all the powers and enjoy all the rights and shall be subject to all duties and obligations of the management company hereunder as fully as though such new management company had originally been a party hereto.

13. UNITS

- 13.1 All units or fractions thereof represent an undivided Share in the Deposited Property and rank *pari passu* as to their rights in the Net Assets, earnings and the receipt of the Dividends and distributions. Each Holder has a beneficial interest in the Atlas Income Fund proportional to the Units held by such Holder.
- 13.2 Irrespective of the different classes of Units as set out in this Clause, all Units issued from time to time rank *pari passu* inter se and shall have such rights as are set out in this Deed and the Offering Documents. The liability of the holders shall be limited to the unpaid amount (if any) on the Units.
- 13.3 The Units issued with different administrative arrangements may have differing quantum of the Front-end load added to the NAV for determining the Offering Price thereof and differing levels of Bank-end Load deductible from the NAV for determining the Repurchase Price.
- 13.4 Core Units subscribed by the Core Investors shall be offered and issued at Par Value and shall not be redeemable for a period of two years from the date of issue. A mention of such restriction and its termination date shall be entered into the Register and shall be noted on any Account Statement Certificate or transfer instrument issued in respect of such Units.
- 13.5 Units offered and issued during the Initial Period shall be issued at the Initial Price. The offer and issue of Units during the Initial Period shall remain open during the period specified in the Offering Document.
- 13.6 After the Initial Period, the Offer Price shall be determined from time to time pursuant to clause 15 of this Deed.
- 13.7 By a deed supplemental to this deed the Management Company may at any time with the approval of the Trustee on giving not less than twenty-

one days previous notice in writing to each Holder subdivide or consolidate the whole or any part of the Units and the Holder shall be bound accordingly. The Management Company shall require in such notice that each Holder to whom Certificates have been issued, (who shall be bound accordingly) deliver up his Certificates for endorsement or enfacement with the number of Units to be represented thereby as a result of such sub-division or consolidation; provided that any delay or failure to deliver up the Certificates shall not delay or otherwise affect any such division or consolidation, Such information shall be published in at least one English and one Urdu newspaper widely circulated in Pakistan.

14. ISSUE OF UNITS

- 14.1 The Management Company shall be responsible for obtaining all requisite consents and approval for the offer and issue of Units and for the issue, publication or circulation of the Offering Documents.
- 14.2 Except as provided herein, the Units shall be offered through the authorized offices or branches of the Distribution Companies on all Subscription Days.
- 14.3 Application for issuance of Units shall be made by completing the prescribed application forms and submitting it with the payment by cheque or pay order or bank draft, crossed "A/C payee only", or in such form (other than through cash or any bearer instruments) as is prescribed by the Management Company, in favour of the trustee at the Authorized Branch or office of any Distribution Company on any Subscription Day. Payment in cash will be accepted. The Distribution Company shall verify the particular given in the application for issue of Units and the documents submitted therewith and ensure that signature of any Holder or joint Holder to any document required to

be signed by him under or in connection with the application for issue of Units is verified by a bank or Broker other responsible person or otherwise authenticated to its or their reasonable satisfaction.

- 14.4 Each Holder shall be liable to pay the Offer Price of the Units subscribed by him in the manner provided in clause 14.3 and no further liability shall be imposed on him in respect of any Units held by him. The Units shall be issued only against the receipt of full payment.
- 14.5 An application for issuance of Units shall be deemed to have been made in accordance with the provisions of the Offering Document or a Supplementary Offering Documents, if such document prescribe automatic of Units under certain circumstances.
- 14.6 The Management Company may make arrangements to accept issue requests through electronic or other means.

15. DETERMINATION OF OFFER PRICE

- 15.1 After the Initial Period the Offer Price shall be calculated and announced by the Management Company on a daily or weekly basis, as may be determined by the Management Company from time to time.
- 15.2 The Offer Price shall be equal to the Sum of :
 - (a) The Net Asset Value as of the close of the immediate preceding Business day.
 - (b) Any Front-end Load; and

- (c) Such amount as the Management Company may consider an appropriate provision for Duties and Charges.

The Offer Price so determined shall apply to purchase requests, complete in all respects, received by the Distribution during the business hours on the following days/week

The Management Company may announce plans under different administrative arrangements with differing levels of Front-end Load, which may also vary according to other criteria in the Management Company's sole discretion and as provided in the Offering Document or the Supplementary Offering Document consequently, the Offer Price may differ for Units issued under differing administrative arrangements and for different investors.

Such sum may be adjusted upwards to the nearest two decimals places.

- 15.3 In the event that the amount paid as provision for payment of Duties and Charges pursuant to sub-clause 15.2(c) is insufficient to pay in full such Duties and Charges, the Management Company shall be liable for the payment in full of the amount of such Duties and Charges in excess of such provisions (except where such excess arises from any Duties and Charges levied with retroactive effect after the date of payment in which case such excess shall be recovered from the Deposited Property.
- 15.4 In the event the amount paid as provision for payment of Duties and Charges pursuant to sub-clause 15.2.(c) exceeds the relevant amounts of Duties and Charges, the Trustee shall refund such excess amount to the relevant Holders along with the next income distribution or if instructed by the Management Company, at any time earlier.
- 15.5 The Offer Price determined by the Management Company shall be made available to the public at the office and branches of the Distribution Company(s) and shall also be published in at least one English and one Urdu newspaper, on daily basis with circulation in all major cities of Pakistan.
- 15.6 If the variation of the Net Asset Value at any time exceeds two percent (2%) of the Net Asset Value included in the Offer Price calculated under sub clause 15.2 (a), the Management Company shall suspend issue of the Units and shall calculate forthwith a new Offer Price. The Management Company shall also inform the Commission of the suspension of issuance of Units along with the new Offer Price, and publish the same in two widely circulated daily newspapers in Pakistan one in English and the other in Urdu.

16. ALLOCATION OF SALES LOAD

- 16.1 The remuneration of Distribution Companies and Investment Facilitators/ Sales Agents shall be paid exclusively from any Sales Load received by the Trustee and no charges shall be made against the Deposited Property or the Distribution Account in this respect. The remainder of any Sales Load, after such disbursement, shall be paid by the Trustee to the Management Company as additional remuneration for their management services for the Trust. If the Sales Load received by the Trustee is insufficient to pay the remuneration of the Distribution Company(s) and Investment Facilitators/ Sales Agents, the Management Company shall pay to the Trustee the amount necessary to pay in full such remuneration.
- 16.2 Such payments shall be made to the Distribution Company(s) and Investment Facilitators/ Sales Agents and the Management by the Trustee

or the Management Company to the Trustee on a monthly basis in arrears within thirty days of the end of the calendar month.

- 16.3 A Distributor located outside Pakistan may if so authorized by the Trustee and the Management Company retain such portion of the Front-end Load as is authorized by the Management Company and transfer the net amount to the Trustee, subject to the law for the time being in force.

17. REDEMPTION OF UNITS

- 17.1 The Trustee shall at any time during the life of the Trust authorize redemption of Units out of the Deposited Property to the Holder or through its duly authorized Distribution Company.
- 17.2 Application for redemption of Units shall be made by completing the prescribed redemption form and submitting it at the Authorized Branch or office of the Distribution Company or Transfer Agent together with the Unit Certificate, if issued, during any Subscription Day. The Management Company may make arrangement to accept redemption requests through electronic or other means. No person shall be entitled to redeem only part of the Units comprised in a Certificate, however a certificate may be split for this purpose and in the case where Certificate is not issued any number of Units may be redeemed by the Holder thereof.
- 17.3 The Trustee may with the approval of the Management Company dispense with the production of any Certificate the shall have become lost, stolen or destroyed upon compliance by the Holder with like requirement to those arising in the case of an application by him for the replacement thereof.
- 17.4 The Management Company shall announce the Redemption Price on a daily or weekly basis. The Redemption Price at which Units shall be redeemed shall be fixed by the Management Company under the terms of this Deed and as specified by the Rules. However, in the event in clause 18.6 or clause 20.1 or clause 20.2 hereunder comes into application, the redemption value shall be determined in accordance with the procedure laid out in these clauses.
- 17.5 The amount payable on redemption shall be paid to the Holder or first named joint Holder, by transfer to the Holder's designated banker or a crossed cheque for the amount will be dispatched to the registered address of the Holder, with six Business Days from the date of presentation of the duly completed application for redemption form at the Authorized Branch or office of the Distribution Company or Transfer Agent.
- 17.6 The receipt of the Holder for any moneys payable in respect of the Units shall be a good discharge to the Trustee and if several persons are registered as joint. Holders any one of them may give effectual receipt for any such moneys.
- 17.7 Application for redemption of Units will be received at the authorized offices or branches of the Distribution Company or Transfer Agent on all Subscription Days. There redemption requests on any one Subscription Day exceed ten percent (10%) of the total number of Units in issue, redemption requests in excess of ten percent may be deferred in accordance with the procedure elaborated in clause 20.1 thereof.
- 17.8 The Distribution Company or Transfer Agent shall verify the particulars given in the application for redemption of Units and documents submitted therewith the signature of any Holder or joint Holder to any document required to be signed by him under pr in connection with the application for redemption of Units may be verified by a banker or Broker or other

responsible person or otherwise authenticated to their reasonable satisfaction.

- 17.9 A redemption request shall be deemed to have been made in accordance with the provisions of the Offering Document or a Supplementary Offering Documents. If such documents prescribe automatic redemption under certain circumstances.
- 17.10 Where lien/pledge/charge is recorded in the Register, the Management Company and the Trustee may concur to make payment to the pledges, if joint request is received from the Holder and the pledge and on receipt of such indemnification as Management Company or Trustee may require.

18. DETERMINATION OF REDEMPTION PRICE

- 18.1 During the initial period the Units shall not be redeemed.
- 18.2 After the Initial Period the Redemption Price shall be equal to the Net Asset Value as of the close of the Business Day, less:
- (a) Any Back-end Load;
 - (b) Any Zakat/taxes imposed by the government and
 - (c) Such amount as the Management Company may consider an appropriate provision for Duties and Charges.

Such sum shall be adjusted downwards to the nearest two decimal places.

The Redemption Price so determined shall apply to redemption requests, complete in all respects, received by the Distributor during the business hours on the following day/week.

The Management Company may announce different plans under different administrative arrangements with differing levels of Back-end Load. Consequently, the redemption Price may differ for Units issued under differing administrative arrangements and to different investors.

- 18.3 In the event that the amount deducted as provision for payment of Duties and Charges pursuant to sub-clause 18.2 (c) is insufficient to pay in full such Duties and Charges, the Management Company shall be liable for the payment in full of the amount of such Duties and Charges in excess of the provisions.
- 18.4 In the event that the amount paid as provision for payment Duties and Charges pursuant to sub clause 18.2 (c) exceeds the relevant amount of Duties and Charges, the Trustee shall refund such excess amount to the relevant Holder along with the next income distribution or if instructed by Management Company at any time earlier.
- 18.5 The Redemption Price determined by the Management Company shall be made available to the public at the office and branches of the Distribution Company(s) and shall also be published in at least one English and one Urdu daily newspaper with circulation in all major cities of Pakistan.
- 18.6 If the variation of the Net Asset Value at any time exceeds two percent (2%) of the Net Asset Value calculated pursuant to sub-clause 18.2 above for the current Redemption Price, the Management Company shall suspend any redemption of Unit and shall calculate forthwith a new Redemption Price. The Management Company shall inform the Commission of the suspension of redemption of Units along with the announcement of new Redemption Price and publish the same in two

widely circulated daily newspaper in Pakistan one in English and the other in Urdu.

19. SUSPENSION OF ISSUE OR REDEMPTION OF UNITS

19.1 The Management Company upon information to the Trustee may suspend the issue or redemption of Units subject to the Rules at any time during.\

(a) any period when the Stock Exchange on which any of the Investment for the time being is listed or dealt in is closed or when dealings in such investments are restricted or suspended;

(b) the existence of any state of affairs which in the opinion of the Management Company constitute an emergency as a result of which disposal of any of the Investment would not be reasonably practicable or might seriously prejudice the interest of the Trust or the Holders;

(c) any breakdown in the means of communication normally employed in determining the price of any Investment or the current price thereof on any Stock Exchange or when for any reason the price of any such Investment cannot to promptly and accurately ascertained.

(d) Any period when remittance of money will or may be involved in the realization of such Investment or in the payment for such Investment cannot in the opinion of the Management Company be carried out in reasonable time.

(e) if the Management Company is of the view that it would be detrimental to the remaining Holders to redeem or continue to redeem Units at a price ascertained on the basis of the Net Asset Value.

(f) If the Management Company is of the view that investment of inflow of substantial fund will be difficult, it may decline the application in full or in part for issue of Units at its discretion from investors.

19.2 Such suspension shall take effect forthwith upon the declaration thereof by the Management Company and shall terminate on the day following the first Business Day on which conditions giving rise to the suspension shall in the opinion of the Management Company have ceased to exist and no other conditions under which suspension is authorized under this Deed exists. In case of suspension and termination of suspension the Management Company shall immediately notify the Commission and publish the same in at least two widely circulated daily newspapers in Pakistan, one in English and one in Urdu.

20. QUEUE SYSTEM AND WINDING UP

20.1 **Queue System** -In the event redemption requests on any day exceed ten percent (10%) of the Units in issue, the Management Company may invoke a queue system whereby requests for redemption shall be processed on a first come first served basis for up-to ten percent of the Units in issue. The Management Company shall proceed to sell adequate assets of the Fund and /or arrange borrowing as it deems fit in the best interest of the Holder and shall determine the Redemption Price to be applied to the redemption requests based on such action. 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 redemption requests in excess of ten percent (10%) of the Units in issue will be carried over to the next Business Day. However, if the carried over requests and the fresh requests received on the next Subscription Day still exceeds ten percent (10%) of the Units in issue,

these shall once again be treated in first come first served basis and the process for generating liquidity and determining the Redemption Price shall be repeated and such procedure shall continue till such time the outstanding redemption requests come down to a level below ten percent of the Unit then is issue.

- 20.2 Winding up in view of major redemption - in the event the Management Company is of the view that the quantum of redemption requests that have built up shall result in the Deposited Property being run down to an unmanageable level or is of the view that's the sell-off of assets is likely to result in a significant loss in the value for the Holders who are not redeeming it may announce winding up of the Fund. In such an event, the queue system, if ready invoked, shall cease to apply and all Holders shall be paid after selling the assets and determining the final Redemption Price. The interim distributions of the proceeded may be made if the Management Company finds it feasible.

21. ISSUE OF UNITS OUTSIDE PAKISTAN

- 21.1 Subject to foreign exchange control and other applicable laws, rules and regulations, in the event of arrangements being made by the Management Company for the issuance of Units for delivery in any country outside Pakistan the price at which such Units may be issued at the discretion of the Management Company include in addition of the Offer Price as herein before provided a further amount sufficient to cover all additional cost relating to issue of Units outside Pakistan including but not limited to any currency exchange fluctuation or any risk cover, any additional stamp duty or taxation whether national municipal or otherwise livable in that country in respect of such issue of the delivery or issue of Certificates in connection therewith or the remittance of money to Pakistan.
- 21.2 In the event that the Redemption Price for Units shall be paid in any country outside Pakistan, the price at which in such Units may be redeemed may, at the discretion of the Management Company include as a deduction to the Redemption Price as herein before provided all additional cost for redeeming Units outside Pakistan, including but not limited to a further amount sufficient to cover any currency exchange fluctuation and any additional stamp duty or taxation whether national, municipal or otherwise livable in that country in respect of such payment or redemption.
- 21.3 The currency transaction of the Atlas Income Fund is the Pakistan Rupee and the Management Company, Trustee or any Distributor are not obliged to transact the issuance or redemption of the Units in any other currency and shall not be liable, save as may be specifically undertaken by the Management Company, for receipt or payment in any other currency or for any obligation arising there from.

22. TRANSFER OF UNITS

- 22.1 Every Holder shall be entitled to transfer the Units held by him by an instrument in such form as the Management Company may prescribe from time to time with the Approval of the Trustee.
- 22.2 Every instrument of transfer must be signed by both the transferor and the transferee and the transferor shall be deemed to remain the Holder of the Units transferred until the name of the transferee is entered in the Register in respect thereof.
- 22.3 A Certificate must be transferable only in its entirety

- 22.4 Every instrument of transfer must be duly completed in all respects including affixation of transfer stamps of the requisite value and send to the Transfer Agent or to the Distribution Company for forwarding to the Transfer Agent.
- 22.5 Where Certificates have been issued Trustee may dispense with the production of any Certificate where the Certificate shall have become lost, stolen or destroyed subject to compliance by the transferor with the like requirements to those arising in the case of an application by him for the replacement thereof as provided in clause 27 of this Deed.
- 22.6 The Distribution Company / Transfer Agent with all prior approval of the Management Company shall be entitled to destroy all instruments of transfer or the copies thereof as the case may be which have been registered at any time after the expiration of twelve years from the date of registration thereof and all Certificates which have been cancelled at any time after the expiration of ten years from the date of cancellation thereof and all registers, statements and other records and documents relating to the Trust at any time after the expiration of ten years, from termination of the Trust. The Trustee or the Management Company or the Distribution / Transfer Agent shall be under no liability whatsoever in consequence thereof and it shall conclusively be presumed in favour of the Trustee or the Management Company or the Distribution Company / Transfer Agent that every instrument of transfer so destroyed was valid and effective instrument duly and properly registered by the Trustee or the Management Company or the Distribution Company / Transfer Agent and that every Certificate so destroyed was valid Certificate duly and properly cancelled. Provided always that.
- (1) the previous aforesaid shall apply only to the destruction of a document in good faith and without notice of any claim (regardless of the parties thereto) to which the document may be relevant;
 - (2) nothing in this sub-clause shall be construed as imposing upon the Trustee or the Management Company or the Distribution Company / Transfer Agent any liability in respect of the destruction of any document earlier than as aforesaid or in any case where the conditions of provision above are not fulfilled' and
 - (3) reference herein to the destruction of any document includes reference to the disposal thereof in any manner.

23. PLEDGE / LIEN OF UNITS

- 23.1 Any Unit Holder may pledge / lien all or any of his Unit as security for any debt to any third party. The Transfer Agent shall take a note of the pledge/ lien charge in his record, whether the Certificate has been issued or not, provided sufficient evidence of pledge to the satisfaction of the Management Company, Trustee and the Transfer Agent along with a joint request from the Unit Holder and the pledge is submitted on the standard application form, as given in the Offering Document. None of these parties, the Trustee, the Management Company, or the Transfer Agent, shall be liable for ensuring the validity of any such pledge / charge / lien. The disbursement of any loan against the constitution of such pledge/lien/charge shall be at the entire discretion of the lender and neither the Trustee nor the Management Company and the Transfer Agent take any responsibility in this matter.
- 23.2 Save any legal bar or court order requiring otherwise, any dividends that are declared on the pledged Units shall be made to the order of the Unit Holder. However, any bonus Unit that the Pledged Units are entitled to automatically be marked under the lien of the lien holder and in the event

the pledged Units are redeemed for any reason whatsoever, the proceeds shall be paid to the order of the lien holder.

- 23.3 The lien on the pledged Units shall continue till such time it is released by the lien holder in writing.

24. REGISTRATION OF HOLDERS

24.1. The Register shall be maintained by the Management Company or if appointed by the Transfer Agent at such a place as s agreed by the Management Company. The Management Company shall ensure that the Transfer Agent shall comply with all relevant provisions of the Constitutive Documents and the Rules.

24.2. The Management Company shall ensure that the Transfer Agent 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 charges but neither the Trustee nor its representatives shall be entitled to remove the Register or to make any entries therein or alterations thereto and expect when the Registers is closed in accordance with the provisions of this Deed, the Register shall during business hours (subject to such restrictions as may be mentioned in the Offering Documents and for a period of at least two hours in each Business Day) be open in legible form to the inspection of any Holder of his record without charge.

24.3. The Register shall contain the following information in respect of Units:

- (a) Full names, father's /husband's names and addresses of each Holder and joint Holders;
- (b) The distinctive number of the Units held and the Certificate number, if any;
- (c) The date on which the name of every Holder was entered in respect of the Units standing on his name;
- (d) The date on which any transfer or redemption is registered;
- (e) Information about lien /pledge/charge on Units;
- (f) Tax / Zakat status of the Holder
- (g) Record of signature of Holder
- (h) Nominee; and
- (i) Such other information as the Management Company may require.

24.4. The Register shall be conclusive evidence as to the Units held by each Holder.

24.5. Any change of name or address of any Holder shall forthwith be notified in writing to the Distribution Company or Transfer Agent. The Distribution Company will forward such application to Transfer Agent, who on being satisfied therewith and on compliance with such formalities (including in the case of a change of name the surrender of any Certificate previously issued to such Holder and the payment of the fee) shall alter the Register or cause it to be altered accordingly and in the case of a change of name shall issue a new Certificate if required to such Holder.

- 24.6. The Transfer Agent shall not register more than four joint Holders for a Unit. In case of the death any one of the joint Holders the survivor or survivors shall be the only persons recognized by the Trustee as having any title to or interest in the Units held by the joint Holders.
- 24.7. A body corporate may be registered a Holder or as one of joint Holders
- 24.8. The Register may be closed in constitution with the Trustee for such period as the Management Company may from time to time determine and after giving at least fourteen days notice to Holder, provided that it is not closed for more than forty-five days in any calendar year.
- 24.9. The Holder shall be the only person to be recognized by the trustee and the Management Company as having any right, title or interest in or to such Units and the Trustee and the Management Company may recognize the Holder 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 excepts where required by any court of competent jurisdiction. However, the Management Company may authorize the Transfer Agent to record a pledge on any or all Units held by a Holder in favor of a third party at the request of such Holder or joint Holders as the case may be in accordance with clause 23 of this Deed.
- 24.10. The executors or administrator or succession certificate holder or deceased Holder (not being one of several joint Holders) shall be the only persons recognized by the Trustee and the Management Company as having title to the Units represented thereby.
- 24.11. any person becoming entitled to a Unit in consequence of the death or bankruptcy of any sole Holder or of the survivor of joint Holders may subject to as hereinafter provided upon producing such evidence as to his title as the Trustee shall think sufficient either be registered himself as Holder of such Unit upon giving the Management Company/ Trustee/ Distribution Company. Such notice in writing of his desire or transfer such Unit to some other person. All the limitations, restrictions and provisions of this Deed relating to transfer shall be applicable to any such notice or transfer as if the death or bankruptcy had not occurred and such notice or transfer was a transfer executed by the Holder.
- 24.12. The Trustee shall retain any moneys payable in respect of any Unit of which any person is under the provisions as to the transmission of Units herein before contained entitled to be registered as the Holder or which any person under those provisions is entitled to transfer, until such person shall be registered as the Holder of Such Unit or shall duly transfer the same.

25. ACCOUNT STATEMENT

- 25.1 Units will be issued in registered, un-certificated form and will be confirmed to investors by means of an Account Statement issued by the Transfer Agent.
- 25.2 Upon written confirmation from the Trustee that the Offer Price for each Unit has been received in full from the application, the Transfer Agent shall issue an Account Statement that will constitute evidence of the number of Units registered in the name of the Holders.
- 25.3 The Transfer Agent will send directly to each Unit Holder a non transferable Account Statement each time there is a transaction in the folio, i.e. Units are:
- (a) issued / subscribed;

- (b) redeemed;
- (c) transferred in favor of third persons;
- (d) transferred from third person;
- (e) consolidated /split; and
- (f) additional Units are issued against re-investment of dividend

Any Account Statement will be posted within fifteen Business Days after each relevant transaction.

25. UNIT CERTIFICATES

- 26.1 Certificate shall be issued only if so requested by the Holder at the time of application or at any later stage and upon payment of a fee not exceeding Rs. 25/-(Rupees Twenty-Five) per Certificate of any denomination, subject to revision of fee from time to time by the Management Company. The proceeds of such fee will accrue to the Management Company.
- 26.2 Certificates shall only be issued for Unit that have been fully paid, in such denomination as may be required by the Holder.
- 26.3 Certificates where requested shall be issued as herein provided not later than fifteen Business Days after the date of such request. The Certificate may be sent to the Holder or his duly authorized nominee at his own risk by registered post, by courier service or may be collected by the Unit Holder from the Distribution Company.
- 26.4 In the case of Units held jointly, the Transfer Agent shall not issue more than one certificate for the Units held by such joint Holders and delivery of such Certificate to the Holder named first therein shall constitute sufficient delivery to all joint Holders. All payments required under this Deed (i.e. redemption and dividend) will be made to first named joint Holder.
- 26.5 Certificate shall be issued in such form as may from time to time be agreed between the Management Company and the Trustee. A Certificate shall be dated, shall bear the name and address of the Management Company and the Trustee, shall bear a distinctive and serial number and shall specify the number of Units represented thereby and the name and address of the Holder as appearing in the Register.
- 26.6 Certificates may be engraved or lithographed or printed as the Management Company may determine from time to time with the approval of the Trustee and shall be signed on behalf of the Trustee by a duly authorized officer of the Trustee and on behalf of the Management Company by a duly authorized officer of the Management Company, every such signature shall be autographic unless there shall be for the time being in force, an arrangement authorized by the Trustee adopting some lithographic or other mechanical method of signature in which event all or any of such signatures may be effected by the method so adopted. The Certificates shall also bear the signatures of the authorized representative of the Transfer Agent, which shall always be autographic. No Certificate shall be of any force or effect until signed as herein above -mentioned notwithstanding that before the date of delivery thereof the Trustee or the Management Company or the Transfer Agent or any person whose signature appears thereon as a duly authorized signatory may have ceased to be the Trustee, Management Company, Transfer Agent or an authorized signatory.

27. REPLACEMENT OF CERTIFICATES

- 27.1 Subject to the provisions of this Deed and in particular to the limitations of the denominations of Certificates as may be fixed by the Management Company and subject to any regulations from time to time made by the Trustee with the approval of the Management Company every holder shall be entitled to exchange upon surrender of the existing Certificate any or all of his Certificates for one or more Certificates of such denominations as the Holder may require representing the same aggregate number of Units.
- 27.2 In case any Certificate shall be lost; stolen, mutilated, defaced or destroyed, the Transfer Agent with the approval of the Management Company may issue to the person entitled new Certificates in lieu thereof. No such new Certificate shall be issued unless the applicant shall previously have:
- (I) returned the mutilated or defaced Certificate or furnished the Distribution Company/Transfer Agent evidence satisfactory to the Management Company of the loss, theft or destruction of the original Certificate;
 - (II) paid all expenses incurred in connection with the investigation of the facts and any notice to be issued in the newspaper inviting any claim (if any) against the lost Certificate to be notified to the Management Company, Trustee or Transfer Agent;
 - (III) in the case of joint Holder, obtained the written consent of the joint Holders for issuance of such new Certificates; and
 - (IV) furnished such indemnity as the Management Company and the Trustee may require,. Neither the Management Company nor the Trustee nor the Distribution company/Transfer Agent shall incur any liability for any action that they may take in good faith under the provisions of this sub-clause.
- 27.3 Before the issuing of any Certificate under the provisions of this sub-clause the Distribution Company / Transfer Agent may require from the applicant for the Certificate the payment to it, of a fee of Rs. 25/- (Rupees Twenty Five) for each Certificate, subject to revisions of fee from time to time by the Management Company together with a sum sufficient in the opinion of the Management Company to cover any Duties and Charges payable in connection with the issue of such Certificate.

28. AUDIT

- 28.1 The Management Company shall appoint an Auditor who shall be independent of the auditor of the Management Company and the Trustee. The Management Company may at any time remove the Auditor and appoint another Auditor in its place.
- 28.2 The Auditor shall hold office until transmission of the annual report and accounts but may be re-appointed as per the Rules. The first Auditors shall be Hameed Chaudhri & Co., Chartered Accountants, Karachi Chambers, Hasrat Mohani Raod, Karachi.
- 28.3 The persons not qualified to be the auditor of a public company under the Companies Ordinance will not be qualified to be the Auditor.
- 28.4 Appointment of a partnership firm to be the Auditor shall be deemed to be the appointment of all persons who are partners in the firm for the time being.

- 28.5 The Auditors shall have access to the Books, papers, accounts and vouchers of the Trust, whether kept at the office of the Management Company, Trustee Custodian, Transfer Agent, Distribution Company or elsewhere and shall be entitled to require from the Management Company, Trustee, Custodian, Transfer Agent, Distribution Company and their directors, officers and agents such information and explanations as considered necessary for the performance of audit.
- 28.6 The Auditor shall prepare a written report to the Holders on the account and books of accounts of the Trust and the balance sheet and income and expenditure account and on every other documents forming part of the balance sheet and income and expenditure account, including notes, statement or schedule appended hereto.
- 28.7 The contents of the Auditors report shall be as required in the Rules.
- 28.8 The Management Company shall:
- (a) Within four months of closing of the Accounting Period, prepare and transmit the annual report together with a copy of the balance sheet income and expenditure account together with the Auditors report for the Accounting period to the Commission and the Holders in accordance with the Rules.
 - (b) Within one month of the close of the first, second and third quarter of the accounts, prepare and transmit to the Holders and the Commission an income and expenditure account for the balance sheet as at the end of that quarter, whether audited or otherwise, in accordance with the Rules.

29. DETERMINATION OF DISTRIBUTABLE INCOME

- 29.1 The Management Company shall decide as soon as possible but not later than forty-five days after the Accounting Date whether to distribute among Holders, profits, if any, available for the distribution at the end of the Accounting Period, and shall advise the Trustee of the rate of such distribution per Unit.
- 29.2 The amount available for distribution in respect of any Accounting Period shall be determined by the Management Company after consulting the Auditor and shall be the sum total of:
- (a) the total income received on the Deposited Property during such Accounting Period including all amounts received in respect of interest, mark-up, profit, and fee;
 - (b) net realized appreciation as set out in sub-clause 29.3
- from which shall be deducted expenses as set out in sub-clause 29.4, adjustment as set out in sub-clause 29.5 and such other adjustment as the Management Company may determine in consultation with the Auditor.
- 29.3 Receipt deemed by the Management Company to be in the nature of capital accruing from Investments shall not be regarded as available for determining distributable income in terms of this clause 29 but shall be retained as part of the Deposited Property, provided that such amounts out of the sale proceeds of the investments and all other receipts as deemed by the Management Company after consulting the Auditor to be in the nature of the net realized appreciation shall be included in determining

distributable income to the Holders by the Trustee and shall not form part of the Deposited Property.

- 29.4 The income qualifying for distribution in respect of the relevant Accounting Period shall be ascertained by deducting:
- (a) admissible expenses of the Trust as stated in clause 3.7 of this Deed and Rules
 - (b) amortization of Formation Cost in not more than five equal annual installments after the creation of the Trust.
 - (c) Taxes on Trust income or turnover
- 29.5 The income qualifying for distribution in respect of the relevant year or period shall be adjusted as under
- (a) deduction of a sum by way of adjustment to allow for effect of purchase on Investments inclusive of interest, profit or mark-up;
 - (b) addition of a sum representing amounts included in the price of Units for income accrued prior to the date of issue and deduction of a sum representing all participation income distributed upon redemption of Units upon a reduction of the Trust during the relevant period;
 - (c) adjustment considered necessary by the Management Company to reflect the diminution in value of Deposited Property in consultation with the Trustee.
- 29.6 Out of the amount determined for the purpose of distributable income in respect of each Holder withholding tax, zakat or statutory levies as may be applicable to the relevant Holder shall be deducted before computing the distributable income for the relevant Holder.
- 29.7 The Management Company may from time to time, pay to the Unit Holders such interim dividends as in their judgment the position of the Trust justifies

30. DISTRIBUTION OF INCOME

- 30.1 On each Accounting Date the Management Company shall instruct the Trustee to transfer such amount of cash as required to effect such distribution to the Distribution Account. The amount standing to the credit of the Distribution Account shall not for any purpose of this Deed be treated as part of the Deposited Property but shall be held by the Trustee upon trust to distribute the same as herein provided
- 30.2 After the fixation of the rate of distribution per Unit, distribution payment shall be made by cheque or warrant by the Trustee and sent through the registered post or through such arrangement as Management Company may consider appropriate to the registered address of such Holder, or in the case of joint Holders to the Registered Address of the Joint Holder, first named on the Register. Every such cheque or warrant shall be made payable to the order of the person to whom it is delivered or sent and payment of the cheque or warrant (if purporting to be duly endorsed or subscribed) shall be in satisfaction of the moneys payable. When an authority in that behalf shall have been received in such form as the Management Company shall consider sufficient it shall arrange for payment of the amount distributable to the Holder to his bankers and the receipt of such bankers shall be a good discharge thereof.

- 30.3 Before making any payment in respect of a Unit, the Trustee or the Management Company may make such deduction as may be required by law in respect of any income or other taxes, charges or assessments whatsoever and issue the Holder the Certificate in respect of such deduction in the prescribed form or in a form approved or required by the concerned authorities.
- 30.4 The Management Company may offer the Holder the option to receive new Units or fractions thereof under cumulative investment instead of dividend payment, as per the terms and conditions and the procedure laid down in the Offering Document.
- 30.5 Where Units are placed under pledge/lien the payment of dividends will be made in accordance with clause 23.2 of this Deed.

31. TERMINATION AND LIQUIDATION OF TRUST

- 31.1 The Management Company may terminate Atlas Income Fund by giving notice as required by the Rules in writing to the Holders on the grounds given in clause 20.2 of this Deed and the Rules and shall specifically disclose the grounds for its decision.
- 31.2 The Trust may also be terminated by the Commission on the grounds given in the Rules.
- 31.3 This Deed may be terminated in accordance with the conditions specified in the AMC Rules if there is any breach of the provisions of this Deed or any other agreement or arrangement entered into between the Trustee and the Management Company regarding the Unit Trust. It is recognized that the Trustee may be acting as a combined Trustee of two or more Unit Trust and Administrative Plans. In the event of the termination of the Trustee for the other Unit Trust, it may require the termination of the Trustee for the other Unit Trusts, which forms an integral part of any administrative plan for the other Unit Trust, which forms an integral part of any administrative plan covering more than one Unit Trust, both parties shall act in a manner that causes the least degree of inconvenience to the investors and is the most cost efficient for the Unit Trusts and the Management Company.

32. DISTRIBUTION OF LIQUIDATION PROCEEDS

- 32.1 Upon the Trust being terminated the Management Company shall suspend the sale and redemption of Units forthwith and proceed to sell all investments then remaining in the hands of the Trustee as part of the Deposited Property and shall repay any borrowing effect by the Trust together with any mark-up remaining unpaid.
- 32.2 The Trustee on the recommendation of the Management Company shall from time to time distribute to the Holders pro rata to the number of Units held by them respectively all net cash proceeds derived from the realization of the Deposited Property after making payment as mentioned in sub-clause 32.1 above and retaining such sum as considered or apprehended by the Management Company on all costs, charges, expenses, claims and demands.

33. TRUST DEED

- 33.1 This Deed shall be subject to and be governed by the Ordinance, the Rules and all applicable laws and regulations and it shall be deemed for all purposes whatsoever that all the provisions required to be contained in a trust deed by the Rules are incorporated in this Deed as a part and parcel thereof and in the event of any conflict between this Deed and the

provisions required to be contained in a trust deed by the Rules, the latter shall supercede and prevail over the provisions contained in this Deed.

- 33.2 The terms and conditions of this Deed and any deed supplemental hereto shall be binding on each Holder as if he had been a party of this Deed and so to be bound by Deed's provisions and each Holder authorizes and required the Trustee and the Management Company to do as required of them by the terms of this Deed.
- 33.3 The Trustee and the Management Company acting together shall be entitled by deed supplemental hereto to modify, amend, alter or add to the provisions of this Deed in such manner and to such extend as they may consider expedient for any purpose, subject only to the approval of the Commission, if so required. Provided that, the Trustee and the Management Company shall certify in writing that, in their opinion such modification, alteration or addition is required pursuant to any amendment in the Ordinance or the Rules or to ensure compliance with any fiscal or statutory required or to enable the provisions of this Deed to be more conveniently or economically managed or to enable the Units to be dealt in or quoted on the Stock Exchange or otherwise for the benefit of the Holders and that it does not prejudice the Holders, or any other matter that does not alter the fundamental objects of the Unit Trust pr any of them or operate to release the Trustee or the Management Company from an responsibility to the Holders together the (**"Permitted Amendments"**). Any alteration, amendment or modification or additions to the provisions of this Deed other than those related to permitted Amendments shall not be made without the approval of the Commission and sanction of resolution of the Holders at a duly convened meeting and held in accordance with the provisions set forth in Schedule (A) hereto.
- 33.4 Where this Deed has been altered or supplemented the Management Company shall notify the Holders immediately.
- 33.5 The Management Company may from time to time frame rules or regulations for conduction the business of the Trust or in respect of any other matter incidental thereto; provided such rules or regulations are not inconsistent with the provisions of the Constitutive Document and Rules.

34. ARBITRATION

- 34.1 In the event of any dispute arising out of this Trust Deed or Offering Document between the Management Company on the one part and the Trustee on the other part including as to the respective rights and obligations further parties hereto, as well as those relating to the interpretation of the terms and the conditions of this Trust Deed, Offering Documents and / or the Supplementary Offering Documents, relating to the Unit Trust, the same shall be referred to arbitration by two arbitrators, one 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 the commencement of the reference, the unanimous decision of both the arbitrators or the decision of the umpire, as the case may be, shall be final and binding upon both the parties. The arbitrators and the umpires shall be selected form amongst, senior, partners of renowned firms of chartered accountants, of senior partners of renowned law firms, or senior bankers or senior businessmen or senior executives. The venue of the arbitration shall be Karachi. The arbitration shall be conducted in accordance with the Arbitration Act, 1940.

35. CONFIDENTIALITY

35.1 The Trustee and the Management Company and every director or officer of the Trustee and the Management Company who are in any way engaged in the business of the Trust and all persons employed or engaged by the Trustee or the Management Company in connection with the business of the Trust shall observe strict confidentiality in respect of all transactions of the Trust, its Holders and all matters relating thereto and shall not disclose an information or document which may come to his knowledge or possession in the discharge of his duties except when required to do so in the ordinary course of performance of his duties or by law.

36. MISCELLANEOUS

- 36.1 (a) Any notice required to be served upon the Holder shall be deemed to have been duly given if sent by post to or left at his address as appearing in the Register. Any notice so served by post shall be deemed to have been served on the day following that on which the letter containing the same is posted, and in providing such service it shall be sufficient to prove that such letter was properly addressed, stamped and posted
- (b) The Trustee or the Management Company shall advertise any such notice as provided in this Deed
- (c) Service of a notice or document on any one of several joint Holders shall be deemed effective service on the other joint Holders.
- (d) Any notice or document sent by post to or left at the registered address of a Holder shall notwithstanding that such Holder be then dead or bankrupt and whether or not the Trustee or the Management Company have notice of his death or bankruptcy be deemed to have been duly served and such service shall be deemed a sufficient service of all persons interested (whether jointly with or as claiming through or under him) in the Units concerned.
- 36.2 A copy of this Deed and of any such supplemental deed shall be made available for inspection at the respective Head Offices of the Trustee and of the Management Company at all times during usual business hours and shall be supplied by the Management Company to any person on application at the charge of fifty (50) Rupees per copy or at such rate as determined from time to time by the Management Company.

IN WITNESS WHEREOF THIS DEED has been executed on the day and year first above written.

The Common Seal of Atlas Asset Management Company Limited was hereunto affixed in the presence of:-

Seal

(1)

Frahim Ali Khan
Chief Executive Officer
NIC # 502-85-538977

(2)

M. Naeem Khan
Director
NIC # 274-52-064685

The Common Seal of Muslim Commercial Financial Services (Pvt) Limited was hereunto affixed in the presence of:-

Seal (1)

A. Razzak H. Adam
Chief Executive Officer
NIC # 517-34-225287

(2)

Tameez-ul-Haque
Company Secretary
NIC #516-90-019559

WITNESSES:

Abdul Wadood
Senior Vice President
Atlas Investment Bank Ltd.
NIC # 271-86-192882

Mirza M. Baig
Asst. Vice President
Muslim Commercial Bank Ltd.
NIC # 42301-0742768-1