

**DEED OF CHANGE OF TRUSTEE
AND FIRST SUPPLEMENTAL TRUST DEED**

THIS Deed of Change of Trustee and First Supplemental Trust Deed is made at Karachi, this ____ day of _____ 2005

AMONG

ATLAS ASSET MANAGEMENT LIMITED (FORMERLY ATLAS ASSET MANAGEMENT COMPANY LIMITED), a company incorporated under the Companies Ordinance, 1984, with its Registered Office at Ground Floor, Federation House, Shabrae 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 **First Part**

AND

MUSLIM COMMERCIAL FINANCIAL SERVICES (PVT) LIMITED, a company incorporated in Pakistan, wholly owned subsidiary of Muslim Commercial Bank Limited, having its registered office at 2nd Floor, Adamjee House, I. I. Chundrigar Road, Karachi (hereinafter called "MCFSL", which expression where the context so permits, shall include its successors in interest and assigns) of the **Second Part**

AND

Central Depository Company of Pakistan Limited, an unlisted public company, incorporated under the Companies Ordinance, 1984, having its Registered Office at 8th Floor, Karachi Stock Exchange Building, Stock Exchange Road, Karachi and registered to act as central depository company under Rule 4(3) of the Central Depository Companies (Establishment & Regulation) Rules, 1996, (hereinafter called "CDC", which expression where the context so permits, shall include its successors in interest and assigns) of the **Third Part**.

WHEREAS:

- (1) The Management Company and MCFSL (in its capacity as the Trustee), executed a Trust Deed dated February 20, 2003 to constitute Atlas Income Fund, (referred to in the said Trust Deed as "Trust" or " Unit Trust" or "Scheme"), an open-ended Scheme under the Asset Management Companies Rules, 1995, which have since then been repealed and superceded by the Non-Banking Finance Companies (Establishment & Regulations) Rules, 2003 (NBFC Rules), which Trust Deed was registered with the Sub-Registrar "T" Division II -B Karachi, under Registered No.84 of Book No. IV, M.F. Roll No. U 10009/1101 dated 25.02.2003 of the Photo Registrar, Karachi, (hereinafter called the "Trust Deed").
- (2) MCFSL decided to retire voluntarily as trustee of the Unit Trust and has served a notice of retirement vide letter dated March 11, 2005 and letter from Muslim Commercial Bank Limited, Institutions and International Division, Custodian Banking Department dated February 11, 2005, to the Management Company under Clause 11.1 of the Trust Deed together with their Board Resolution dated March 26, 2005, a true photo copies of which are annexed hereto as Annexures "A/1, A2 and A3".
- (3) CDC has agreed to be appointed as trustee of the Unit Trust in place of MCFSL, vide its letter dated March 01, 2005, a true photo copy of which is annexed hereto as Annexure "B".
- (4) The Securities & Exchange Commission of Pakistan (the SECP) has approved the retirement of MCSFL and the appointment of CDC in its place as trustee of Unit Trust, vide its letter Nos. NBFC-II/JD-II/AIF/308 dated April 20, 2005 and No. NBFC-II/JD-II/MCFSL/348 dated May 5, 2005, true photocopies of which have been annexed to this Supplementary Deed as Annexure "C/1 and C2".

- (5) The Management Company, MCFSL and CDC hereby agree upon the terms and conditions for the retirement of MCFSL and the contemporaneous appointment of CDC as the Trustee of Unit Trust.
- (6) The Management Company and CDC further hereby agree to amend the Trust Deed in certain respects so as to bring it in conformity with the provisions of the NBFC Rules and to enable the provisions of the Deed to be more conveniently and economically managed and which is in the benefit of the Holders. The Management Company and the Trustee state that these amendments do not prejudice the interest of the Holders and release the Management Company and Trustee of any of their responsibilities and does not alter the fundamental object of the Unit Trust.
- (7) The SECP has approved the amendments to the Trust Deed vide letter Nos. NBFC-II/JD(R)/Atlas-AIF/697/2004 dated August 12, 2004, NBFC-II/JD(R)/Atlas-AIF/864/2004 dated October 15, 2004, NBFC-II/JD(R)/Atlas/233, dated March 22, 2005 and NBFC-II/JD-II/AIF/397 dated May 27, 2005 appended hereto as Annexures "D/1", "D/2", "D/3", and "D/4" and as indicated against each clauses of Supplementary Deed.

NOW THEREFORE THIS DEED OF CHANGE OF TRUSTEE AND FIRST SUPPLEMENTAL TRUST DEED WITNESSETH AS FOLLOWS:

1. Effective Time:

The retirement of MCFSL and the contemporaneous appointment of CDC as the Trustee of Unit Trust have taken place at a mutually agreed time and date (Effective Time) when this Deed of Change of Trustee and First Supplemental Trust Deed has been executed by the Management Company, MCFSL and CDC.

2. Retirement of MCFSL and appointment of CDC:

- 2.1 At the Effective Time mentioned in Clause 1 above, MCFSL has resigned as and has ceased to be the trustee of the Unit Trust and CDC has been appointed as the trustee of the Unit Trust in place of MCFSL. CDC is deemed to have become a party to the Trust Deed as Trustee in place of MCFSL and all terms, conditions, responsibilities, obligations, rights and entitlements of the Trustee under the Trust Deed, have become applicable to CDC as the Trustee of the Fund.

- 2.2 From the Effective Time, all references to MCFSL under the Trust Deed and the Offering Document shall be deemed to be references to CDC as the Trustee.
- 2.3 At the Effective Time, MCFSL has handed over to CDC as the new Trustee, all the Deposited Property, including assets, securities, instruments and all other properties of Unit Trust, which were in possession or power of MCFSL to CDC as the new Trustee along with all any amounts in the Bank Accounts of the Unit Trust and all sums that were due from MCFSL to the Unit Trust on any count whatsoever. CDC shall hold and stand possessed of the Deposited Property and perform all the functions and be subject to all obligations and liabilities of the Trustee of the Unit Trust and shall exercise all rights, privileges and powers of the Trustee, as contained in the Trust Deed, the Offering Document and the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the Rules), in place of MCFSL, with effect from the Effective Time.
- 2.4 The retirement of MCFSL and appointment of CDC in its place as the trustee of the Unit Trust shall be deemed to be contemporaneous so that the continuity of the Trust and its business and operations are maintained without any disruption.

3. Liabilities and Responsibilities of MCFSL and CDC:

- 3.1 MCFSL shall continue to be liable for any default in or non-performance of its duties as the Trustee or for any negligence on its part or on part of its officers or officials, nominees or agents and for any acts, omissions effectuated prior to and up to the Effective Time in accordance with the provisions of the Trust Deed, the Offering Document and the Rules, where after CDC shall be responsible for the same.
- 3.2 MCFSL shall indemnify the Management Company and CDC in respect of any default, non-performance or violations of the terms and conditions of the Trust Deed, the Offering Document and/or the Rules that may have taken place, advertently or inadvertently prior to and up to Effective Time and which may come to the notice of the Management Company or the CDC or the SECP at any time after the Effective Time.

4. **Amendment to the Trust Deed:**

From the Effective Time, through this First Supplemental Trust Deed the Trust Deed stands amended in the following respects:

(1) **Parties to the Trust Deed:**

The Parties to the Supplemental Trust Deed dated _____ are as follows:—

ATLAS ASSET MANAGEMENT LIMITED (FORMERLY ATLAS ASSET MANAGEMENT COMPANY LIMITED), the management company of the Unit Trust, (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**

CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED, Central Depository Company of Pakistan Limited, the trustee of the Unit Trust, (hereinafter called "the Trustee"), which expression where the context so permits, shall include its successors-in-interest and assigns) of the **other part.**

(2) **Amendment of Clause 1.9 (a):**

(Approved by the Commission vide its letter No. NBFC-II/JD-II/ATLAS/233, dated March 22, 2005)

In clause 1.9 (a), after the word "(GDR)" the following words are added:

"Convertible debt securities till such time they are not converted into equity securities, Redeemable preference shares, Certificate of Musharika (COM) issued by a Modaraba having minimum investment grade credit rating"

For the sake of clarity, it is stated that after the said amendment, Clause 1.9 (a) is read as under:

Amended Clause 1.9 (a):

- a) *Bonds, debentures, debenture stock, participation term certificates, term finance certificates, Euro bonds, Global Deposit Receipts (GDR), Convertible debt securities till such time they are not converted into equity securities, Redeemable preference shares, Certificate of Musharika*

(COM) issued by a Modaraba having minimum investment grade credit rating, and other asset backed or mortgaged backed securities. Such investments shall include those for ready as well as those for future settlements;

(3) Amendment of Clause 1.50(f):

(Approved by the Commission vide letter No. NBFC-II/JD II/AIF/397, dated May 27, 2005)

In sub clause (f) after the word "warrants" the following text are added:

"and distributing bonus Units or partly both"

For the sake of clarity, it is stated that after the said amendment, Clause 1.50 (f) is read as under:

Amended Clause 1.50(f):

"1.50 "Registrar Functions" means the functions with regard to:

(f) Dispatching income distribution warrants and distributing bonus Units or partly both and allocating Units to Holders on re-investment of dividends as per Clause 30.4 of this Deed;

(4) Amendment to Clause 1.53:

The text of Clause 1.53 of the Trust Deed is replaced by the following text:—

"Rules" means the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003.

(5) Amendment of Clause 1.58:

(Approved by the Commission vide letter No. NBFC-II/JD II/AIF/397, dated May 27, 2005)

At the end of the text the following line are added:

"The Management Company may itself perform the Registrar Function".

For the sake of clarity, it is stated that after the said amendment, Clause 1.58 is read as under:

Amended Clause 1.58:

1.58 "Transfer Agent" means a company including a Bank that the Management Company may appoint for performing the Registrar Function. The Management Company may itself perform the Registrar Function.

(6) Amendment of Clause 1.60:

(Approved by the Commission vide letter No. NBFC-II/JD II/AIF/397, dated May 27, 2005)

After the word "Trust", the full stop may be removed and the following words are added:

"and where the context so indicates a fraction thereof".

For the sake of clarity, it is stated that after the said amendment, Clause 1.60 is read as under:

Amended Clause 1.60:

"Unit" means one undivided share in the Trust and where the context so indicates a fraction thereof.

(7) Amendment of Clause 8.1:

(Approved by the Commission vide letter No. NBFC-II/JD II/AIF/397, dated May 27, 2005)

In clause 8.1, the first para "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" and the table of Trustee remuneration stands deleted and is replaced by:

"The Trustee remuneration shall consist of reimbursement of actual custodial expenses/ charges (excluding book entry custody fee which is waived) plus the following tariff:

Net Assets	Tariff
Up to Rupees one billion	Rupees 0.7 million or 0.20% p.a. of NAV, whichever is higher
Exceeding Rupees one billion	Rupees. 2.0 million plus 0.10% of NAV exceeding Rupees. 1,000 million

For the sake of clarity, it is stated that after the said amendment, Clause 8.1 is read as under:

Amended Clause 8.1:

“The Trustee remuneration shall consists of reimbursement of actual custodial expenses/ charges (excluding book entry custody fee which is waived) plus the following tariff:

Net Assets	Tariff
Up to Rupees one billion	Rupees 0.7 million or 0.20% p.a. of NAV, whichever is higher
Exceeding Rupees one billion	Rupees. 2.0 million plus 0.10% of NAV exceeding Rupees. 1,000 million

The Calculation for remuneration shall be based on average daily or weekly Net Assets during such calendar month. The remuneration shall begin to accrue from the date of payment in full of all Units subscribed by the Core Investors. For any period other than a full calendar month such remuneration will be prorated on the basis of the actual number of days for which such remuneration has accrued for the total number of days in the calendar month concerned.

(8) Amendment of Clause 8.3:

(Approved by the Commission vide letter No. NBFC-II/JD II/AIF/397, dated May 27, 2005)

The text of Clause 8.3 of the Trust Deed is replaced by the following text:

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. 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 as are expressly authorized to be payable out of the Deposited Property under the provisions of the Rules and the Deed.

(9) Amendment of Clause 15.5:

(Approved by the Commission vide letter No. NBFC-II/JD II/AIF/397, dated May 27, 2005)

In the third line, the following text is deleted:

“and one Urdu”.

For the sake of clarity, it is stated that after the said amendment, Clause 15.5 is read as under:

Amended Clause 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 newspaper, on daily basis with circulation in all major cities of Pakistan.

(10) Amendment of Clause 16.1:

(Approved by the Commission vide letter No. NBFC-II/JD II/AIF/397, dated May 27, 2005)

In the second line, the following text is added after the word "Agents" and before the word "shall":

"or any payment authorized by the Management Company"

For the sake of clarity, it is stated that after the said amendment, Clause 16.1 is read as under:

Amended Clause 16.1

The remuneration of Distribution Companies and Investment Facilitators / Sales Agents or any payment authorized by the Management Company 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.

(11) Amendment of Clause 16.2:

(Approved by the Commission vide letter No. NBFC-II/JD II/AIF/397, dated May 27, 2005)

In the first line, a comma and the following text is added after the word "Company(s)" and before the word "and":

“, any authorized person(s)”

For the sake of clarity, it is stated that after the said amendment, Clause 16.2 is read as under:

Amended Clause 16.2

Such payments shall be made to the Distribution Company(s), any authorized person(s) and Investment Facilitators / Sale Agents and the Management Company 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.

(12) Amendment of Clause 17.2:

(Approved by the Commission vide letter No. NBFC-II/JD(R) Atlas-AIF/697/2004, dated August 12, 2004)

In Clause 17.2, after the word “thereof” at the end, the following words are added:

“In case of Joint Applicants, any Holder may sign the redemption form if so authorized by all Joint Holders.”

For the sake of clarity, it is stated that after the said amendment, Clause 17.2 is read as under:

Amended Clause 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 case where Certificate is not issued any number of Units may be redeemed by the Holder thereof. In case of Joint Applicants, any Holder may sign the redemption form if so authorized by all Joint Holders.

(13) Amendment of Clause 18.5:

(Approved by the Commission vide letter No. NBFC-II/JD II/AIF/397, dated May 27, 2005)

In the third line, the following text is deleted:

“and one Urdu”.

For the sake of clarity, it is stated that after the said amendment, Clause 18.5 is read as under:

Amended Clause 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 newspaper, on daily basis with circulation in all major cities of Pakistan.

(14) Amendment of Clause 23.2:

(Approved by the Commission vide letter No. NBFC-II/JD (R) Atlas-AIF/864/2004, dated October 15, 2004)

In Clause 23.2, before the word “bonus” the following words are added:

“Units issued on reinvestment or”

For the sake of clarity, it is stated that after the said amendment, Clause 23.2 is read as under:

Amended Clause 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 Units issued on reinvestment, or bonus Units 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.

(15) Amendment of Clause 24.3(b):

(Approved by the Commission vide letter No. NBFC-II/JD II/AIF/397, dated May 27, 2005)

In sub section (b) after the word "The", the words "distinctive number of the Units held and the" shall be deleted.

For the sake of clarity, it is stated that after the said amendment, Clause 24.3(b) is read as under:

Amended Clause 24.3(b):

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

(b) The Certificate number, if any;

(16) Amendment of Clause 25.3(f):

(Approved by the Commission vide letter No. NBFC-II/JD(R)/Atlas-AIF/864/2004, dated October 15, 2004)

In Clause 25.3 (f), after the word "against" the following words are added:

"bonus or"

Also, after the word "Units", the word "are" is deleted.

For the sake of clarity, it is stated that after the said amendment, Clause 25.3 (f) is read as under:

Amended Clause 25.3(f):

(f) additional Units issued against bonus or reinvestment of dividend.

(17) Amendment of Clause 26.5:

(Approved by the Commission vide letter No. NBFC-II/JD II/AIF/397, dated May 27, 2005)

After the words "shall bear a" in the third line words "distinctive and" shall be deleted.

For the sake of clarity, it is stated that after the said amendment, Clause 26.5 is read as under:

Amended Clause 26.5:

Certificates 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

the address of the Management Company and the Trustee, shall bear a serial number and shall specify the number of Units represented thereby and the name and address of the Holder as appearing in the register.

(18) Addition of Clause 30.6:

(Approved by the Commission vide letter No. NBFC-II/JD(R)/Atlas-AIF/697/2004, dated August 12, 2004)

Under the heading 'Distribution of Income', the following paragraph is added as a new clause 30.6:

"The Management Company may decide to distribute in the interest of Holders, wholly or in part the distributable income in the form of a stock dividend which would comprise of the Bonus Units of the Trust. The Bonus Units would rank pari passu as to their rights in the Net Assets, earnings, and receipt of dividend and distribution with the existing Units from the date of issue of these Bonus Units.

Bonus Units are hereby defined as Units issued on distribution of distributable income in the form of stock dividend."

(19) In the Trust Deed, reference to any Rule of the Asset Management Companies Rules, 1995, shall be deemed to be the reference to the corresponding Rule of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003.

All other contents of the Trust Deed remain unchanged and the Trust Deed shall continue to remain in full force and effect, amended as above, with the automatic vesting of all the assets of the Trust in the name of the new Trustee.

MCFSL as the retiring trustee, CDC as the new trustee and the Management Company hereby certify that in their opinion, the retirement of MCFSL as trustee and the appointment of CDC as trustee in place of MCFSL shall not prejudice the interests of the Unit Holders or any of them and shall not operate to release or exonerate MCFSL as the retiring trustee from any responsibility to the Unit Holders up to the Effective Time, or operate to relieve or exonerate CDC as the new trustee from any responsibility to the

Unit Holders from the Effective Time or operate to relieve or exonerate the Management Company from any responsibility to the Unit Holders.

The Management Company and CDC further hereby certify that the amendment of the Trust Deed hereto, is required because of the enforcement of the NBFC Rules and to enable the provisions of the Trust Deed to be more efficiently and conveniently managed and that the amendments shall not prejudice the interests of the Unit Holders or any of them and shall not operate to release or exonerate CDC as the new trustee or the Management Company from any responsibility to the Unit Holders.

IN WITNESS WHEREOF, this Deed of Change of Trustee and First Supplemental Trust Deed has been executed on the day and year first written above.

The Common Seal of ATLAS ASSET MANAGEMENT LIMITED (FORMERLY ATLAS ASSET MANAGEMENT COMPANY LIMITED) hereunto been fixed in the presence of:

Seal

(1) _____

(2) _____

The Common Seal of Muslim Commercial Financial Services (Private) Limited has hereunto been fixed in the presence of:

Seal

(1) _____

(2) _____

The Common Seal of Central Depository Company of Pakistan Limited has hereunto been fixed in the presence of:

Seal

WITNESSES:

Name: _____

Address: _____

Name: _____

Address: _____

Name: _____

Address: _____