

# **TRUST DEED**

**ATLAS PENSION ISLAMIC FUND**

**Dated 31<sup>st</sup> August, 2007**

**AMENDED TILL SEPTEMBER 03, 2018**

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# ATLAS PENSION ISLAMIC FUND TRUST DEED

## 1. CONSTITUTION OF THE ATLAS PENSION ISLAMIC FUND

### 1.1 Name, Registered Address, Place and Date of Registration

The name of the Pension Fund is Atlas Pension Islamic Fund. The registered address of the Pension Fund is Ground Floor, Federation House, Sharae Firdousi, Clifton, Karachi-75600. The Atlas Pension Islamic Fund has been constituted under this Trust Deed made and entered into at Karachi on this 31st day of August 2007.

### 1.2 Participating Parties & Recitals

This Trust Deed is made and entered into at Karachi, on this 31st day of August, 2007 by and between:

- 1) **Atlas Asset Management Limited (AAML)**, a company incorporated under the Companies Ordinance 1984 and licensed under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 and registered as a Pension Fund Manager under the Voluntary Pension System Rules, 2005 with its registered office at Ground Floor, Federation House, Sharae Firdousi, Clifton, Karachi-75600 (hereinafter called the "Pension Fund Manager" which expression where the context so permits shall include its successors in interest and assigns) of the one part; and
- 2) **Central Depository Company of Pakistan Limited (CDC)**, a company incorporated under the Companies Ordinance 1984 and registered with the Securities & Exchange Commission of Pakistan as a Central Depository Company, with its registered office at CDC House, 99-B, Block 'B', S.M.C.H.S, Main Shahrah-e-Faisal, Karachi - 74400 (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 Pension Fund Manager is a Non-Banking Finance Company, engaged in the business of providing investment advisory and asset management services and has been licensed as an asset management company by the Securities and Exchange Commission of Pakistan (Commission) under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 and granted a Certificate of Registration No. SECP/PW/Reg-02/2007 dated January 8, 2007 appended hereto as **Annexure "A"** under rule 5(2) of the Voluntary Pension System Rules, 2005 (hereinafter referred to as the "Rules", which expression shall include any amendments thereto and substitutions thereof and Regulations made or directives given by the Commission there under) to act as a Pension Fund Manager.
- B. The Pension Fund Manager has been allowed by the Commission vide its letter No. 9(1) SEC/SCD/PW-AAML-02/2007/53 dated July 24,2007 appended hereto as **Annexure "B"** to constitute the Voluntary Pension Fund under the name and title of ATLAS PENSION ISLAMIC FUND (hereinafter referred to as the "Pension Fund", "APIF", "Fund" or "Trust") and to register this Trust Deed, pending authorization for the establishment and operation of the Fund in accordance with the provisions of the Rules and this Trust Deed;
- C. The Pension Fund Manager has appointed the Central Depository Company (CDC) as Trustee of the Fund and the CDC has accepted such appointment vide its letter No.

CDC/T&C/DH/177/2007 dated June 20, 2007 appended hereto as **Annexure "C"**, upon the terms and conditions herein contained;

- D. The Commission has approved the appointment of CDC, vide letter No. 9 (1) SEC/SCD/PW-AAML-02/2007/55 dated July 24, 2007, appended hereto as **Annexure "D"**.

**NOW THIS TRUST DEED (DEED) WITNESSETH:**

**2. GOVERNING LAW**

This Deed shall be subject to and be governed by the Laws of Pakistan including the Companies Ordinance, 1984, the Rules, Income Tax Ordinance, 2001 and all other applicable laws, rules 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 Rules, the latter shall supersede and prevail over the provisions contained in this Deed, unless specific exemption has been granted by the Commission. All the changes in applicable laws and regulations shall be deemed to the part of this Deed without the need of any Supplementary Trust Deed.

**3. DECLARATION OF TRUST**

3.1 It is hereby declared unequivocally that a Pension Fund in the name and title of Atlas Pension Islamic Fund (APIF) is hereby created pursuant to this Deed under the Trusts Act, 1882 having an umbrella structure composed of Sub-Funds in the form of unit trust schemes under its wing, in which Contributions received from Participants shall be allocated among different Sub-Funds, proportionate to their respective preferences in line with the Prescribed Allocation Policy, on a continuing basis. The Pension Fund Manager is hereby appointed to establish, manage, operate and administer the said Pension Fund and the Trustee is hereby appointed as the Trustee of the Pension Fund including the Sub-Funds, Individual Pension Accounts, Allocation Schemes, Approved Income Payment Plans or any structure related to the Pension Fund. The Pension Fund Manager and the Trustee hereby agree to such appointment and further declare that:

- (a) All conducts and acts of the Pension Fund shall be in compliance with the guidelines given by the Shariah Advisor.
- (b) The terms and conditions of this Deed and any deed supplemental hereto shall be binding on each Participant as if he has been a party to it and so to be bound by its provisions and each Participant authorizes and requires the Trustee and the Pension Fund Manager to do as required of them by the terms of this Deed.
- (c) The Pension Fund Manager shall manage, operate and administer the Pension Fund strictly in accordance with the provisions contained and the conditions stipulated in the Rules, this Deed, the Supplementary Trust Deed, the Offering Document and the conditions (if any) which may be imposed by the Commission from time to time;
- (d) The Deposited Property shall be invested from time to time by the Trustee in accordance with the Investment Policy prescribed by the Commission at the direction of the Pension Fund Manager in accordance with the Islamic Shariah as per the guidelines provided by the Shariah Advisor;
- (e) The Trustee shall hold and stand possessed of the Deposited Property that may from time to time hereafter be vested in the Trustee upon trust as a collection of Sub-Funds

- and Individual Pension Accounts (IPA) and Approved Income Payment Plans;
- (f) Each of the Sub-Funds shall be a common fund (collective investment scheme) whose property shall be held by the Trustee for the benefit of the Participants ranking *pari passu inter se* according to the number of Units of the respective Sub-Funds held by each Participant;
  - (g) The Trustee and the Pension Fund Manager shall retire in the manner stated in Clauses 28.5 and 28.7 of this Deed
  - (h) Balances in the Individual Pension Account and Approved Income Payment Plan shall be the property of the respective Participant; and
  - (i) Each Participant shall only be liable to the extent of his Contribution to the Pension Fund and no further liability shall be imposed on him/her in respect of the Pension Fund.
- 3.2 As soon as may be practicable, the Pension Fund Manager shall open participation in the Pension Fund through offer of Contribution in the Pension Fund in the manner prescribed under the Rules or as may be specified by the Commission from time to time to the eligible persons.
- 3.3 Initially, the Atlas Pension Islamic Fund shall consist of the three Sub Funds to be called APIF- Equity Sub-Fund (AIEF), APIF- Debt Sub-Fund (AIDF) and APIF- Money Market Sub-Fund (AIMMF) and collectively as the Sub-Funds.
- 3.4 All Participants of the Atlas Pension Islamic Fund will in turn be the holders, of Units of the Sub-Funds in various proportions or in certain conditions as prescribed under the Rules, of cash held in an appropriate Bank Account in the name of the Trustee.
- 3.5 The Units in the Sub-Funds shall be non-transferable to another Participant/person except in the circumstances mentioned in the Rules.
- 3.6 The Atlas Pension Islamic Fund, after successfully managing the Equity, Debt and Money Market Sub-Funds, may with the approval of the Commission launch other Sub-Funds through a Supplementary Trust Deed and a Supplementary Offering Document to incorporate information for investments in other classes of assets, including securitized investment in real estate or in assets outside Pakistan. Any reference to the Sub-Funds in this Deed shall be construed to include any new Sub-Fund of the Atlas Pension Islamic Fund.
- 3.7 All the provisions/ clauses relating to management, administration and operations of the Fund contained in this Deed shall apply to the entire Pension Fund correspondingly including all Sub-Funds, Individual Pension Accounts, Approved Income Payment Plans or any other structure relating to the Pension Fund, unless specifically mentioned otherwise.
- 3.8 The Pension Fund Manager may from time to time, with the consent of the Trustee and under intimation to the Commission, frame operational procedures for conducting the business of the Trust or in respect of any other matter incidental thereto; provided that, such procedures are not inconsistent with the provisions of this Deed, any Supplementary Deeds or the Rules.
- 3.9 The Pension Fund Manager and the Trustee of the Pension Fund and the Pension Fund, including the Sub-Funds, Allocation Schemes, Individual Pension Accounts, Income Payment Plans or any structure related to the Pension Fund shall be subject to the full compliance of the Rules and this Deed.
- 3.10 The Trustee may be removed or retire in the manner as laid down in the Rules and further elaborated in Clause 28.7 of this Deed;

3.11 The Pension Fund Manager may be removed or its registration cancelled or retire as laid down in the Rules and further elaborated in Clause 28.5 of this Deed;

3.12 Compliance with Shariah:

- i. All activities of the Pension Fund shall be undertaken in accordance with the Islamic Shariah as per the guidelines given by Shariah Advisor.
- ii. The Shariah Advisor shall prescribe screening criteria and guidelines for determining Shariah compatibility of Investments made / to be made by the Pension Fund.
- iii. The Shariah Advisor shall also determine Shariah non-compliant (Haram) income that may have been earned by the Pension Fund during any period of review. This income would be given out in Charity to purify the remaining income of the Pension Fund. The Shariah Advisor shall also advise on the procedure of disbursement of this Charity income as per the Guidelines issued by the Commission from time to time.
- iv. The Shariah Advisor shall conduct an annual audit of the operations of the Pension Fund to check compliance to the guidelines issued by it from time to time. This audit would be followed by issuance of a certificate/ report to the Participant by the Shariah Advisor to be included in the Annual Report of the Pension Fund. This certificate/ report will contain Shariah Advisor's comments on the Shariah compliance status of the Pension Fund for the period under review.

## **4. OPERATORS AND PRINCIPLES**

### **4.1 Pension Fund Manager**

The Pension Fund Manager to the Atlas Pension Islamic Fund is:

Atlas Asset Management Limited,  
Ground Floor, Federation House,  
Sharae Firdousi, Clifton,  
Karachi-75600.

Atlas Asset Management Limited has been licensed by the Commission as an Asset Management Company and Investment Advisory Company under the NBFC Rules and also registered as Pension Fund Manager under the Rules. Complete profile and up-to-date information regarding the Pension Fund Manager as on the Launch Date shall be provided in the Offering Document.

### **4.2 Trustee**

The Trustee of the Atlas Pension Islamic Fund is:

Central Depository Company of Pakistan Limited (CDC), 99-B, Block 'B', S.M.C.H.S.,  
Shahrah-e-Faisal  
Karachi.

Complete profile and up-to-date information regarding the Trustee as on the Launch Date shall be provided in the Offering Document.

### **4.3 Distribution Companies**

- i. The main Distribution Company of the Atlas Pension Islamic Fund shall be Atlas Asset Management Limited and its branches.
- ii. The Pension Fund Manager may appoint or remove other Distribution Companies for the Fund under intimation to the Commission and the Trustee, from time to time.

#### 4.4 Auditor

- i. The first Auditors of the Atlas Pension Islamic Fund shall be:  
Ford Rhodes Sidat Hyder & Co.  
Chartered Accountants,  
Karachi, Pakistan.

The Auditors shall hold the office until the transmission of the annual report and accounts but may be reappointed as may be specified in the Rules from time to time.

- ii. Thereafter the Pension Fund Manager shall, with the consent of the Trustee, appoint a firm of chartered accountants as an Auditor, who shall be independent of the auditor of the Pension Fund Manager and Trustee. The Pension Fund Manager may at any time with the concurrence of the Trustee, and shall, if approved by the Commission, remove an Auditor and appoint another Auditor in its place. Furthermore, the Pension Fund Manager shall ensure that the Auditors so appointed, including the first Auditor, are appointed from the panel of Auditors as prescribed by the Commission for this purpose. The same firm of chartered accountants can not be appointed Auditor for more than three consecutive years or any such term as may be specified in the Rules from time to time. Thereafter, the Auditors shall only be eligible for such appointment after the lapse of at least one year.
- iii. The following persons shall not qualify to be the Auditors of the Trust:
  - (a) A person who is or at any time during the preceding three years was a director, officer or employee of the Pension Fund Manager or the Trustee;
  - (b) A person who is a partner of, or in employment of, a director, officer, employee, or Connected Person of the Pension Fund Manager or Trustee;
  - (c) The spouse or lineal ascendants or descendants of a director, officer or an employee of the Pension Fund Manager or Trustee;
  - (d) A person who is indebted to the Pension Fund Manager or Trustee; and
  - (e) A body corporate.
- iv. Appointment of a partnership firm to be the Auditors shall be deemed to be the appointment of all persons who are partners in the firm for the time being.
- v. The Auditors shall have access to the records, books, papers, accounts and vouchers of the Trust, whether kept at the office of the Pension Fund Manager, Trustee, Custodian, Registrar, or elsewhere and shall be entitled to require from the Pension Fund Manager, the Trustee and their directors, officers and agents such information and explanations as considered necessary for the performance of audit.
- vi. The Trustee shall be entitled to require the Auditors to provide such further reports as may be agreed between the Trustee and the Pension Fund Manager as may be considered necessary to facilitate the Trustee in issuing the certification required under the Rules.
- vii. The Auditor shall prepare an auditor's report of the Pension Fund as required under the Rules, applicable laws and Regulations, to be transmitted to the Commission, the Trustee and the Participants.
- viii. The contents of the Auditors report shall be as required in the Rules.

- ix. In case the Rules or any other laws relating to appointment of Auditors of the Pension Funds are amended or substituted, such amendment or substitution, as the case may be, shall be deemed to become part of this Deed without the need to execute a Supplementary Trust Deed.
- x. The Commission shall monitor general financial condition of the Pension Fund, and, at its discretion, may order special audit and appoint an auditor who shall not be the external Auditor of the Pension Fund, to carry out detailed scrutiny of the affairs of the Pension Fund, provided that the Commission may, during the course of the scrutiny, pass such interim orders and give directions as it may deem appropriate. On receipt of the special audit report, the Commission may direct the Pension Fund Manager to do or to abstain from doing certain acts and issue directives for immediate compliance which shall be complied forthwith or take such other action as the Commission may deem fit.

#### **4.6 Legal Advisor**

- i. The first legal advisor of the Atlas Pension Islamic Fund is:  
Bawaney & Partners,  
404, 4<sup>th</sup> Floor,  
Beaumont Plaza,  
6-cl-10, Beaumont Road,  
Karachi.
- ii. The Pension Fund Manager may, in consultation with the Trustee, replace the legal advisor or appoint a new legal advisor to a vacancy created by the resignation or removal of the legal advisor. The credentials of the new legal advisor shall be deemed to become part of this Deed without the need to execute a Supplementary Trust Deed.

#### **4.7 Shariah Advisor**

The Pension Fund Manager shall appoint, with the approval of the Commission, a Shariah Advisor that shall advise the Pension Fund Manager regarding Shariah.

### **5. DEFINITIONS**

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

- i. **“Accounting Period”** means a period ending on an Accounting Date and commencing (in case of the first such period) from the date of receipt of entire Seed Capital from the Core Investors and (in all other periods) from the end of the last Accounting Period.
- ii. **“Account Statement”** means statement of transactions in Units of each Sub-Fund in the Individual Pension Account of the Participant, containing such information as may be prescribed by the Commission from time to time.
- iii. **“Allocation Scheme”** mean the allocation scheme(s) offered by the Pension Fund Manager in light of the Prescribed Allocation Policy issued by the Commission from time to time.
- iv. **“Anniversary Date”** means the Business Day following the completion of one full year from the opening of the Individual Pension Account with the Pension Fund Manager and thereafter the Business Day following completion of subsequent one full year.



- v. **“Annuity”** means a series of payments of set frequency, sold primarily by Life Insurance/Takaful Companies, with a primary goal to supplement retirement savings.
- vi. **“Approved Bank”** means Bank(s) approved by the Shariah Advisor.
- vii. **“Approved Annuity Plan”** means an annuity plan approved by the Commission.
- viii. **“Approved Income Payment Plan”** means an income payment plan approved by the Commission.
- ix. **“Auditor”** means, a person appointed by the Pension Fund Manager with the consent of the Trustee eligible to act as an auditor of the Pension Fund as may be prescribed by the Commission from time to time and qualified under the provisions of Section 254 of the Ordinance.
- x. **“Authorized Branch”** means those branches of the Distributors/Distribution Companies which have been authorized by the Pension Fund Manager, from time to time, to perform Distribution Functions and whose addresses have been given in the Offering Document, and/ or on the website of the Pension Fund Manager.
- xi. **“Authorized Investment”** means all investments transacted, issued and traded whether listed inside or outside Pakistan as permissible under the Rules or under the investment policy prescribed by the Commission.
- xii. **“Bank”** means a banking company licensed under the Banking Companies Ordinance, 1962 or any other regulation for the time being in force or an institution providing banking services under the banking law of Pakistan or if operating outside Pakistan, under the banking laws of the jurisdiction of its operation outside Pakistan and having such minimum entity rating as may be prescribed by the Commission from time to time.
- xiii. **“Bank Account”** means the collection and disbursement account(s) in which the Contributions are received and payments are made from and the account(s) of each Sub-Fund, maintained for the Trust by the Trustee at an Approved Bank, the beneficial ownership of which rests with the Participants.
- xiv. **“Business Day”** means a day (such Business Hours thereof) when Banks and Stock Exchanges are open for business in Pakistan.
- xv. **“Business Hours”** means such dealing periods on each Business Day, as may be determined by the Pension Fund Manager, in consultation with the Trustee, with the prior approval of the Commission, from time to time, during which the Contributions shall be received. Such period shall be defined in the Offering Document and/or announced by the Pension Fund Manager from time to time on its website. The Pension Fund Manager shall notify any change in the Business Hours in a leading daily newspaper.
- xvi. **“Charity”** means amount paid by Pension Fund Manager out of the income of the Trust to a charitable/welfare organization, in consultation with Shariah Advisor and as per Guidelines issued by the Commission from time to time, representing income, which is Haram.
- xvii. **“Commission”** means the Securities and Exchange Commission of Pakistan, established under section 3 of the Securities and Exchange Commission of Pakistan Act, 1997 (XLII of 1997): that is the main regulator for the Fund.

- xviii. **“Companies Ordinance”** means the Companies Ordinance, 1984, as amended from time to time.
- xix. **“Connected Person”** shall have the same meaning as defined in the Rules.
- xx. **“Contribution”** means an amount as may be voluntarily paid by a Participant at any frequency to the Trustee for credit to the Individual Pension Account of a Participant, subject to any minimum limit as specified in the Offering Document.
- xxi. **“Core Investors”** of the Fund shall be such initial investors whose subscription shall in aggregate be in compliance of the requirements of the Rules. The Core Investors shall be issued with Core Units representing their subscription.
- xxii. **“Core Units”** shall mean such Units of the Sub-Funds that are issued to Core Investors with the condition that these are not redeemable/ transferable/ tradable for a minimum period of three years from the date of issue. Except for the above condition, such Units shall all rank pari passu with all other Units.
- xxiii. **“Custodian”** means a Bank, the central depository company, or any other depository for the time being appointed by the Trustee to hold and protect the Deposited Property or any part thereof as Custodian on behalf of the Trustee; the Trustee may also itself provide custodial services for the Fund.
- xxiv. **“Dealing Day”** means every Business Day on which dealing in the Pension Fund is conducted as disclosed in the Offering Document, provided that the Pension Fund Manager may with the prior written consent of the Trustee and upon giving not less than seven days’ notice in the newspapers declare any particular Business Day not to be a Dealing Day.
- xxv. **“Default Allocation Scheme”** means the default asset allocation scheme as determined by the Pension Fund Manager in light of the Prescribed Allocation Policy for allocation of the Contribution received from those Participants who have not selected any Allocation Scheme.
- xxvi. **“Deed” or “Trust Deed”** means this Trust Deed which is the principal document governing the formation management or operation of the Fund.
- xxvii. **“Deposited Property”** means the aggregate proceeds received in the Pension Fund including the Contribution(s) received and Seed Capital received from Core Investors of each Sub-Fund(s) after deducting therefrom or providing thereout any applicable Frontend Fee and any other expenses chargeable to the Pension Fund including the Sub-Fund; and includes the Investments and all income, profit and other benefits arising there from and all cash, bank balances and other assets and property of every description for the time being held or deemed to be held upon trust by the Trustee for the benefit of the Participants pursuant to this Deed.
- xxviii. **“Distributor(s)”, “Distribution Company/ Companies”** means individual(s), company(ies), firm(s), Bank(s) or other entity(ies) appointed by the Pension Fund Manager for performing any or all of the Distribution Functions and shall include the Pension Fund Manager itself, if it performs the Distribution Function.
- xxix. **“Distribution Function”** means the functions with regard to:
- a. Receiving Contribution applications and amounts, in the name of the Trustee, from the Participants;

- b. Issuing receipt in respect of (a) above;
  - c. Interfacing with and providing services to the Participants including receiving withdrawal/ transfer to/from other pension fund manager(s) applications, applications for change of address or any other status, instructions, in writing, of any kind or any other information for immediate transmission to the Pension Fund Manager or the Registrar, as appropriate; and
  - d. Accounting to the Pension Fund Manager for (i) Contribution monies received from the Participants for issuance of Units in the Sub-Funds; and (ii) payments made to the Participants on redemption of Units in the Sub-Funds.
- xxx. **“Financial Institution”** means a Bank, a Non-Banking Finance Company, licensed under the Rules, a Modaraba registered under the Modaraba Companies and Modarabas (Flotation and Control) Ordinance, 1980 and a DFI regulated by the State Bank of Pakistan or any other corporate body recognized as a financial institution under the laws of Pakistan and approved by the Shariah Advisor.
- xxxi. **“Form”** means a Form prescribed under the Rules to collect information from the Participants.
- xxxii. **“Formation Cost”** means all preliminary and floatation expenses of the Fund, including expenses in connection with authorization of the Fund, execution and registration of the Trust Deed, issue, legal costs, etc., and shall not include any marketing, sales, promotional, educational, communication or any form whatsoever of advertisement and shall not exceed 0.5% of the Seed Capital of each Sub-Fund or Rs. 750,000/- in total whichever is less.
- xxxiii. **“Front-end Fee”** means the fee as prescribed in the Rules, which is deducted from the Contributions received from the Participants, by the Pension Fund Manager, before allocation of Units of the Sub-Funds.
- xxxiv. **“Guidelines”** means various guidelines, including instructions and handouts issued by the Commission to be followed or implemented by the Pension Fund Manager, the Trustee and other persons connected with the Fund in relation to various matters under the Rules.
- xxxv. **“Haram”** means anything prohibited by the Shariah.
- xxxvi. **“Income Payment Plan”** means a plan to enter into an agreement with the Pension Fund Manager after retirement enabling withdrawal of the remaining amount, in monthly installments till the age of seventy-five years or such other period as allowed under the Rules.
- xxxvii. **“Individual Pension Account”** means a distinct account being maintained in the name of each Participant with the Pension Fund Manager to record his investments and the Units of Sub-Funds as issued there against including appreciations thereof.
- xxxviii. **“Investment”** means any Authorized Investment forming part of the Deposited Property of any Sub-Fund.
- xxxix. **“Launch Date”** means the date, as may be determined by the Pension Fund Manager, from which the Atlas Pension Islamic Fund shall be offered to the

Participants for continual Contribution dealing.

- xli. **“Life Cycle Allocation Scheme”** means an Allocation Scheme approved by the Commission, where the percentage allocations to each Sub-Fund will automatically vary based on the age of the Participant.
- xlii. **“Life Insurance Company”** means a company registered under the Insurance Ordinance, 2000 (XXXIX of 2000), to transact life insurance business, and includes the State Life Insurance Corporation of Pakistan.
- xliii. **“NBFC Rules”** means the Non-Banking Finance Companies (Establishment and Regulation) Rules 2003, as amended from time to time.
- xliiii. **“Net Assets”** shall mean the excess of assets over liabilities of each Sub-Fund of the Pension Fund, such excess being computed in the manner as defined in the Rules or as may be specified by the Commission from time to time.
- xliv. **“Net Asset Value” or “NAV”** means per Unit value of each Sub-Fund arrived at by dividing the respective Net Assets by the number of Units outstanding of the respective Sub-Funds on the basis indicated in the Rules or as may be specified by the Commission from time to time, which shall constitute the price at which the Units of each Sub-Fund shall be issued and the price at which the Units of each Sub-Fund shall be redeemed.
- xlv. **“Offering Document”** means the prospectus or other document issued by the Pension Fund Manager with consent of the Trustee and after approval of the Commission, which contains the investment policy of the respective Sub-Funds, Prescribed Allocation Policy and all other information in respect of the Pension Funds, as required by the Rules and Regulations and is circulated to invite offers by the public to contribute in the Fund.
- xlvi. **“Par Value”** means the face value of Unit of each Sub-Fund that shall be Rupees one hundred (Rupees 100).
- xlvii. **“Participant”** means any person who makes Contributions or on whose behalf Contributions are made into the Pension Fund, and held in an identifiable Individual Pension Account managed by the Pension Fund Manager.
- xlviii. **“Pension Fund Manager”** means Atlas Asset Management Limited, an asset management company duly authorized by the Commission to efficaciously manage the Contributions made by or on behalf of Participants in Pension Fund and meet such other conditions as may be prescribed from time to time by the Commission.
- xlix. **“Pension Fund”, “Atlas Pension Islamic Fund”, “APIF”,** means a “Fund” or “Trust”, consist of all the assets for the time being held or deemed to be held by Sub-Funds and includes all income or investment returns thereon but excludes fees, charges and expenses related to the management of Sub-Fund(s) or in certain conditions, prescribed under the Rules, of cash held in an appropriate Bank Account in the name of the Trustee.
- I. **“Prescribed Allocation Policy”** means the allocation policy, prescribed by the Commission, from time to time.
- li. **“Prescribed Application Form”** means a Form approved by the Commission to open an Individual Pension Account and collect other information from the

Participants.

- lii. **“Records”** include ledgers, day books, cash books and all other manuals or magnetic records used in the business of a Pension Fund Manager.
- liii. **“Register”** means the Register of the Participants kept pursuant to the Rules and the Trust Deed.
- liv. **“Registrar”** means a company, including a Bank that the Pension Fund Manager shall appoint for performing the Registrar Function. The Pension Fund Manager may itself also perform the Registrar Function.
- lv. **“Registrar Functions”** means the functions with regard to:
  - a) Maintaining the Register as per the Rules, this Deed or as may be prescribed by the Commission from time to time;
  - b) Processing requests for opening of Individual Pension Account, Contribution, Withdrawal Amount, change of pension fund manager, re-allocation of Units between Sub-Funds and requests for recording of changes in information/ particulars/ data with regard to the Participant or that of their survivors or nominees;
  - c) Issuing Account Statements in respect of Individual Pension Account to Participant;
  - d) Receiving application(s) for Withdrawal Amount through Distributor or Pension Fund Manager;
  - e) Keeping record of change of addresses/other particulars of the Participant; and
  - f) Such other functions as may be required under the Guidelines on Record Keeping.
- lvi. **“Regulations”** means regulations made by the Commission under the Rules.
- lvii. **“Reporting Currency” or “Base Currency”** means the currency used for receiving Contributions from and making payments to the Participants, for declaration of NAV of each Sub-Fund and for presenting the financial statements, which will be the Pakistani Rupee.
- lviii. **“Retirement Age”** means any age between sixty and seventy years or such age as may be prescribed in the Rules from time to time, which the Participant selects for retirement, in accordance with the provisions of the Rules.
- lix. **“Retirement Date”** means the date on which the retirement of a Participant from the Pension Fund becomes effective.
- lx. **“Rules” or “VPS Rules”** means the Voluntary Pension System Rules 2005, as amended or substituted from time to time.
- lxi. **“Sales Agent”** means an individual, firm, corporate or other entity appointed by the Pension Fund Manager to identify, solicit and assist the eligible participants to contribute into the Fund.
- lxii. **“Seed Capital”** means the amount invested or arranged by the Pension Fund Manager for each Sub-Fund of the Pension Fund as prescribed in the Rules for a minimum period of three years or as may be determined by the Commission.
- lxiii. **“Shariah” or “Islamic Shariah”** means divine guidance as given by the Holy

Quran and the Sunnah of Prophet Muhammad (Peace Be Upon Him) and embodies all aspects of the Islamic faith.

- lxiv. **"Shariah Adviser"** means an Islamic Financial Institution, an Islamic scholar or a body of Islamic scholars, appointed in its place by the Pension Fund Manager with the approval of the Commission, having knowledge of Islamic finance, to supervise and monitor the activities of the Pension Fund to ensure that all its activities comply with Shariah.
- lxv. **"Shariah Compliant"** shall mean any activity that is in accordance with the Islamic Shariah, as may be advised to the Pension Fund Manager by Shariah Advisor.
- lxvi. <sup>1</sup>[ ]
- lxvii. **"Sub-Fund"** means a collective investment sub-scheme of a specified investment class and/or investment policy set up within the overall Pension Fund. The Deposited Property shall be accounted for and segregated with respect to each Sub-Fund.
- lxviii. **"Supplementary Offering Document"** means a document issued by the Pension Fund Manager, with the consent of the Trustee, and the approval of the Commission, amending or adding to the Offering Document or a document describing the special features of an administrative plan, offering Contribution in the Fund managed by the Pension Fund Manager and shall be binding on each Participant, as if he is party to it and so to be bound by its provisions.
- lxix. **"Supplementary Trust Deed"** means a supplemental deed executed between the Pension Fund Manager and the Trustee, with the approval of the Commission, describing any amendments made to this Trust Deed. Such Supplementary Trust Deed shall be binding on each Participant, as if he is party to it and so to be bound by its provisions.
- lxx. **"Takaful Company"** means any General Takaful or Family Takaful Company as defined in the Takaful Rules, 2005.
- lxxi. **"Tax Year"** shall have the same meaning as ascribed under the Income Ordinance, 2001.
- lxxii. **"Trust" or "Fund"**, means the trust having an umbrella structure, constituted by this Trust Deed, which can offer Units in different Sub-Funds only to the Participants on a continuing basis.
- lxxiii. **"Trustee"** means Central Depository Company of Pakistan Limited (CDC) or any other company appointed with approval of the Commission from time to time
- lxxiv. **"Unit"** means an undivided share in a Sub-Fund of the Trust and where the context so indicates a fraction thereof.
- lxxv. **"Valuation Date"** means the pertinent date on which value of any investments or assets of a Sub-Fund is determined;

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1. Delated vide 2<sup>nd</sup> Supplemental Trust Deed dated September 3, 2018. Before deletion read as, **"Stock Exchange"** means Karachi Stock Exchange, Lahore Stock Exchange, Islamabad Stock Exchange or any other stock exchange registered under the Securities and Exchange Ordinance 1969."

lxxvi. “**Zakat**” has the same meaning as in the Zakat and Ushr Ordinance, 1980.

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 and words “written” or “in writing” include printing, engraving, lithography, or other means of visible reproduction.

## **6. CONTRIBUTION APPLICATIONS**

- i. All individuals fulfilling the eligibility criteria prescribed by the Commission from time to time under the Rules shall be eligible to contribute to the Pension Fund authorized under the Rules, directly as well as through employers.
- ii. Eligible persons or their employers, if any, shall be allowed to contribute in one lump sum or in installments to the Individual Pension Account maintained by the Participant in the Pension Fund during any Tax Year.
- iii. The Participants shall voluntarily determine the Contribution amount subject to a minimum limit fixed by the Pension Fund Manager from time to time and disclosed in the Offering Document, which shall then be payable by the Participant to the Pension Fund Manager, in annual, semi-annual, quarterly, bi-monthly or monthly installments as may be determined by the Participant in accordance with the provision and procedure laid down in the Offering Document and subject to the provisions of the Income Tax Ordinance, 2001 (XLIX OF 2001).
- iv. The Participants shall make the Contributions by completing the Prescribed Application Form and submitting it along with the payment by cheque or pay order or bank draft, made in favor of Trustee, all crossed A/C Payee only, or through direct deposit of cheque/ bank draft in Trustee designated Bank Account (and attaching deposit slip evidencing payment into the designated Bank Account) or through direct (auto) debit from Participant’s bank account for which the instructions along with the date of such transfers and all relevant details have been provided in writing earlier to the Pension Fund Manager or in an electronic form through credit or debit card or in any such other form (other than cash or any bearer instruments), as is prescribed by the Pension Fund Manager in favor of the Trustee at the Authorized Branch or office of Pension Fund Manager or Distribution Company. No other person (including Sales Agents) is authorized to accept the forms or payment.
- v. The Pension Fund Manager will make arrangements, from time to time, for receiving the Prescribed Application Forms and payments. Details of these arrangements shall be disclosed in the Offering Document. The same shall also be displayed on its website and through its Distributors and agents outside Pakistan.
- vi. The Pension Fund Manager shall make arrangements that all Forms shall be available and can be obtained from the Pension Fund Manager or any Distributor or Sales Agent of the Pension Fund Manager or downloaded from the Pension Fund Manager’s website or requested from the Pension Fund Manager by courier or through electronic means.
- vii. The Pension Fund Manager or Distribution Company/Sales Agent shall verify the particulars given in the Prescribed Application Form and ensure that the Form is complete in all fields and shall verify that the applicant is eligible to join the Fund and that the signature of any applicant on any document required to be signed by him under or in connection with the application for joining the Pension Fund shall match with the

signature as per CNIC/NICOP. After such necessary verification, the Distribution Company/ Sales Agent shall forward the application to the Pension Fund Manager.

- viii. The applicant shall obtain a receipt signed and stamped by an authorized officer of the Distributor acknowledging the receipt of the application, copies of other documents prescribed herein and the demand-draft, pay-order, cheque or deposit slip as the case may be. Acknowledgement for applications and payment instruments (other than cash or any bearer instruments) shall only be validly issued by the Distributors.
- ix. If subsequent to receipt of the application by the Distributor, but prior to issue of the Units, the application is found by the Registrar or the Distributor to be incomplete or incorrect in any material manner, the Registrar or the Distributor shall advise the applicant in writing to remove the discrepancy, in the meanwhile the application shall be held in abeyance for fifteen days and in the event the discrepancy is not removed in the said fifteen days, the application will be cancelled and the amount will be refunded without any profit .
- x. The Contribution received from any Participant by the Pension Fund Manager on any Dealing Day shall be credited to the Individual Pension Account of the Participant after deducting the Front-end Fee, and the amount in the Individual Pension Account shall be utilized for purchasing the Units of Sub-Funds of the Pension Fund proportionate to the Allocation Scheme selected or the Default Allocation Scheme prescribed by the Commission, at the Net Asset Value of the respective Sub-Fund, notified by the Pension Fund Manager at the close of the day on which the payment is realised, if that day is a Dealing Day or on the immediate next Dealing Day.
- xi. Notwithstanding the condition stated in sub-clause x, above the entire Contribution received from a Participant on transfer of individual pension account from other pension fund manager, as mention in Clause 11 below, shall be credited in the Individual Pension Account and no deduction in respect of Front-end Fee shall be made.
- xii. Each Participant shall only be liable for the credit of his Contribution amount and no further liability shall be imposed on him in respect of any Units to be allocated to or held by him in the Sub-Fund(s). The Units shall be allocated against receipt of full payment from the Participant.
- xiii. The Pension Fund Manager may request the Trustee to accept Contribution requests <sup>2</sup>[electronically (that is, web based)/], IVR (Interactive Voice Response) or other means, with the prior approval of the Commission <sup>3</sup>[such as bank auto debit instructions, credit cards and debit cards. The Pension Fund Manager may also request the Trustee to open bank accounts at different branches of banks to facilitate the contribution of Units through the ATM facility. Any such arrangements shall be notified to the Participants as and when introduced by the Pension Fund Manager.  
In case of submission of electronic online contribution/redemption requests the Participant's user ID and password will authenticate his/her identity].
- xiv. The Pension Fund Manager may also request the Trustee to open Bank Accounts at different branches of Bank(s) to facilitate the receipt of Contributions.
- xv. A group of Participants can make and vary arrangement to send their Contribution(s)

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2. Substituted, vide 2<sup>nd</sup> Supplemental Trust Deed dated September 3, 2018, for "through electronic".

3. Inserted vide 2<sup>nd</sup> Supplemental Trust Deed dated September 3, 2018.



through one payment. Such arrangement will be acceptable to the Pension Fund Manager and the Trustee, provided that the said arrangement is conveyed to the Registrar and Pension Fund Manager prior to such payments.

- xvi. Contributions may be made by employers on behalf of their employees through a single payment. Such arrangement will be acceptable to the Pension Fund Manager and the Trustee, provided that Individual Pension Accounts of the employees are opened by submitting their Prescribed Application Forms and complete details of each employee are conveyed to the Registrar and/or Pension Fund Manager prior to such payments.
- xvii. Participants shall indicate their Individual Pension Account number at the time of every Contribution in Atlas Pension Islamic Fund except in cases where the Prescribed Application Form is sent with the first Contribution in Atlas Pension Islamic Fund.
- xviii. The Pension Fund Manager may refuse to accept the Contributions where the Contribution is contrary to the Know-Your-Customer (KYC) rules or policy of the Pension Fund Manager or any other Anti-Money Laundering rules that the APIF may be subject to or that the Pension Fund Manager may frame for self-regulation, or where the Contribution is from an applicant who does not have a valid National Tax Number or where the Contribution is from an applicant who does not have a valid CNIC/NICOP Number.
- xix. The Fund may be marketed in conjunction with group life or other insurance/Takaful schemes or any other scheme subject to approval of the Commission. These supplementary schemes would not be compulsory for all the Participants to join and the Trustee would be authorized to deduct the premiums only from the Contributions of those Participants who have opted to join such schemes. The Trustee would directly deposit the deducted premium with the relevant company. Only the net amount of Contributions after deduction of the premium would form part of the Deposited Property.
- xx. Application procedure highlighted in sub-clauses 6 (i) to (ix) may be altered by the Pension Fund Manager from time to time with the consent of the Trustee and the approval of the Commission or due to amendment to or substitutions of the Rules and/or the Income Tax Ordinance, 2001 and or the Income Tax Rules. Such alterations shall be announced in by Supplementary Offering Documents with the approval of the Commission and shall be deemed to correspondingly alter the above provisions without the need to execute a Supplementary Trust Deed.

## **7. RECEIPT OF CONTRIBUTIONS FROM OUTSIDE PAKISTAN**

- i. Subject to specific exchange control and other applicable laws, rules and regulations, in the event of permission being received from the Government of Pakistan or the State Bank of Pakistan for receiving the Contributions from or on behalf of overseas Pakistanis or for delivery in any country outside Pakistan, the Pension Fund Manager, with the consent of the Trustee and the prior approval of the Commission, shall likewise make arrangements to accept the Contributions from non-resident Pakistanis. The Pension Fund Manager may, with the consent of the Trustee and the prior approval of the Commission, in addition to the Front-end Fee, charge a further amount sufficient to cover, any additional stamp duty or taxation whether national, local or otherwise leviable in that country in respect of such remittance of money to/ from Pakistan.
- ii. In the event that the amount due at the time of redemption of Units is to be paid in any country outside Pakistan, the NAV at which such Units may be redeemed

Pension Fund Manager may, with the consent of the Trustee and the prior approval of the Commission, include as a deduction from the amount payable, a further amount sufficient to cover any additional stamp duty or taxation whether national, local or otherwise leviable in that country in respect of such payment or withdrawal or any bank or other charges incurred in arranging the payment.

- iii. The currency of transaction of the Fund is the Pakistan Rupee and the Pension Fund Manager, Trustee or any Distributor/ Distribution Company/ Sales Agent are not obliged to accept the Contributions or to make the redemption of the Units of the Sub-Funds, in any other currency and shall not be held liable, save as may be specifically undertaken by the Pension Fund Manager, for receipt or payment in any other currency or for any obligations arising there from.

## **8. INDIVIDUAL PENSION ACCOUNT**

- i. The Pension Fund Manager shall open an Individual Pension Account in the name of each Participant on the receipt of the Prescribed Application Form along with the first Contribution from that Participant and assign a number to that Individual Pension Account, which shall then be used for any further activity/ correspondence in that account. Such distinct Individual Pension Account Number shall be issued in line with the criteria prescribed by the Commission.
- ii. The Contributions received from any Participant by the Pension Fund Manager on any Dealing Day shall be immediately credited to his Individual Pension Account after deducting the applicable Front-end Fee.
- iii. The Participant has the option to select any one Allocation Scheme of the Contributions between the Sub-Funds at the date of opening his/her Individual Pension Account and may change the Allocation Scheme once a year thereafter. Notice for the change in Allocation Scheme must be sent by the Participant.
- iv. The amount in the Individual Pension Account shall be used to purchase the Units of Sub-Funds of the Pension Fund at the Net Asset Value notified by the Pension Fund Manager at the close of that day, if such day is a Dealing Day or on the immediate next Dealing Day, on which the Contribution amount is realised, i.e., the Contribution amount payment has been credited to the Pension Fund's collection account.
- v. The Individual Pension Account shall contain, at any particular point of time, the details of the Units outstanding in each Sub-Fund, the unallocated Contribution amount, if any, and where applicable, the total outstanding amount for ultimate disposal.
- vi. As a part of the Prescribed Application Form, each Participant shall provide an undertaking that he/she has no objection to the investment/allocation policy determined by the Commission and he/she is fully aware of the risks associated with his/her selection of Allocation Scheme.
- vii. The criteria of allocations may be subject to changes and modifications from time to time in accordance with the change in the Investment and Allocation Policy prescribed by the Commission. All such changes shall be announced by a Supplementary Offering Documents and shall be deemed to become part of this Trust Deed without the need to execute Supplementary Trust Deeds.
- viii. Individual Pension Account shall not be subject to any lien, pledge or

encumbrance, attachment in the execution of a decree, nor shall it be chargeable or assignable; and any agreement to charge or assign an allowance shall be void, and on the bankruptcy of a Participant, no sum shall pass to any trustee, official assignee or person acting on behalf of his creditors.

## **9. ALLOCATION OF UNITS IN SUB-FUNDS**

- i. The Pension Fund Manager shall offer minimum four Allocation Schemes for Contribution in the Sub-Funds, in line with the Prescribed Allocation Policy. In addition, the Pension Fund Manager may with approval of the Commission offer two more Allocation Schemes during the first five year of operations such as the Life Cycle Allocation Scheme or any other Allocation Scheme. Details of all the Schemes offered by the Pension Fund Manager are given in the Offering Document.
- ii. Each Participant shall select an Allocation Scheme, for the purchase of the Units of any of the Sub-Funds in accordance with the provisions of the Rules and the Offering Document. If the Participant does not select an Allocation Scheme, then the Pension Fund Manager shall allocate the Contribution to a Default Allocation Scheme as prescribed by the Commission, from time to time.
- iii. Contributions received shall be allocated among the Units of each Sub-Fund in whole Units and fractions shall be issued up to four decimal places of a whole Unit.
- iv. All Units and fractions thereof represent an undivided share in the respective Sub-Fund and rank *pari passu* as to their rights in the Net Assets and earnings of that Sub-Fund. Each Participant has a beneficial interest in the Pension Fund proportionate to the Units held by such Participant in the respective Sub-Fund in his Individual Pension Account. The liability of the Participant shall be limited to the clearance of the Contribution amount received.
- v. All Units shall be issued in a non-certificated form.
- vi. Core Units subscribed by the Core Investors in each Sub-Fund shall be offered and issued at the Par Value and shall not be redeemable/ transferable/ tradable for a period of three years from the date of such issue. A mention of such restriction and its termination date shall be entered into the Register and shall be noted on the Account Statement issued in respect of such Units. The Pension Fund Manager may borrow from any approved Financial Institution for its financing requirements and can offer a charge on its entire assets which may include the Core Units of the Pension Fund if the Pension Fund Manager has subscribed for such Units.
- vii. All the Contributions received by the Pension Fund Manager/ Distributor and realised into the Bank Account in the name of the Trustee during the Business Hours on any Dealing Day, shall be credited to his Individual Pension Account after deduction of Front-end Fee, on the same Dealing Day. Any Contribution amount received or realized after Business Hours on any Dealing Day, shall deemed to have been received or realized on the subsequent Dealing Day and shall be credited to his Individual Pension Account after deduction of Front-end Fee or shall be allocated Units in the respective Sub-Fund(s), at the Net Asset Value of the respective Sub-Funds calculated as of the close of the that Dealing Day.
- viii. The Net Asset Value calculated for each Sub-Fund at the close of any Business

Day, shall be made available on the next Business Day to the public by the Pension Fund Manager at the office and branches of the Distribution Companies and published in a leading daily newspaper in Pakistan, and at the discretion of the Pension Fund Manager may also be made available on its website or to the Participants in an electronic or other form.

- ix. With the prior approval of the Commission and by a Supplementary Offering Document, the Pension Fund Manager may at any time with the consent of the Trustee on giving not less than twenty-one days prior notice in writing to each Participant subdivide or consolidate the whole or any part of the Units of each/ any Sub-Fund and the Participant shall be bound accordingly.

## **10. REALLOCATION OF UNITS BETWEEN SUB-FUNDS**

- i. On Anniversary Date or any other date, as mentioned in the Offering Document, the Participant may choose to change the Allocation Scheme.
- ii. On Anniversary Date and/or on any other date, as mentioned in the Offering Document, the Pension Fund Manager shall value the cumulative Units of each Sub-Fund at the NAV at the close of the Valuation Date and reallocate the cumulative amount among the Sub-Funds in accordance with the Allocation Scheme or the revised Allocation Scheme, as per sub-clause (i) above.
- iii. The Pension Fund Manager shall make reallocation of the Units between the Sub-Funds at least once a year, or more frequently to ensure that the allocation of Units of all the Participants are according to the percentages in the Allocation Scheme selected by the Participants or where no selection has been made according to the Default Allocation Scheme. The Pension Fund Manager shall mention the dates of such reallocations in the Offering Document and notify the Trustee and the Participants, if there is any change in the reallocation dates.
- iv. The Core Units shall not be reallocated.

## **11. CHANGE OF PENSION FUND <sup>4</sup>[AND PENSION FUND MANAGER] BY PARTICIPANTS**

- i. Participants shall be entitled to transfer part or whole of his Individual Pension Account from <sup>5</sup>[one pension fund manager] to another pension fund <sup>6</sup>[manager or from one pension fund to another pension fund]. Units shall be redeemed at the Net Asset Value of each of the pertinent Sub-Funds notified <sup>7</sup>[on the working day prior to the date of transfer.]

<sup>8</sup>[i A Subject to provisions of Income Tax Ordinance, 2001 (XLIX of 2001), a participant shall be allowed to transfer his accumulated sum from an approved occupational savings scheme or an approved superannuation fund to a pension fund.]

- ii. In case of partial transfer the Units held in the Individual Pension Account

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4. Inserted vide 2<sup>nd</sup> Supplemental Trust Deed dated September 3, 2018.

5. Substituted, vide 2<sup>nd</sup> Supplemental Trust Deed dated September 3, 2018, for "the Atlas Pension Islamic Fund".

6. Substituted, vide 2<sup>nd</sup> Supplemental Trust Deed dated September 3, 2018, for "managed by \*{Pension Fund Manager or by} another pension fund manager". \*The text was inserted vide 1<sup>st</sup> Supplemental Trust Deed dated June 6, 2013.

7. Substituted, vide 2<sup>nd</sup> Supplemental Trust Deed dated September 3, 2018, for "at the close of the Dealing Day corresponding to the date of transfer."

8. Inserted vide 2<sup>nd</sup> Supplemental Trust Deed dated September 3, 2018.

shall be redeemed in such proportion that the remaining balance in the Individual Pension Account is in accordance with the Allocation Scheme last selected by the Participant.

- iii. No charge whatsoever called shall be deducted for transfer of the Individual Pension Account from <sup>9</sup>[one Pension Fund Manager to another Pension Fund manager or from one pension fund to another pension fund and from approved occupational savings scheme and approved superannuation fund to pension fund.]
- iv. Pension Fund Manager shall use the transferred amount received from the other pension fund(s) to purchase the Units of the Sub- Funds at the Net Asset Value notified at the close of that Dealing Day, according to the Allocation Scheme selected by the Participant.
- v. <sup>10</sup>[The transfer of individual pension account from one Pension Fund Manager to another Pension Fund Manager or from one pension fund to another pension fund shall only take place once in a financial year and the notice for the change of the Pension Fund Manager or the pension fund shall be sent by the participant at least seven working days before the effective date of the proposed change and the Pension Fund Managers shall record such transactions as transfer in the statement of account of the participant.]
- vi. The application for transfer of the account, specifying the name of the new pension fund manager, name of the new pension fund and individual pension account number with the new manager must be sent by the Participant <sup>11</sup>[ ] at least <sup>12</sup>[seven working days before the effective date of the proposed change.] The procedure for transfer of Individual Pension Account from the Pension Fund Manager to another pension fund manager shall be specified in the Offering Document.
- vii. In the event the Commission de-authorizes the Pension Fund Manager, the transfer shall take place without any restriction thereon.
- viii. Policyholders having pension policies approved by the Commission under Section 63 of the Income Tax Ordinance, 2001 (XLIX of 2001) and issued by life insurance companies would also be eligible to redeem their Units and transfer the balance to an Individual Pension Account with the Atlas Pension Islamic Fund, subject to the Trust Deed and the Rules. This may be subject to change due to any changes in or substitutions of the Income Tax Ordinance, 2001 and shall be deemed to become part of this Deed without the need to execute any Supplementary Trust Deed.
- ix. On receiving a transfer application mentioned in clause above, complete in all respects, the Pension Fund Manager shall redeem all Units of the Sub-Funds in the Individual Pension Account of the Participant at the close of first

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9. Substituted, vide 2<sup>nd</sup> Supplemental Trust Deed dated September 3, 2018, for “the Pension Fund to another pension fund.”

10. Substituted, vide 2<sup>nd</sup> Supplemental Trust Deed dated September 3, 2018, for “The transfer of Individual Pension Account to another pension fund shall only take place on the Anniversary Date of opening of the Individual Pension Account in the Pension Fund. The date of transfer shall be the first Dealing Day that falls on or immediately after the Anniversary Date of opening of the Individual Pension Account.”

11. Deleted vide 2<sup>nd</sup> Supplemental Trust Deed dated September 3, 2018. Before deletion read as, “or new pension fund manager.”

12. Substituted, vide 2<sup>nd</sup> Supplemental Trust Deed dated September 3, 2018, for “thirty days before the relevant Anniversary Date.”

Dealing Day that falls on or immediately after the Anniversary Date and transfer the requisite withdrawal amount to the requested pension fund specifying the name and new Individual Pension Account number, if available, of the Participant.

- x. Where transfer amount resulting from notices for transfer of Individual Pension Accounts received on any one Business Day exceed ten percent (10%) of the Net Assets of the Pension Fund, the transfer requests in excess of such ten percent may be deferred in accordance with the procedure elaborated in Clause 17 of this Deed.

## **12. ALLOCATION OF FRONT-END FEE**

- i. The remuneration of Distributors, Distribution Companies or any Sales Agents employed by the Pension Fund Manager shall be paid exclusively from any Front-end Fee received by the Trustee and no charges shall be made against the Deposited Property. The remainder of any Front-end Fee after such disbursement shall be paid by the Trustee to the Pension Fund Manager. If the Front-end Fee received by the Trustee is insufficient to pay the remuneration of the Distribution Company(ies) and/ or Sales Agent(s), the Pension Fund Manager shall pay to the Trustee the amount necessary to pay in full such remuneration.
- ii. Such payments shall be made to the Distribution Companies, the Sales Agents and the Pension Fund Manager by the Trustee or by the Pension Fund Manager to the Trustee, as the case may be, on a monthly basis in arrears within thirty days of the end of the calendar month or receipt of the instructions from Pension Fund Manager whichever is later.

## **13. REDEMPTION OF UNITS**

The Units held by the Participants in the Sub-Funds can be redeemed, subject to conditions mentioned below:

- i. The Units held in the name of Participants be redeemed as permitted in the Rules and Offering Document(s), on retirement or on being disabled or on death, subject to conditions laid down in the Offering Document(s), Rules and the Income Tax Ordinance, 2001 and/or any amendments or substitutions thereof. In such event, the Participant will be required to fill in the relevant Form and forward to the Distribution Company/ Pension Fund Manager. On receipt of such form and after verifying all the particulars, the Pension Fund Manager will instruct the Trustee to redeem such number of Units, as permitted in the Offering Document, Rules and Income Tax Ordinance.
- ii. The Participant may withdraw from the Scheme, if he chooses to change the Pension Fund Manager, as allowed under the Rules. The Participant will be required to fill the relevant Form and forward to the Distribution Company/ Pension Fund Manager. On receipt of such Form and after verifying all the particulars, the Pension Fund Manager will instruct the Trustee to pay the accrued amount to the designated pension fund manager on account of such Participant.
- iii. The Participant may also withdraw from the Scheme prior to retirement. If the Participant so chooses, he will be required to fill the relevant Form and forward to the Distribution Company/ Pension Fund Manager. On receipt of such form

and after verifying all the particulars, the Pension Fund Manager shall redeem the requested Sub-Fund Units at the Net Asset Value prevailing at the close of the Dealing Day on which the request, complete in all respects, was received and will instruct the Trustee to pay the accrued amount to the Participant, within six Business Days of the receipt of such application, subject to such conditions as mentioned in the Offering Document, Rules and Income Tax Ordinance, 2001 (including any modifications or substitutions thereof) and after deducting the tax, if any, as required under the law and depositing the same in the Government treasury. Proceeds payable to the Participant shall be net of this withholding tax.

- iv. The withdrawals may be through single or multiple payments. In case of partial withdrawal, Sub-Fund Units shall be redeemed on pro rata basis by ensuring that the remaining Units are in accordance with the Allocation Scheme last selected by the Participant.
- v. All Sub-Funds Units shall be automatically redeemed on the close of the Dealing Day at which the Retirement Date falls or death of a Participant has been confirmed with necessary evidence to the Pension Fund Manager in writing, and the amount due shall be credited to his Individual Pension Account. The Participants or his successor(s), as the case may be, shall be entitled to withdraw amounts from the Atlas Pension Islamic Fund under the provisions of this Deed.
- vi. The Pension Fund Manager shall at all times make available updated information on its website, and/ or keep the Offering Document updated according to any amendments in the Rules, Income Tax Ordinance and any applicable law and ensure that all conditions laid down in these laws are complied with.
- vii. The Units held by the Core Investors shall only be redeemed after three years from the date of issue.
- <sup>13</sup> [viii] The Pension Fund Manager may request the Trustee to accept Redemption requests electronically (that is, web based), IVR (Interactive Voice Response) or other means with the prior approval of the Commission. The Pension Fund Manager may also request the Trustee to open bank accounts at different banks to facilitate the redemption of Units through the ATM facility. Any such arrangements shall be notified to the Participants as and when introduced by the Pension Fund Manager.

In case of submission of electronic online redemption requests the Participant's user ID and password will authenticate his/her identity.]

#### **14. PAYMENT OF PROCEEDS**

- i. The amount payable on withdrawal shall be paid to the Participant by crossed cheque, pay order or transfer to the Participant's designated banker or a Life Insurance/Takaful Company as the case may be within six Business Days from the date of receipt of request from the Participant, subject to the condition that the relevant Form is complete in all respects. The Pension Fund Manager would ensure that while making payment, adequate records in respect of reason of payment are maintained. At the written request of the Participant, the Pension Fund Manager may at its discretion, advise the Trustee to pay proceeds through some other mode of payment (other than cash).
- ii. In the event that the relevant Form is incomplete in any respects, the

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13. Inserted vide 2nd Supplemental Trust Deed dated September 3, 2018.

Pension Fund Manager or the Registrar, as the case may be, shall inform the Participant of the discrepancies within one week of the receipt of the relevant Form to provide the missing information. The withdrawal payment shall not be made until all discrepancies have been removed and the relevant Form is complete in all respects.

- iii. The amount payable on transfer on behalf of the Participant shall be paid to the requested pension fund or the Life Insurance/Takaful Company, as the case may be, within six Business Days from the Anniversary Date or the Retirement Date as the case may be. In the event transfer requests on any day exceed 10% of the Atlas Pension Islamic Fund, the Pension Fund Manager may take extra time under intimation of the Trustee but not more than 30 days for the transfer of the requested amount.
- iv. The receipt of the Participant or banking documents showing transfer of withdrawal amount to the Participant, insurance/Takaful company or another pension fund as the case may be or proof of issue of a cheque and mail to the Participants address for any moneys payable in respect of the Individual Pension Account shall be a good discharge to the Trustee and the Pension Fund Manager.
- v. The method for payment of proceeds shall subject to change due to any changes prescribed by the Commission under the Rules and shall be deemed to become part of this Deed without the need to execute any Supplementary Trust Deed.

## **15. WITHHOLDING TAX**

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

## **16. DEALING, SUSPENSION OF DEALING AND VALUATION OF UNITS**

- i. Each of the Sub-Funds shall be valued on a daily basis on each Business Day. The Net Asset Value of a Unit of each Sub-Fund shall be determined at the close of each Business Day, according to the procedure outlined in the Rules and shall be applicable for allocation of Units in each Sub-Fund for all the Contribution amounts realized and credited in collection account of the Pension Fund during the Business Hours on that Business Day. Any Contributions credited in collection account of the Pension Fund after Business Hours on any Dealing Day shall be deemed to be received on the following Dealing Day and shall be allocated Units of each Sub-Fund on the Net Asset Value determined at the close of that Dealing Day.
- ii. There shall be at least four Dealing Days in a week, or as specified in the Rules from time to time, which shall be notified by the Pension Fund Manager to the Participant, Trustee and the Commission, from time to time.
- iii. The Pension Fund Manager may, under immediate intimation to the Commission and the Trustee defer or suspend the dealing of the Units of the Sub-Funds during extraordinary circumstances including war (declared or otherwise), natural disasters, a major break down in law and order, breakdown of the communication



system, closure of one or more Stock Exchanges on which any of the Securities invested in by the Fund are listed, closure of the banking system or strikes or other events that render the Pension Fund Manager or the Distributors unable to function, or the existence of a state of affairs, which in the opinion of the Pension Fund Manager, constitutes an emergency as a result of which disposal of any investment would not be reasonably practicable or might seriously prejudice the interest of the Fund or of the Participants, or a break down in the means of communication normally employed in determining the price of any Investment, or when remittance of money cannot be carried out in reasonable time and if the Pension Fund Manager is of the view that it would be detrimental to the remaining Participants to redeem Units at a price determined in accordance with the Net Asset Value..

- iv. The Pension Fund Manager shall, in the event of the above mentioned circumstances shall also have the fact published the next day, immediately following such decision, in the newspaper in which the Sub-Fund's prices are normally published.
- v. The suspension of withdrawal will not be applicable on Approved Income Payment Plan Accounts of the respective Participants.
- vi. Contributions shall not be accepted and no Units of any Sub-Funds shall be issued during any period of suspension. Also requests for withdrawals will not be accepted during any period of suspension.
- vii. Such suspension shall end on the day following the first Business Day on which the conditions giving rise to the suspension shall in the opinion of the Pension Fund Manager have ceased to exist and no other condition under which suspension is authorized under the Deed or the Rules exists and the Pension Fund Manager shall immediately notify the Commission and the Trustee and shall cause the same to be published on the next possible day immediately following such decision, in the newspaper in which the Sub-Fund's prices are normally published.

## **17. QUEUE SYSTEM**

In the event withdrawal or transfer requests before retirement on any day exceed ten percent (10%) of the Net Assets of the Pension Fund or any Sub-Fund, the Pension Fund Manager may invoke a queue system whereby requests for withdrawal shall be processed on a first come first served basis for up to ten percent of the Net Assets of the Pension Fund or the Sub-Fund. The Pension Fund Manager shall proceed to sell adequate assets of the Pension Fund and/ or arrange borrowing, with the consent of the Trustee, as it deems fit in the best interest of the Participants and shall determine the Withdrawal Amount to be applied to the withdrawal 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 withdrawal requests in excess of ten percent (10%) of the Net Assets of the Pension Fund or any Sub-Fund shall be carried over to the next Business Day. However, if the carried over requests and the fresh requests received on the next Business Day still exceeds ten percent (10%) of the Net Assets of the Pension Fund or any Sub-Fund, these shall once again be treated on first-come-first-served basis and the process for generating liquidity and determining the Withdrawal Amount shall be repeated and such procedure shall continue till such time the outstanding withdrawal requests come down to a level below ten percent of the Net Assets of the Pension Fund or the Sub-Fund.

Notwithstanding anything contained in this Deed, the extra time taken by the Pension Fund Manager for meeting withdrawal or transfer request, as the case may be, shall not exceed 30 days from the date of receipt of such application.

## 18. RETIREMENT AGE

- i. The Retirement Age for the Participants may be any age between sixty and seventy years <sup>14</sup>[or twenty-five years since the age of first contribution to a pension fund, whichever is earlier.] <sup>15</sup>[ ]
- ii. If a Participant suffers from any of the following disabilities, which render him unable to continue any employment he may, if he so elects, be treated as having reached the Retirement Age at the date of such disability and all relevant provisions shall apply accordingly, namely:
  - (a) loss of two or more limbs or loss of a hand and a foot;
  - (b) <sup>16</sup>[ ] loss of eyesight;
  - (c) <sup>17</sup>[ ] deafness in both ears;
  - (d) <sup>18</sup>[ ] severe facial disfigurement;
  - (e) <sup>19</sup>[ ] loss of speech;
  - (f) paraplegia or hemiplegia;
  - (g) lunacy;
  - (h) advance case of incurable disease; or
  - (i) wounds, injuries or any other diseases, etc., resulting in a disability due to which the Participant is unable to continue any work.
- iii. An assessment certificate from the medical board approved by the Commission and appointed by the Pension Fund Manager or any such procedure that the Commission has approved would be required to confirm any of the disability, specified above.

## 19. BENEFITS ON RETIREMENT

- i. At the date of retirement of the Participant <sup>20</sup>[, where no option is selected by him,] all the Units of the Sub- Funds to his credit shall be redeemed at the Net Asset Value notified at close of the day of retirement, if such day is a Dealing Day and otherwise on the next following Dealing Day and the amount due shall be <sup>21</sup>[transferred] to his Individual Pension Account, <sup>22</sup>[in the lower volatility scheme offered by the Pension Fund Manager.] The Participant shall be given Forms listing their choices under the Rules and shall then have the following

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14. Inserted vide 2nd Supplemental Trust Deed dated September 3, 2018.

15. Deleted vide 2nd Supplemental Trust Deed dated September 3, 2018. Before deletion read as, "Participant may choose his/her age of retirement between sixty and seventy years. Participant shall send a notice to the Pension Fund Manager at least thirty days before the chosen date of Retirement."

16. Deleted vide 2<sup>nd</sup> Supplemental Trust Deed dated September 3, 2018. Before deletion read as, "total".

17. Deleted vide 2<sup>nd</sup> Supplemental Trust Deed dated September 3, 2018. Before deletion read as, "total".

18. Deleted vide 2<sup>nd</sup> Supplemental Trust Deed dated September 3, 2018. Before deletion read as, "very".

19. Deleted vide 2<sup>nd</sup> Supplemental Trust Deed dated September 3, 2018. Before deletion read as, "total".

20. Inserted vide 2nd Supplemental Trust Deed dated September 3, 2018.

21. Substituted, vide 2nd Supplemental Trust Deed dated September 3, 2018, for "credited".

22. Substituted, vide 2nd Supplemental Trust Deed dated September 3, 2018, for "which shall earn the applicable market rate of profit offered for deposits of such amount and duration."

options, namely:

- (a) <sup>23</sup>[Withdraw up to fifty per cent (50%) or such percentage of the amount from individual pension account as cash which is permissible under the Income Tax Ordinance, 2001 (XLIX of 2001) and subject to payment of tax as required thereunder;] Withdraw any amount, subject to the conditions laid down in the ITO, 2001;
- (b) Use the remaining amount in case of withdrawal to purchase an Approved Annuity Plan from a Life Insurance/Takaful Company of his choice, such payment shall be made directly by the Trustee of the Fund to the Life Insurance/ Takaful Company ; or
- (c) Enter into an agreement with the Pension Fund Manager of his choice to withdraw from the remaining amount, monthly instalments <sup>24</sup>[for up to fifteen years following the date of retirement] or as specified in the Rules, according to an Approved Income Payment Plan, approved by the Commission.

<sup>25</sup>[(d) The transfer of individual income payment plan account from one Pension Fund Manager to another Pension Fund Manager or from one income payment plan to another income payment plan shall only take place once in a financial year and notice for the change, specifying the name of new Pension Fund Manager and the income payment plan shall be sent by the participant at least seven working days before the effective date of the proposed change.]

ii. The Approved Annuity Plan purchased may be single life, joint or survivor life, level (with or without guarantee period), increasing, investment linked and retail price index linked or with any additional features as may be offered by Life Insurance/ Takaful Company.

<sup>26</sup>[(iii) At the expiry of the income payment plan according to sub-clause (i) (c), the participant shall have option to use the outstanding balance in his individual pension account to purchase an annuity from a Life Insurance Company, of his choice or buy an income payment plan for another term or withdraw the amount from his account.]

## 20. BENEFITS ON DEATH BEFORE RETIREMENT

i. <sup>27</sup>[In case of death of a participant before the retirement age, all the units of the sub-funds to his credit shall be redeemed at the net asset value notified at close of the day of intimation of death and the amount due shall be transferred to his individual pension account in the lower volatility scheme offered by the Pension Fund Manager till the date when the available options mentioned in sub-clause (ii) below are exercised by the nominees.

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23. Substituted, vide 2nd Supplemental Trust Deed dated September 3, 2018, for "Withdraw any amount, subject to the conditions laid down in the ITO, 2001;"

24. Substituted, vide 2nd Supplemental Trust Deed dated September 3, 2018, for "till the age of seventy-five years or earlier."

25. Inserted vide 2nd Supplemental Trust Deed dated September 3, 2018 .

26. Inserted vide 2nd Supplemental Trust Deed dated September 3, 2018 .

27. Substituted, vide 2nd Supplemental Trust Deed dated September 3, 2018, for "In case of death of a Participant before the Retirement Age, all the Units of the Sub-Funds to his credit shall be redeemed at the Net Asset Value notified at close of the Dealing Day on which the confirmation of death has been received in writing by the Pension Fund Manager and the amount due shall be credited to Individual Pension Account in his name, which shall be deposited in a Bank Account or any other Investments as authorized by the Commission and earn the applicable market rate of interest for such Bank Accounts/ Investments for the duration starting from the date of redemption of Units in the Sub-Funds".

- ii. The total amount in the Individual Pension Account of the deceased Participant shall be divided among the nominated survivor(s) according to the percentages specified in the prescribed nomination form and each of the nominated survivors shall then have the following options, namely:
  - (a) Withdraw his share of the amount subject to the conditions laid down in the Income Tax Ordinance; 2001 (XLIX of 2001);
  - (b) Transfer his share of the amount into his existing or new Individual Pension Account <sup>28</sup>[or income payment plan account] to be opened with <sup>29</sup>[a] Pension Fund Manager, according to the Rules;
  - (c) Purchase an Approved Annuity Plan on his life from a Life Insurance / Takaful Company, only if the age of the survivor is fifty five years or more; or
  - (d) Purchase a deferred Approved Annuity Plan on his life from a Life Insurance Takaful Company to commence at age fifty five years or later.
- iii. Death benefits paid under the group life cover, if any, would be constituted as additional benefit payable to the nominated survivor(s) of the deceased.
- iv. The nominee(s), in case of nomination(s) and the executors or administrators or succession certificate holders of deceased Participant shall be the only persons recognized by the Trustee and the Pension Fund Manager as having title to the Sub-Fund Units represented thereby.
- v. Any person or persons becoming entitled to an account in consequence of the death of any Participant may, subject as hereinafter provided, upon producing such evidence as to his title as the Trustee shall think sufficient either be registered himself/ themselves as Participant(s) upon giving the Registrar such notice in writing of his/her desire or withdraw funds from the account under sub-clause (ii) above. 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 had not occurred and such notice or transfer was executed by the Participant. Provided however, the Registrar or the Trustee may at their discretion request the nominated survivors to provide succession certificates or other such mandate from a court or lawful authority, if they consider necessary and they shall not be liable or be involved in any manner whatsoever in any disputes among the nominated survivors and/or the rest of the legal heirs or the legal representatives of the deceased Participants.
- vi. The Trustee shall retain any moneys payable in respect of any Sub-Fund Unit or Individual Pension Account or Approved Income Payment Plan Account of which any person is, under the provisions as to the transmission of Unit hereinbefore contained, entitled to be registered as the Participant 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. During this period the money shall be invested as mentioned in sub-clause (i) above.

## 21. REGISTER OF PARTICIPANTS

- i. A Register shall be maintained by the Registrar (or by the Pension Fund Manager, if it itself performs the Registrar Function) at such a place as is selected

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28. Inserted vide 2nd Supplemental Trust Deed dated September 3, 2018 .

29. Substituted, vide 2nd Supplemental Trust Deed dated September 3, 2018, for "the".

by the Pension Fund Manager. The Pension Fund Manager shall ensure that the Registrar shall comply with all relevant provisions of the Rules and this Deed.

- ii. The Register shall be maintained in electronic form and be password protected. The Pension Fund Manager would grant access to all the Participants to view the account information. The record keeping system shall contain the computerized transaction log which shall record Participant Account changes, who made them and when they were made. The Registrar and the Pension Fund Manager shall make sufficient provision for back up of the Register and its storage at an off-site location.
- iii. The Register shall be conclusive evidence as to the Units held by each Participant in each Sub-Fund.
- iv. The Registrar shall, within three working days of receiving a written request from any Participant, post (or send by courier or through electronic means) to such Participant details of such Participant's account in the Register. Such service shall be provided free of charge to any Participant requesting so once in any financial year. The Pension Fund Manager may prescribe charges for servicing of any additional requests with the approval of the Commission. The details of charges if any shall be disclosed in the Offering Document.
- v. Every Participant will have an Individual Pension Account, with a distinct number. Such account will reflect all the transactions in that account by the Participant.
- vi. The Pension Fund Manager shall ensure that the Registrar shall at all reasonable times during Business Hours give the Trustee and its representatives access to the Register and to all subsidiary documents and records or certified copies thereof and to inspect the same with or without notice and without charge but neither the Trustee nor its representatives shall be entitled to remove the Register or to make any entries therein or alterations thereto. The Commission may however, at any time inspect, remove or take possession of the Register with or without any prior notice.
- vii. The Register shall be maintained in line with the Guidelines on record keeping issued by the Commission from time to time and shall, at the minimum, contain the following information:
  1. Registration number;
  2. Individual Pension Account number;
  3. Full names, father's name, residency status, CNIC number (in respect of Pakistan nationals)/ NICOP number (in respect of overseas Pakistanis), National Tax Number and addresses of Participant;
  4. If Participant is registered through an employer the Individual Pension Account Number will be linked to the respective Employer Account Number that will contain the following:
    - i. Employer name;
    - ii. Registered address;
    - iii. National Tax Number;
    - iv. Number of employees contributing in VPS; and
    - v. Telephone number and e-mail address.
  5. Date of birth, Sex of the Participant;

6. Complete record of the amount and date of each Contribution paid by the Participant;
  7. Complete record of the amount and date of each Contribution paid by the Employer;
  8. Date and amount of incoming/outgoing transfers;
  9. The number of Sub-Fund Units allocated and standing in the name of the Participant in the Individual Pension Account or Approved Income Payment Plan balances;
  10. The date on which the name of every Participant was entered in respect of the Sub-Fund Units standing in his name;
  11. Tax/Zakat status of the Participants;
  12. Nominee(s);
  13. Record of specimen signatures of the Participant and Nominee(s);
  14. Information on retirement of Participant and the payments made or to be made;
  15. Information on death and transfer of account to nominees or successors; and
  16. Such other information as may be specified by the Commission or Pension Fund Manager may require.
- viii. The Register shall be conclusive evidence as to the Sub-Fund Units or Individual Pension Account or Approved Income Payment Plan Account balances held by each Participant.
- ix. The accessibility of data shall extend three years past the last amount paid to the Participant, subsequent pension fund manager or to the heirs of the Participant by the Pension Fund Manager.
- x. Participant shall forthwith notify any change in address or any other particular/ criteria, in writing or in any such form as may be acceptable to the Pension Fund Manager, to the Registrar, who on being satisfied therewith and on compliance with any formalities as required, shall alter the Register or cause it to be altered accordingly subject to fulfillment of formalities evidencing change of name satisfactory to the Registrar.
- xi. The Participant shall be the only person to be recognized by the Trustee, the Pension Fund Manager and the Registrar as having any right, title or interest in or to such Units held in his name in each Sub-Fund and the Trustee, the Pension Fund Manager and the Registrar may recognize the Participant as the absolute owner thereof and shall not be bound by any notice to the contrary and shall not be bound to take notice of or to see to the execution of any trust except where required by any competent authority or a court of competent jurisdiction.
- xii. While making payment of the benefits, the Pension Fund Manager shall ensure that adequate description of reasons of payment i.e. retirement, disability, death benefit to the beneficiary(ies) is mentioned in the Register.
- xiii. In case of the death of any Participant, the nominees shall be the only persons recognized by the Trustee as having any title to or interest in the Units held by the Participant. Provided however, the Registrar, Pension Fund Manager or the Trustee may at their discretion request the nominees to provide succession certificates or other such mandate from a court or lawful authority, if they consider necessary under the law or under the prevailing circumstances, including disputes that may arise among the nominees and/or the legal heirs or legal

representatives of the deceased Participant. Under no circumstances whatsoever will the Pension Fund Manager, the Trustee, the Registrar or the Distributor or any other person acting for the Pension Fund Manager shall be liable for any disputes or claims that may arise among the legal heirs or legal representatives of the deceased even after the transfer of the Units or payments to the nominees. The Pension Fund Manager, the Trustee, the Registrar, the Distributor and other persons acting for the Pension Fund Manager shall stand indemnified in this regard.

- xiv. In case of no nomination by the Participants, the executors or administrators or succession certificate holder of deceased Participant shall be the only persons recognized by the Trustee and the Pension Fund Manager as having title to the Units represented thereby.
- xv. Any person(s) becoming entitled to receive the accumulated balance in consequence of the death of any Participant may, subject as hereinafter provided upon producing such evidence as to his title as the Trustee shall think sufficient, and as permissible under the Rules and/ or the Income Tax Ordinance 2001, withdraw his full share of the accumulated amount in accordance with the limits prescribed in the Income Tax Ordinance, 2001, transfer his share of the amount into his existing Individual Pension Account or create a new Individual Pension Account with the Pension Fund Manager or use his share of the amount to purchase an immediate Annuity (if the survivor is of age fifty five years or more) or a deferred Annuity (to commence at the age of fifty five years or more) on his life from a Life Insurance/Takaful Company of his choice. Such person(s) shall give the Pension Fund Manager, Trustee or Registrar, notice of his such desire, in writing, or in such other form as may be acceptable to the Pension Fund Manager, Trustee or Registrar. 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 had not occurred and such notice or transfer was a transfer executed by the Participant. Provided however, the Pension Fund Manager, Registrar, or the Trustee may at their discretion request the survivors to provide succession certificates or other such mandate from a court or lawful authority, as they consider necessary.

## **22. ISSUANCE OF ACCOUNT STATEMENT**

- i. The Pension Fund Manager or the Registrar, as the case may be, shall send an acknowledgment receipt <sup>30</sup>[through e-mail or otherwise] of the Contribution to the Participant and to the employer, if so required, within one week of the receipt of such Contribution.
- ii. The Pension Fund Manager <sup>31</sup>[may] send an <sup>32</sup>[electronic] Account Statement, as at 30<sup>th</sup> June and 31<sup>st</sup> December each year, within thirty days thereafter to each Participant, confirming the aggregated transactions for that six month period and indicating the type(s) of Contributions received: Contribution from the employer or the Participant, incoming transfers from other pension fund manager(s) or incoming transfers from Provident Fund or transfer from a deceased person's account or other; types of benefit disbursements: retirement, pre-retirement payment along with the taxes withheld, death benefit payment or transfer to heirs, outgoing transfer to purchase an Approved Annuity Plan from a Life Insurance/ Takaful company, outgoing transfer to other pension fund manager(s), withdrawals or other. The statements shall include details of the number of Units allocated and held the

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30. Inserted vide 2nd Supplemental Trust Deed dated September 3, 2018 .

31. Substituted, vide 2nd Supplemental Trust Deed dated September 3, 2018, for "shall".

32. Inserted vide 2nd Supplemental Trust Deed dated September 3, 2018 .

current valuation of the Units such other information as may be specified by that the Commission free of charge. Additionally, the Participant shall be entitled to receive any statement, in respect of his account, at any time, on written application. Such information may also be posted on the website or emailed and furnished electronically, subject to prior approval of the Commission.

- iii. The Pension Fund Manager may, at its discretion, send such statements <sup>33</sup>[through e-mail] as mentioned in sub-clause (ii) above, on a more frequent basis, as an additional service for the Participants. The Pension Fund Manager may also make arrangements to have such details accessible on its website through a personalized PIN code for each Individual Pension Account, with the approval of the Commission.
- iv. The Participant shall however be entitled to receive any information, in respect of his Individual Pension Account, at any time on written application. The Registrar shall, within a week of receiving a written request from any Participant, post (or send by courier or through electronic means) to such Participant details of the Participant's Individual Pension Account being maintained in the Register. The Pension Fund Manager may however, make arrangements to have such details accessible on its website through a personalized PIN code for each Individual Pension Account, with the approval of the Commission.

## **23. FEES AND CHARGES**

### **i. Front-End Fee**

- (a) The Pension Fund Manager may charge up to a maximum Front-end Fee of 3% on Contributions to the Pension Fund, unless such Contributions are exempt from a Front-end Fee.
- (b) The following Contributions are exempt from a Front-end Fee:
  - (1) Incoming transfer of the Individual Pension Account from other pension fund manager to the Pension Fund Manager;
  - (2) Incoming transfer from pension policies approved by the Commission under section 63 of the Income Tax Ordinance, 2001 and issued by Life Insurance Companies before 30<sup>th</sup> June 2005; and
  - (3) Such other Contributions or Transfers as may be declared by the Commission from time to time.
- (c) The Pension Fund Manager, at its sole discretion, may choose to reduce or altogether waive the Front-end Fee to any Participant or employer. Once the Pension Fund Manager has made an exception to reduce or waive the Front-end Fee for a Contribution, accepted that Contribution without imposing a Front-end Fee, the Pension Fund Manager may not later re-charge that Front-end Fee. However, the decision by a Pension Fund Manager to reduce or waive a Front- end Fee for one Participant or for one Contribution of a single Participant does not obligate the Pension Fund Manager to reduce or waive the Front-end Fee for other Participants' Contributions or for future Contributions of the same Participant.
- (d) The remuneration of Distribution Companies and Sales Agents shall be paid exclusively from any Front-end Fee received by the Trustee and no charges

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33. Inserted vide 2nd Supplemental Trust Deed dated September 3, 2018 .



shall be made against the Deposited Property. The remainder of any Front-end Fee after such disbursement shall be paid by the Trustee to the Pension Fund Manager. If the Front-end Fee received by the Trustee is insufficient to pay the remuneration of the Distribution Companies and Sales Agents, the Pension Fund Manager shall pay to the Trustee the amount necessary to pay in full such remuneration.

**ii. Remuneration of the Pension Fund Manager:**

- (a) The Pension Fund Manager shall be entitled to receive an annual management fee of an amount not exceeding one and a half percent (1.5%) per annum of the average of the values of the Net Assets of each Sub-Fund calculated during the year for determining the NAVs of the Units of the respective Sub-Funds.
- (b) The remuneration shall begin to accrue from the date of payment in full of all Core Units of each Sub-Fund subscribed by the Core Investors. In respect of any period other than an Accounting Period such remuneration shall be prorated on the basis of the actual number of days for which such remuneration has accrued for the total number of days accrued in the Accounting Period concerned.
- (c) The remuneration due to the Pension Fund Manager shall accrue on a daily basis and be paid on monthly basis within 30 days following the end of the calendar month. However, the Pension Fund Manager may, with the consent of the Trustee, receive in advance any amount from the accrued remuneration.
- (d) In consideration of the foregoing and save as aforesaid the Pension Fund Manager shall be responsible for the payment of all expenses incurred by the Pension Fund Manager from time to time in connection with its responsibilities as Pension Fund Manager of the Trust, including the remuneration and expenses of Registrar and the Investment Advisor, if appointed. The Pension Fund Manager shall not make any charge against the Participants or against the Deposited Property for its services or for its expenses, except such expenses as are expressly authorized under the provisions of the Rules and this Deed to be payable out of Deposited Property.
- (e) The Pension Fund Manager shall bear all expenditures in respect of its secretarial and office space and professional management, including all accounting and administrative services provided in accordance with the provisions of this Deed.
- (f) In the event that a Pension Fund Manager erroneously makes an incorrect charge, the Pension Fund Manager shall immediately notify the Trustee and the Commission and credit the incorrectly charged amount to the respective Sub-Funds, at its own expense.
- (g) Any changes in the remuneration structure provided in the Rules, shall overrule and replace the existing remuneration structure, as provided in sub-clause (a) above and shall not require any amendments to this Deed.

**iii. Remuneration of the Trustee:**

- (a) The Trustee shall be entitled to a monthly remuneration out of the Deposited Property based on an annual tariff of charges, as given in sub-clause iii (b) below, which shall be applied to the average daily Net Assets of the Pension Fund calculated during such calendar month for determining the prices

of the Units of the Sub-Funds. The remuneration shall begin to accrue from the date of payment in full of all Units of the Sub-Funds 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.

- (b) The Trustee remuneration shall consist of reimbursement of actual custodial charges, if any, plus the tariff agreed with the Pension Fund Manager as attached as Annexure "E".
- (c) Such remuneration shall accrue on daily basis and shall be paid to the Trustee in arrears within thirty days after the end of each calendar month. However, the Trustee may, with the consent of the Pension Fund Manager, receive in advance any amount from the accrued remuneration.
- (d) 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 its duties as Trustee of the Trust. The Trustee shall not make any charge against the Participants or against the Deposited Property for its services or for its expenses, except such expenses as are expressly authorized to be paid out of the Deposited Property under the provisions of the Rules and this Deed.
- (e) The Trustee shall bear all expenditures in respect of its secretarial and office space and professional management services provided in accordance with the provisions of this Deed.
- (f) Any change in the remuneration of the Trustee agreed to by the Pension Fund Manager shall require the prior approval of the Commission. Any changes in the remuneration structure shall overrule the existing tariff structure, as provided in Annexure E and shall not require any amendments to this Deed.

#### **iv. Other Fees and Charges**

- (a) Brokerage and Transaction Cost(s) relating to investing and disinvesting of the Deposited Property of each Sub-Fund;
- (b) Legal costs, as may be incurred in protecting the interests of the Fund or the collective interests of the Participants subject to the approval of the Trustee;
- (c) Routine operational Bank charges relating to the Pension Fund;
- (d) Financial costs related to borrowing on behalf of the Sub-Fund(s) to meet the requests for withdrawals and transfers;
- (e) External Auditor's Fees;
- (f) Commission's Annual Fee but not any fines, charges, sanctions or penalties asserted by the Commission against the Pension Fund Manager or any of its related companies;
- (g) Taxes applicable to the Trust on its income, turnover, assets or otherwise if any;
- (h) Custodial charges including Central Depository Company of Pakistan charges, if any; and
- (i) Any amount which the Shariah Adviser may declare to be Haram and to be paid to Charity as per Guidelines issued by the Commission from time to time;

#### **v. Formation Cost**

Formation Costs not exceeding half of one percent (0.5%) of the Seed Capital of each Sub-Fund or PKR 750,000/- in total whichever is lower, shall be borne by each Sub-Fund and shall be paid out of the Deposited Property within three months of the full receipt of Seed Capital and amortized over a period of three years in equal installments subject to the approval of the Commission.

#### **vi. Fees, charges, costs, etc. to be charged to the Sub-Funds:**

- (a) The Pension Fund Manager's remuneration i.e. management fee and the Trustee's remuneration shall be charged to the respective Sub-Funds in proportion to the Net Asset Value of the pertinent Sub-Funds.
- (b) Formation Cost shall be divided equally among all the Sub-Funds.
- (c) Brokerage and transaction costs, bank charges and borrowing/financial costs related to borrowings for withdrawals/redemption/transfers, custodial charges (if any) shall be charged to the pertinent Sub-Funds.
- (d) Legal costs, audit fees, annual fees payable to the Commission shall be divided in proportion to the Net Assets of the pertinent Sub-Funds.

### **24. DEPOSITED PROPERTY OF SUB-FUNDS**

- i. The Deposited Property for each Sub-Fund will be separately maintained and accounted for, which shall constitute of the proportionate allocation of the Contributions received from the Participant(s) to the respective Sub-Fund(s), in accordance with the Allocation Scheme(s) selected by the Participant(s) after deducting there from any applicable Front-end Fee, and shall include all the Investment and all income, profit and other benefits arising there from and all cash and other movable or immovable assets and property of every description for the time being held or deemed to be held upon trust by the Trustee in that respective Sub-Fund, for the benefit of the pertinent Participants pursuant to this Deed.
- ii. All cash forming part of the Deposited Property for each Sub-Fund shall be deposited by the Trustee in a separate account for the respective Sub-Fund, in the name of the Trustee with an Approved Bank having minimum investment grade entity rating as may be prescribed by the Commission from time to time. The Approved Bank shall be caused to allow profit thereon in accordance with the Rules prescribed by the Approved Bank for sharing of profits on the deposits, as may be allowed.
- iii. The Deposited Property for each Sub-Fund shall initially be constituted out of the proceeds of the Core Units issued to the Core Investors.
- iv. The Trustee shall take the Deposited Property of each Sub-Fund into its custody or under its control either directly or through the Custodian and hold it in trust for the benefit of the Participants in accordance with the provisions of the Rules and this Deed. The Deposited Property in respect of each Sub-Fund shall always be kept as a separate property and shall not be applied to any purpose unconnected with that particular Sub-Fund. All register-able Investment for the respective Sub-Fund(s) shall be registered in the name of the Trustee and shall remain so registered until disposed of pursuant to the provisions of this Deed. All expenses incurred by the Trustee in effecting such registration shall be payable out of the Deposited Property of the respective Sub-Fund.

- v. The Trustee shall have the sole responsibility for the safekeeping of the Deposited Property. In the event of any loss, caused through negligence on the part of the Trustee, 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 such loss.
- vi. The Fund may be marketed in conjunction with group life or other insurance/Takaful schemes or any other scheme subject to approval of the Commission. Joining these supplementary schemes would not be compulsory for the Participants and the Trustee would be authorized to deduct the premiums only from the Contributions of those Participants who have opted to join such schemes. The Trustee would directly deposit the deducted premium with the relevant Life Insurance Company or Takaful Company. Only the net amount of Contributions after deduction of the premium shall form part of the Deposited Property.

## **25. INVESTMENT OF THE DEPOSITED PROPERTY OF ALL SUB-FUNDS**

- i. During and prior to the Launch Date, the Trustee shall hold the Deposited Property of each of the Sub-Fund(s) on deposit in a separate account with an Approved Bank having minimum investment grade entity rating as may be prescribed by the Commission from time to time. The Pension Fund Manager may also invest in such Authorized Investments in accordance with the investment policy as prescribed by the Commission and mentioned in the Offering Document. After the Launch Date all Deposited Property, except in so far as such cash may in the opinion of the Pension Fund Manager be required for meeting withdrawal or transfer of funds requests, shall be invested by the Trustee from time to time in such Authorized Investments as mentioned in the Offering Document, at the (subject to the provisions of the Investment Policy prescribed by the Commission and further subject to relaxations if any, granted by the Commission from time to time) and this Deed and the Offering Document sole discretion of the Pension Fund Manager. Furthermore, Investments shall be made only in those securities that comply with the screening criteria and guidelines of the Shariah Advisor appointed with the approval of the Commission
- ii. In case cash forming part of the Sub-Fund's assets is deposited with the Trustee or the Custodian, which is an Approved bank, return shall be paid on the deposit by such Trustee or Custodian at a rate that is not lower than the rate offered by the said bank to its other depositors on deposits of similar amount and maturity.
- iii. Any Investment of any Sub-Fund(s) may at any time be realized at the discretion of the Pension Fund Manager either in order to invest the proceeds of sale in other Authorized Investments 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 ceases to be an Authorized Investment shall be realized and the net proceeds of realization shall be applied in accordance with this clause:  
  
Provided that the Pension Fund Manager may, with the consent of the Trustee, postpone the realization of such Investment of the pertinent Sub-Fund for such period as the Pension Fund Manager may determine to be in the interest of the Participants.
- iv. The Deposited Property of each Sub-Fund shall be subject to such respective exposure limits as are provided in the Investment Policy prescribed by the Commission and mentioned in the Offering Document: Provided that it will not be necessary for the Trustee to sell any Investment merely because owing to

appreciation or depreciation in the value of any Investment or disposal of any investments such limit shall be exceeded.

- v. The Deposited Property shall not be invested in any shares or any other financial instruments issued by the Pension Fund Manager or those issued by a Connected Person thereof.
- vi. Except where it is necessary to protect its investment, the Pension Fund Manager shall not seek to acquire a controlling interest in any enterprise in which it has invested or has any other interest, which would give it primary responsibility for management.
- vii. The Sub-Fund(s) shall not purchase from or sell any security to the Pension Fund Manager or the Trustee or to any director, officer or employee of the Pension Fund Manager or to any person who beneficially owns five per cent or more of the equity of the Pension Fund Manager, or collectively own ten percent or more of the equity of the Pension Fund Manager save in the case of such party acting as an intermediary. For this purpose the term director of the Pension Fund Manager includes their lineal ascendants and descendants.
- viii. The Sub-Funds shall not invest in any security of a company if any director, officer of the Pension Fund Manager owns more than five per cent of the total nominal amount of the securities issued, or, collectively the directors, officers of the Pension Fund Manager own more than ten per cent of those securities
- ix. The purchase or sale of any Investment in listed securities for the account of each Sub-Fund shall be made on the Stock Exchange through a broker who must be a member of the Stock Exchange, unless the Pension Fund Manager is satisfied that it is possible and permissible under the Rules and regulations to make such purchase or sale more advantageously in some other manner. The broker will be appointed from time to time by the Pension Fund Manager under intimation to the Trustee. The Pension Fund Manager shall not appoint, directly or indirectly, as a broker any of its directors, officers or employees or their family members (which term shall include their spouse, lineal ascendants and descendants) and enter into transactions with any connected broker, which shall equal or exceed ten percent or more (or any other percentage as may be decided by the Commission) of the brokerage or commission paid by the Pension Fund Manager in any one accounting year: provided that the Commission may permit the ten percent to be exceeded if the connected broker offers advantages to the Sub-Funds not available elsewhere.
- x. The Pension Fund Manager shall not, on behalf of the Pension Fund, lend, assume, guarantee, endorse or otherwise become directly or contingently liable for or in any connection with any obligation or indebtedness of any person, provided that investment in purchase and resale transactions involving Government securities or such eligible securities which are regulated by Stock Exchanges shall not be attracted by this sub-clause, subject to the conditions that such transactions are carried out during the normal course of business and the risk management parameters are disclosed in the Offering Document of the Pension Fund.
- xi. The Pension Fund Manager shall not on behalf of the Pension Fund at any time:
  - a) Participate in a joint account with others in any transaction;
  - b) Make short sales of any security, whether listed or unlisted or maintain a short position;

- c) Make any investment with the purpose of having the effect of vesting the management or control in the Sub-Funds; and
  - d) Make a loan or advance money to any person except in connection with the normal business of the Sub-Funds.
- xii. Any investment made in a security for any of the Sub-Funds for which a Connected Person/ party of the Pension Fund Manager is or has been involved, during the past twelve months as an arranger, manager, advisor, consultant or underwriter shall be reported to the Commission within six working days (or any other time limit as provided in the Rules) of entering into such transaction, providing full justification for such investment.
- xiii. The Pension Fund Manager may from time to time, for the account of any Sub-Funds enter into underwriting or sub-underwriting contracts in relation to the dealing or purchase of Authorized Investments upon such terms in all respects as the Pension Fund Manager shall think fit but subject always to the provisions of the Rules and this Deed and so that no such contract shall relate to an Authorized Investment which if acquired would constitute a holding in excess of the exposure limit specified in the Rules. All Authorized Investments acquired pursuant to any such contract shall form part of the Deposited Property of the pertinent Sub-Fund and any dealing or purchase moneys payable there under shall be paid out of the Deposited Property.

Subject to the Rules and any other applicable law, the Pension Fund Manager may, on behalf of the Sub-Funds, buy/sell derivatives on any of the securities held in the portfolio, if there is a market for such derivative instruments.

**26. BORROWING BY THE SUB-FUNDS**

- i. Subject to any statutory requirements for the time being in force and to the terms and conditions herein contained and the Rules, the Trustee may at any time, at the request of the Pension Fund Manager, concur with the Pension Fund Manager in making and varying arrangements with Approved Banks or Financial Institutions for borrowing by the Trustee for the account of the Sub-Fund(s): Provided that the charges payable to such Bank or Financial Institution are not higher than the prevailing market rates. Provided further that the maximum borrowing for the account of the Trust shall not exceed the limit provided in the Rules but if subsequent to such borrowing, the Net Assets are reduced as a result of depreciation in the market value of the Deposited Property of the respective Sub-Fund(s) or redemption of Units or transfer of funds to another pension fund manager, the Pension Fund Manager shall not be under any obligation to reduce such borrowing.
- ii. Any such borrowing shall be immediately communicated to the Commission with details of amount and payback plan.
- iii. Neither the Trustee, nor Pension Fund Manager shall be required to issue any guarantee or provide security over their own assets for securing such borrowings from Approved Banks and Financial Institutions. The Trustee or the Pension Fund Manager shall not in any manner be liable in their personal capacities for repayment of such loans or advances.
- iv. Neither the Trustee nor the Pension Fund Manager shall incur any liability by reason of any loss to the Trust or any loss that a Participant may suffer by reason of any depletion in the Net Asset Value of the respective Sub-Funds that may result

from any borrowing arrangement made hereunder.

- v. For the purposes of securing any such borrowing the Trustee may with the approval of the Commission mortgage, charge or pledge in any manner all or any part of the Deposited Property of the respective Sub-Fund(s) provided that the aggregate amount secured by such mortgage, charge or pledge shall not exceed the limit provided in the Rules.

## **27. VOTING RIGHTS ON DEPOSITED PROPERTY**

- i. All rights of voting attached to any Deposited Property of any Sub-Fund shall be exercisable by the Pension Fund Manager on behalf of the Trustee and it shall be entitled to exercise the said rights in what it may consider to be the best interests of the Participants and may refrain from the exercise of any voting rights.
- ii. The Trustee shall upon written request by the Pension Fund Manager, at its own expense, from time to time execute and deliver or cause to be executed or delivered to the Pension Fund Manager 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 favor of such persons as Pension Fund Manager may require in writing.

The phrase “rights of voting” or the word “vote” used in this sub-clause shall be deemed to include not only a vote at a meeting but the right to elect or appoint directors, any consent to or approval of any arrangement scheme or resolution or any alteration in or abandonment of any rights attaching to any Investment and the right to requisition or join in a requisition to convene any meeting or to give notice of any resolution or to circulate any statement.

- iii. Where the representatives or the nominees of the Pension Fund Manager, in whose favor the Trustee has executed the power of attorney or proxy, have attended the meeting, the Pension Fund Manager shall keep a record of such attendance, stating the manner in which the vote was cast and record the justifications. The minutes/records of such meeting shall be duly maintained and be a part of the record of the Pension Fund.
- iv. The Trustee shall forward to the Pension Fund Manager in a timely manner all notices of meetings and all reports and circulars received by the Trustee as the registered holder of any Investment in any Sub-Fund.

## **28. STATEMENTS AND DECLARATIONS**

### **28.1. PARTICIPATING PARTIES**

Atlas Asset Management Limited is the Pension Fund Manager of “ATLAS PENSION ISLAMIC FUND”

Central Depository Company of Pakistan Limited shall act as the Trustee of the “ATLAS PENSION ISLAMIC FUND”

### **28.2. OBLIGATIONS AS PENSION FUND MANAGER**

- i. The Pension Fund Manager shall comply with the provisions of the Rules, this Deed

and the Offering Document 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 Pension Fund Manager by any officer or responsible official of the Pension Fund Manager and any act or matter so performed shall be deemed for all the purposes of this Deed to be the act of the Pension Fund Manager. The Pension Fund Manager 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 were its own acts and omissions and shall account to the Trustee for any loss 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/ delegates/ nominees.

- ii. The Pension Fund Manager shall manage the Deposited Property of the Pension Fund in the interest of the Participants in good faith and to the best of its ability and without gaining any undue advantage for itself or any of its Connected Persons, and subject to the restrictions and limitations as provided in the Rules and this Deed. Any purchase or sale of Investments made under any of the provision of this Deed shall be made by the Trustee according to the instructions of the Pension Fund Manager in this respect, unless such instructions are in conflict with the provisions of the Rules, Investment Policy prescribed by the Commission and/or this Deed. The Pension Fund Manager shall not be liable for any loss caused to the Fund or to the value of the Deposited Property due to any elements or circumstances beyond its reasonable control.
- iii. The Pension Fund Manager shall maintain at its principal office, proper accounts and records to enable a complete and accurate view to be formed of the assets and liabilities and the income and expenditure of the Pension Fund, all transactions for the account of the Pension Fund and Contributions received by the Fund and withdrawals by the Participants, including details of withholding tax deducted at source, if applicable, and transfer of balances from the Individual Pension Accounts of the Participants to other pension fund managers or receipt of balances in the Individual Pension Accounts from pension funds managed by other pension fund managers in accordance with the provisions of the Rules and this Deed.
- iv. The Pension Fund Manager shall prepare and transmit the annual report, together with the balance sheet, income and expenditure account and the Auditors' Report of the Pension Fund within <sup>34</sup>[four] months of closing of the Accounting Period to the Commission, Trustee and the Participants, and the balance sheet and income expenditure account shall comply with the requirements as set out in Schedule I of the Rules.  
  
<sup>35</sup>[Provided that the Pension Fund Manager may transmit or make available on its website annual report of the pension fund for participants and it shall make the printed copy available to a participant free of cost as and when required.]
- v. The Pension Fund Manager shall within one month or such other period as may be permitted by the Commission, of the close of the first and third quarter of its year of account of the Fund, prepare and transmit to the Participants and Trustee or if approved by the Commission, post on its website, balance sheet as on the end of that quarter, profit and loss account, cash flow statement and a statement of changes in equity for that quarter, whether audited or otherwise, which shall be in compliance with the requirements set out in the Rules.

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34. Substituted, vide 2nd Supplemental Trust Deed dated September 3, 2018, for "three".

35. Inserted vide 2nd Supplemental Trust Deed dated September 3, 2018 .



- vi. The Pension Fund Manager shall within two months, after the close of <sup>36</sup>[second quarter], prepare and transmit to the Participants, Trustee and the Commission a profit and loss account for that <sup>37</sup>[quarter] and balance sheet in respect of each Sub-Fund and of the Trust as at the end of <sup>38</sup>[that quarter], whether audited or otherwise which shall be in compliance with the requirements set out in the Rules. <sup>39</sup>[Pension Fund Manager may, with the prior approval of the Commission, post the quarterly accounts on its website.]
- vii. The Pension Fund Manager shall prepare separate balance sheet and income and expenditure accounts for each Sub-Fund as prescribed by the Commission from time to time.
- viii. The Pension Fund Manager shall maintain a Register of Participants of the Fund and inform the Trustee and the Commission of the address where the Register is kept. Such Register shall be accessible by the Trustee and the Participants (to the extent of his Individual Pension Account) during Business Hours.
- ix. The Pension Fund Manager may, from time to time, appoint, remove or replace the Registrar for maintaining the Register. The Pension Fund Manager may itself also maintain the Register.
- x. The Pension Fund Manager shall appoint, with the consent of the Trustee, at the establishment of the Fund and upon any vacancy, an Auditor who shall be a chartered accountant and independent of the auditor of the Pension Fund Manager and Trustee and such Auditor shall not be appointed for more than three consecutive years, or any other term as specified in the Rules from time to time. The contents of the Auditors' Report shall be in accordance with the Rules.
- xi. The Pension Fund Manager shall furnish to the Commission within one month of the close of any Accounting Period; (i) the particulars of the personnel (executive, research and others) managing the Pension Fund; (ii) the total number of Participants and (iii) total value of all Individual Pension Accounts (iv) total Contributions for the previous year and (v) such other information that may be prescribed by the Commission from time to time.
- xii. The Pension Fund Manager <sup>40</sup>[may] send an <sup>41</sup>[electronic] Account Statement, as at 30<sup>th</sup> June and 31<sup>st</sup> December each year, within thirty days thereafter to each Participant, confirming the aggregated transactions for that six month period and indicating the type(s) of Contributions received: Contribution from the employer or the Participant, incoming transfers from other pension fund manager(s) or incoming transfers from Provident Fund or transfer from a deceased person's account or other; types of benefit disbursements: retirement, pre-retirement payment along with the taxes withheld, death benefit payment or transfer to heirs, outgoing transfer to purchase an Approved Annuity Plan from a life insurance/Takaful company, outgoing transfer to other pension fund manager(s), withdrawals or other. The statements shall include details of the number of Units allocated and held the current valuation of the Units such other information as may be specified by that the Commission free of charge. Additionally, the Participant shall be entitled to receive any statement, in respect of

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36. Substituted, vide 2nd Supplemental Trust Deed dated September 3, 2018, for "the first half of its year of account".

37. Substituted, vide 2nd Supplemental Trust Deed dated September 3, 2018, for "half year".

38. Substituted, vide 2nd Supplemental Trust Deed dated September 3, 2018, for "the half year".

39. Inserted vide 2nd Supplemental Trust Deed dated September 3, 2018 .

40. Substituted, vide 2nd Supplemental Trust Deed dated September 3, 2018, for "shall".

41. Inserted vide 2nd Supplemental Trust Deed dated September 3, 2018 .

his account, at any time, on written application. Such information may also be posted on the website or emailed and furnished electronically, subject to prior approval of the Commission.

- xiii. The Pension Fund Manager shall, send <sup>42</sup>[through e-mail or if requested by the participant, in physical form] any other statement or certificate to the Participants which may be necessary under the Rules.
- xiv. The Pension Fund Manager as at 30<sup>th</sup> June each year shall send a certificate for claiming the tax credit to the Participants confirming the total Contribution made into their Individual Pension Accounts during the current Tax Year. The Pension Fund Manager shall send the certificate by 31<sup>st</sup> July each year.
- xv. The Pension Fund Manager shall provide to the Participants, any information in respect of his Individual Pension Account, at any time, on receipt of an application in writing, or in any other form as the Pension Fund Manager may deem satisfactory. The Pension Fund Manager may also post such information on its website and may furnish such details electronically, with the prior approval of the Commission.
- xvi. The Pension Fund Manager shall make reallocation of Units between the Sub-Funds at least once a year, to ensure that the allocation of Units of all the Participants are according to the Allocation Scheme selected by the Participants or where no selection has been made, according to the Default Allocation Scheme. The Pension Fund Manager may decide to make reallocations of Units on a more frequent basis, the details of which shall be provided in the Offering Document.
- xvii. The Pension Fund Manager shall make available or ensure that there is made available to the Trustee such information as the Trustee may reasonably require in respect of any matter relating to the Trust.
- xviii. The Pension Fund Manager shall not be under any liability except such liability as may be expressly assumed by it under the Rules and this Deed nor shall the Pension Fund Manager (save as herein otherwise provided) be liable neither 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 this Deed the Pension Fund Manager shall not be under any liability there for 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.
- xix. The Pension Fund Manager shall notify the Net Asset Value of the Units of each of the Sub-Funds, calculated at the close of each Business Day, on the following Business Day in a leading daily newspaper.
- xx. The Pension Fund Manager shall, after intimation to the Commission and the Trustee, from time to time appoint, remove or replace one or more Distribution Company (ies) for carrying the Distribution Function at one or more locations, on terms and conditions to be incorporated in the Distribution Agreement to be entered into between the Distribution Company and the Pension Fund Manager.
- <sup>43</sup>[xxi. Furnish to the Commission a copy of its annual report together with copies of the balance sheet, profit and loss account, the directors' report and the auditors' report within one month of its annual general meeting and shall furnish its half yearly report to the Commission within two months of close of its half year.

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42. Inserted vide 2nd Supplemental Trust Deed dated September 3, 2018 .

43. Inserted vide 2nd Supplemental Trust Deed dated September 3, 2018 .

xxii send a notice to a participant at least thirty days before the chosen date of retirement informing him the options available to him on retirement, as per format prescribed by the Commission from time to time.]

### **28.3. RESTRICTIONS FOR PENSION FUND MANAGER**

- i. The Pension Fund Manager on behalf of the Pension Fund shall not:
  - (a) merge with, acquire or take over management of any other pension fund or pension fund manager unless it has obtained the prior approval of the Commission in writing to the scheme of such merger, acquisition or takeover;
  - (b) pledge any of the securities held or beneficially owned by the Fund except for the benefit of the Fund, subject to prior approval of the Commission;
  - (c) accept deposits from another pension fund;
  - (d) make a loan or advance money to any person except in connection with the normal business of the Fund;
  - (e) participate in a joint account with others in any transaction;
  - (f) make any investment with the purpose of having the effect of vesting the management, or control, in the Pension Fund;
  - (g) apply any part of its assets to real estate provided that the company may purchase real estate for its own use out of its shareholders' funds;
  - (h) employ as a broker, directly or indirectly, any of its director, officer or employee or a member of a family of such person which shall include spouse, parents, children, brothers and sisters and enter into transactions with any connected broker, which shall equal or exceed ten per cent or more of the brokerage or commission paid by the Fund in any one accounting year: provided that the Commission may, in each case on merits, permit the ten per cent to be exceeded if the connected broker offers advantages to the Fund not available elsewhere; <sup>44</sup>[ ]
  - (i) <sup>45</sup>[take exposure in any form or invest in debt or equity securities of connected persons or] purchase or sell any security from/ to any of the Connected Person(s) <sup>46</sup>[; and
  - (j) enter into a short sale transaction in any security.]

### **28.4. LIMITATIONS AND PROHIBITIONS**

- i. Pension Fund Manager on behalf of the Pension Fund shall not lend, assume, guarantee, endorse or otherwise become directly or contingently liable for or in connection with any obligation or indebtedness of any person. Provided that investment in purchase and resale transactions involving Government securities or such eligible listed securities which are regulated by Stock Exchanges shall not be prohibited by this sub- clause subject to the condition that risk management parameters are disclosed in the Offering Document of the Pension Fund approved by the Commission.

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44. Deleted vide 2nd Supplemental Trust Deed dated September 3, 2018. Before deletion read as, "and".

45. Inserted vide 2nd Supplemental Trust Deed dated September 3, 2018 .

46. Inserted vide 2nd Supplemental Trust Deed dated September 3, 2018 .

- ii. Borrowing shall not be resorted to except for meeting withdrawal requests or transfer of funds to other pension fund managers and such borrowing shall not exceed fifteen per cent of the total Net Asset Value of the Pension Fund at any time, and shall be repayable within a period of ninety days. Any such borrowing shall be immediately communicated to the Commission with details of amount and payback plan.
- iii. The Pension Fund shall not be invested in any security of a company if any director or officer of the Pension Fund Manager owns more than five per cent of the total nominal amount of the securities issued, or, collectively the directors or officers of the Pension Fund Manager own more than ten per cent of those securities. .
- iv. Except where it is necessary to protect its investment, the Pension Fund Manager shall not seek to acquire a controlling interest in any enterprise in which it has invested or has any other interest, which would give it primary responsibility for management.

## **28.5. RETIREMENT OR REMOVAL OF PENSION FUND MANAGER**

- i. The Pension Fund Manager may retire at any time after issuing a three months' notice to the Participants about its intention, with the prior approval of the Commission and the Trustee.
- ii. The Trustee may, with the prior approval of the Commission, remove the Pension Fund Manager if the Pension Fund Manager has contravened the provisions of this Deed in any material respect and has failed to rectify the contravention within (1) 30 days from the date of notification in writing, under intimation to the Commission or (2) such other period as may be specified by the Commission, in respect of the subject contravention; provided that such notice per se shall not be considered as an admission of contravention on part of the Pension Fund Manager who shall have the right to defend such notice or consequent action.
- iii. The Pension Fund Manager will stand retired immediately in case of the following events and no notice shall be required to be served. All the other provision relating to audit and approvals as mentioned herein shall be applied accordingly:
  - a) The Pension Fund Manager goes into liquidation (other than voluntary liquidation on terms previously agreed to with the Trustee for purpose of reconstruction and amalgamation); or
  - b) A receiver is appointed over any of the assets of the Pension Fund Manager.
- iv. If the Commission is of the opinion that the Pension Fund Manager has contravened any provision of the Rules, or has otherwise neglected or failed to comply with any order or direction of the Commission or with any requirement of the Rules or has failed or neglected to carry out its duties to the satisfaction of the Trustee, or the Commission, as the case may be, and considers that it would be in the interest of the Participants so to do, the Commission, on its own motion or on the report of the Trustee, by order in writing may after providing the Pension Fund Manager the opportunity of being heard,:-
  - (a) cancel or suspend the registration of the Pension Fund Manager;

- (b) remove the Pension Fund Manager managing the Pension Fund;
  - (c) issue appropriate orders to the Pension Fund Manager;
  - (d) order compensation to be paid to the Participants;
  - (e) impose fine; or
  - (f) take any combination of the above mentioned actions.
- v. The Commission may cancel the registration of the Pension Fund Manager or impose fine on it if in the opinion of the Commission, the performance of the Pension Fund Manager is substantially below par and the investment return in the Sub-Funds during any particular year is well below the specified benchmark.
  - vi. If the Commission has cancelled the registration of the Pension Fund Manager under the provisions of the Rules as outlined in sub clause (iii) and (iv) above, the Commission shall appoint another pension fund manager with the consent of the Trustee as the pension fund manager for the Pension Fund according to the provisions of this Deed and the Rules.
  - vii. The retirement of the Pension Fund Manager and appointment of a new pension fund manager shall always require the prior approval of the Commission and the Trustee, and issuance of a three months' notice to the Participants about such an intention.
  - viii. Upon a new pension fund manager being appointed, the Pension Fund Manager will take immediate steps to deliver all the documents and records pertaining to the Trust to the new pension fund manager and shall pay all sums due to the Trustee.
  - ix. Upon its appointment the new pension fund manager shall exercise all the powers and enjoy all rights and shall be subject to all duties and obligations of the Pension Fund Manager hereunder as fully as though such new pension fund manager had originally been a party hereto.
  - x. If so directed by the Commission, the Pension Fund Manager shall not receive any Contributions from any of the Participants or make any other transaction on account of the Pension Fund as from the date of issue of such notice as referred to in sub-clauses (i), (ii), (iii) and (iv) above.
  - xi. The Trustee shall ensure that the accounts of the Pension Fund till the day of the appointment of the new pension fund manager are audited by the Auditors of the Pension Fund and the audit report is submitted, within one month from the date of such appointment, to the Commission and the Trustee. The Trustee with the approval of the Commission shall decide the cost of such interim audit and the same shall be charged to the Pension Fund with the prior approval of the Commission.

## **28.6. OBLIGATIONS OF TRUSTEE**

- i. The Trustee shall take into its custody or under its control all the Deposited Property of the Pension Fund and hold it in trust for the Participants in accordance with the Rules, this Deed and the Offering Document; and all the cash and registerable assets shall be registered in the name of or to the order of the Trustee. The Deposited Property in respect of each Sub-Fund and shall be recorded, maintained and accounted for separately.

- ii. The Trustee shall comply with the provisions of the Rules and this Deed or any directive given by the Commission under the Rules 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 in consultation with the Pension Fund Manager: Provided that the Trustee shall be responsible for the acts and omissions of all persons to whom it may delegate any of its duties, as if these were its own acts and omissions and shall account to the Pension Fund for any loss in value of the Deposited Property where such loss has been caused by negligence or any reckless act and/or omission of the Trustee or any of its directors, officers, nominees or agents.
- iii. The Trustee shall exercise all due diligence and vigilance in carrying out its duties and in protecting the interests of the Participants. The Trustee shall not be under any liability on account of anything done or suffered by the Trustee in good faith in accordance with or in pursuance of any request of the Pension Fund Manager provided they are not in conflict with the provisions of this Deed or the Rules. Whenever pursuant to any provision of this Deed any certificate, notice, direction, instruction or other communication is to be given by the Pension Fund Manager to the Trustee, the Trustee may accept as sufficient evidence thereof a document signed or purporting to be signed on behalf of the Pension Fund Manager by any person whose signature the Trustee is for the time being authorized in writing by the Pension Fund Manager to accept.
- iv. The Trustee shall not be liable for any loss caused to the Fund or to the value of the Deposited Property due to any elements or circumstances beyond its reasonable control.
- v. The Trustee shall be liable for the act and omission of the lender and its agent in relation to assets forming part of the Deposited Property of the Sub-Funds and, where borrowing is undertaken for the account of the Fund, such assets may be registered in the lender's name or in that of a nominee appointed by the lender.
- vi. The Trustee shall ensure that the issue, redemption and cancellation of Units of the Sub-Funds are carried out in accordance with the provisions of the Rules, this Deed and the Offering Document.
- vii. The Trustee shall ensure that the methods adopted by the Pension Fund Manager in calculating the values of the Units of each Sub-Fund of the Pension Fund are adequate and that the Net Asset Value is calculated in accordance with the provisions of this Deed and the Rules or as specified by the Commission.
- viii. The Trustee shall carry out the instructions of the Pension Fund Manager in all matters including all payments, investments and disinvestments of the Deposited Property of the Sub-Funds unless such instructions are in conflict with the Investment Policy prescribed by the Commission from time to time, provisions of the Rules or this Deed, or the Offering Document or any other applicable law.
- ix. The Trustee shall ensure that the investment policy prescribed by the Commission from time to time and the borrowing limitations set out in the Trust Deed, the Offering Document and the Rules and the conditions under which the Fund was authorized are complied with at all times.
- x. The Trustee shall, 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.

- xi. The Trustee shall make available or ensure that there is made available to the Pension Fund Manager such information as the Pension Fund Manager may reasonably require from time to time in respect of the Deposited Property of the Pension Fund and all other matters relating to the Trust.
- xii. The Trustee shall issue a report to the Participants, to be included in the annual report whether, in its opinion, the Pension Fund Manager has in all material respects managed the Pension Fund in accordance with the provisions of the Rules and this Deed and if the Pension Fund Manager has not done so, the respect in which it has not done so and the steps the Trustee has taken in respect thereof.
- xiii. The Trustee shall be entitled to require the Auditors to provide such reports as may be agreed between the Trustee and the Pension Fund Manager as may be considered necessary to facilitate the Trustee in issuing the certification required under the Rules. The Trustee shall endeavour to provide the certification at the earliest date reasonably possible
- xiv. The Trustee shall ensure that the Units are not allocated until the Contributions have been received.
- xv. The Trustee shall, if requested by Pension Fund Manager and may if it considers necessary for the protection of Deposited Property of the Pension Fund or safeguarding the interest of Participants, institute or defend any suit, proceeding, arbitration or inquiry or any corporate or shareholders' action in respect of the Deposited Property or any part thereof, with full powers to sign, swear, verify and submit pleadings and affidavits, to file documents, to give evidence, to appoint and remove counsel and to do all incidental acts, things and deeds through the Trustee's authorized directors and officers. All costs, charges and expenses (including reasonable legal fees) incurred in instituting or defending any such action shall be borne by the Trust and the Trustee shall be indemnified against all such costs, charges and expenses: Provided that no such 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. For the avoidance of doubt it is clarified that notwithstanding anything contained in this Deed, the Trustee and the Pension Fund Manager 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 shareholders' action or otherwise howsoever and (save as herein otherwise provided), all such losses, claims, damages and other liabilities shall be borne by the Trust.
- xvi. Neither the Trustee or the Custodian (if Trustee has appointed another person as Custodian) nor the Pension Fund Manager shall sell or purchase any Investment with the Trust save in the capacity of an intermediary or in the normal course of business.
- xvii. 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 Pension Fund Manager or 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.

- xviii. The Trustee shall promptly forward to the Pension Fund Manager any notices, reports or other documents issued by the issuers of securities, recipients of any of the Trust funds (as deposits, refunds, distribution of dividends, income, profits, repayment of capital or for any other reason), any depository, an intermediary or agent in any transaction or 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 Pension Fund Manager in all such matters relating to recovery of the Deposited Property.
- xix. The Trustee shall promptly provide proxies or other forms of power of attorney to the order of the Pension Fund Manager with regards to any voting rights attaching to any Investments.
- xx. The Commission may, if it is satisfied that it is necessary and expedient so to do in the interest of the Participants, or in the interest of the capital market and public, by an order in writing, give such directions to the Trustee which are essential to enforce the Rules including but not limited to making arrangements for safe custody of assets of the Pension Fund, submission of reports and disclosure of information.
- xxi. The Trustee shall obtain and maintain replication of all the records of the Participants maintained by the Pension Fund Manager or the Registrar, as the case may be, and shall keep the records updated on fortnightly basis.
- <sup>47</sup>[xxii. The Trustee shall be liable for any loss caused due to its willful act or omission or that of its agent or delegate in relation to custody of assets or any investment forming part of the property of the pension fund.
- xxiii. The Trustee shall ensure that the Pension Fund Manager has specified a criteria in writing to provide for a diverse panel of brokers at the time of offering of a pension fund or for any subsequent change.
- xxiv. The Trustee shall ensure that the Pension Fund Manager has been diligent in appointing brokers and shall not enter, on behalf of a pension fund, into transactions with any broker that exceed fifteen per cent of the commission payable by a pension fund in any one accounting year.  
  
Provided that this restriction shall not apply to transactions relating to money market instruments or debt securities.
- xxv. The Trustee shall immediately inform the Commission if any action of the Pension Fund Manager contravenes any provision of the Ordinance, VPS rules, constitutive document, offering document, guidelines, codes, circulars, directives or any other applicable laws.
- xxvi. The Trustee shall comply with the directions of the Commission given in the interest of the participants]

## **28.7. RETIREMENT OR REMOVAL OF TRUSTEE**

- i. The Trustee shall not be entitled to retire voluntarily or otherwise except upon the

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47. Inserted vide 2<sup>nd</sup> Supplemental Trust Deed dated September 3, 2018.



appointment of a new trustee. In the event of the Trustee desiring to retire, the Pension Fund Manager with the prior written approval of the Commission, within a period of three months may by a deed supplemental hereto under the seal of the Pension Fund Manager and the Trustee appoint a new trustee under the provisions of the Rules in place of the retiring Trustee and also provide in such deed for the automatic vesting of all the assets of the Trust in the name of the new trustee. The retirement of the Trustee shall take effect at the same time as the new trustee is appointed and the Supplementary Trust Deed, reflecting this appointment is registered. The Pension Fund Manager shall ensure that the accounts of the Pension Fund till the day of the appointment of the new trustee are audited by the Auditors of the Pension Fund and the audit report is submitted, within one month from the date of such appointment, to the Commission, the newly appointed trustee and the Pension Fund Manager. The Pension Fund Manager with the approval of the Commission shall decide the cost of such interim audit and the same shall be charged to the Pension Fund with the prior approval of the Commission.

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

- v. Notwithstanding the removal or resignation of the Trustee and its subsequent discharge from its duties under this Deed and the Rules, the Trustee shall remain entitled to the benefit under the terms of this Deed till the removal or resignation of the Trustee is effective without prejudice to the Trustee's responsibility or obligation to liquidate any liability for which the Trustee may have become liable under this Deed and/ or the Rules.
- vi. Upon the appointment of a new trustee, the Trustee shall immediately deliver all the documents and records to the new trustee and shall transfer all the Deposited Property to the new trustee and make payments to the new trustee of all sums due from the Trustee.
- vii. The new trustee shall exercise all the powers and enjoy all rights and shall be subject to all duties and obligations of the Trustee hereunder as fully as though such new trustee had originally been a party hereto.

## 28.8. FOR THE TRUST

- i. **Binding on the Participants:** The terms and conditions of the Rules and this Deed and any deed supplemental hereto shall be binding on each Participant, as if he is party to it and so to be bound by its provisions and each Participant authorizes and requires the Trustee and the Pension Fund Manager to do as required of them by the provisions of the Rules and the terms of this Deed;
- ii. **Participants ranking *Pari Passu*:** The Trustee shall hold and stand possessed of the Trust Property that may from time to time hereafter be vested in the Trustee upon trust for the benefit of the Participants ranking *pari passu* inter se, according to the number of Units of Sub-Funds held by each Participant in the pertinent Sub-Fund. Similarly with respect to any fund held in Bank Account(s) pending ultimate disposal, all participants whose funds are held in such Bank Account(s) shall rank *pari passu* inter se according to their respective balances.;
- iii. **Trustee Report to Participants:** The Trustee shall issue a report to the Participant(s), included in the annual report, in accordance with the Rules and as stated in clause 28.6 (xii) of this Deed; and
- iv. **Base Currency:** The currency of all transactions of the Pension Fund is the Pakistani Rupee and the Pension Fund Manager, the Trustee and/or any Distributor is not obliged to transact the receipt of Contributions, issuance or redemption of Units in the Sub-Fund(s) and payment of redemption proceeds in any other currency and shall not be held liable, save as may be specifically undertaken by the Pension Fund Manager, after due approval from the Commission and/or the State Bank of Pakistan, as the case may be, and after fulfilling the foreign exchange regulations for receipt of payment in any other currency or for any obligations arising there from. All investments shall be made and the financial statements shall be presented in the Base Currency, which is the Pakistani Rupee.
- v. **Limited Liability:** A Participant shall not be liable to make any further payments after he has paid the Net Asset Value of the Units of the respective Sub-Fund(s) and no further liability can be imposed on the Participants in respects of the Units held in his Individual Pension Account.
- vi. **Losses:** In case any Sub-Fund(s) sustains losses, other than losses due to willful or gross negligent act on the part of the Pension Fund Manager or the Trustee, such losses shall be applicable to the pertinent Sub-Fund(s) and not to the entire Pension Fund or the other Sub-Fund(s).

- vii. **Claims:** In the event of any claim(s) being raised against the Pension Fund, such claims if found to be tenable by the Pension Fund Manager or any court or lawful authority shall be settled out of such components of the Deposited Property which relates to the pertinent Sub-Fund(s) to which such claims relate to.

## 29. DISTRIBUTION OF DIVIDEND

There will be no dividend distribution from the three Sub-Funds. Any income earned by the Sub-Funds during any Accounting Period shall be accumulated and retained within the respective Sub-Funds.

The Pension Fund Manager may with the approval of the Commission, split the Units of Sub-Fund(s).

## 30. SAFEGUARD OF MONEY

No money should be paid to an intermediary except the Pension Fund Manager or his authorized representatives as prescribed. Contributions should be in form of crossed payees account cheques, pay orders or demand drafts or direct bank transfers to the account of the Trustee for the Atlas Pension Islamic Fund and shall not be in the form of cash or any other bearer instruments.

## 31. TAXATION

The taxation of the Pension Fund shall be in line with the provisions of the Income Tax Ordinance, 2001.

## 32. WARNINGS

**IF YOU ARE IN ANY DOUBT ABOUT THE CONTENTS OF THIS DOCUMENT, YOU SHOULD CONSULT YOUR BANK MANAGER, LEGAL ADVISOR, OR OTHER FINANCIAL ADVISOR. THE PRICE OF THE UNITS OF THE SUB-FUNDS OF THE PENSION FUND MAY INCREASE OR DECREASE.**

## 33. TRUST ARRANGEMENTS

### i. Primary Functions:

- (a) **Fund Management** - The Pension Fund Manager has the responsibility to take all investment decisions within the framework of the Rules, investment policy prescribed by the Commission from time to time, and the Trust Deed establishing the Fund.
- (b) **Control over Assets** - The Trustee has the responsibility for being the nominal owner for the safe custody of the assets of the Fund on behalf of the beneficial owners (the Participants), within the framework of the Rules, Trust Deed establishing the Fund.
- (c) **Participant Records** - The Pension Fund Manager has the responsibility to maintain Participants' records and for this purpose it may appoint a Registrar, who is responsible for maintaining Participants' records and providing related services. The Registrar shall carry out the responsibility of

maintaining Participants' records, issuing statements of account representing investment of the Participants in the Fund, and all other related activities.

- (d) **Record Keeping** - The Pension Fund Manager has the primary responsibility for all record keeping, and for producing financial reports from time to time. However, the Trustee has the responsibility to ensure timely delivery to the Pension Fund Manager of statements of account and transaction advices for banking and custodial accounts in the name and under the control of the Trustee. The Pension Fund Manager shall provide the Trustee unhindered access to all records relating to the Fund.
- (e) **Participant Services** - The Pension Fund Manager has the responsibility to facilitate the Participants to make Contributions and to redeem the balance in the Individual Pension Accounts and to make adequate arrangements for receiving and processing applications in this regard.
- (f) **Distribution** - The Pension Fund Manager shall from time to time appoint suitable parties as Distributors under intimation to the Trustee and the Commission. The Distributors shall act as the interface between the Participants, the Pension Fund Manager, the Registrar and the Trustee. The Distributors shall receive applications for Contribution and redemption from the Participants.
- (g) **Sales Agents** - The Pension Fund Manager shall, at its own responsibility, from time to time appoint Sales Agents to assist it in promoting sales.

## ii. Administrative Arrangements

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

- (a) **Attorney(s) and Point Person(s):** The Trustee shall, under intimation to the Commission, nominate one or more of its officers to act as attorney(s) for performing the Trustee's functions and for interacting with the Pension Fund Manager.
- (b) **Custodian(s):** The Trustee shall act as Custodian for securities for which custody services are available with the Trustee. For other securities the Trustee shall make appropriate arrangements with one or more Custodians for custody of securities in which investment may be made on behalf of the Fund. The Trustee shall provide custodial services to the extent others cannot be identified for this purpose.

## iii. Bank Accounts

- (a) The Trustee shall, at the request of the Pension Fund Manager open Bank Accounts for the APIF, each Sub Fund, Pension Account-Collection, Pension Accounts-Payment, Approved Income Payment Plan and other accounts as required by the Atlas Pension Islamic Fund at Approved Banks having minimum investment grade entity rating as may be prescribed by the Commission from time to time.
- (b) The Trustee shall open additional Bank Accounts at such branches of Banks and at such locations (including outside Pakistan), subject to applicable regulations and after obtaining all necessary approvals from the relevant regulatory authority in Pakistan as may be required by the Pension Fund Manager from time to time.

- (c) Notwithstanding anything in this Deed the beneficial ownership of the balances in the Accounts shall vest at all times in the Participants, holding Units of the pertinent Sub-Funds.
- (d) The Trustee shall authorize and facilitate the provision to the Pension Fund Manager of daily statements of accounts for all the Bank Accounts being operated by the Trustee as a nominee of the Atlas Pension Islamic Fund.

#### **iv. Transactions Relating to Investment Activity/ Portfolio Management**

- (a) The Pension Fund Manager shall, from time to time, advise the Trustee of the settlement instructions relating to any investment/disinvestment transactions entered into by it on behalf of the Trust. The Pension Fund Manager shall ensure the settlement instructions are complete and accurate so as to facilitate timely settlement, and the Trustee, shall ensure that the settlement is handled in a promptly and in accordance with such instructions.
- (b) The Trustee shall ensure that, where applicable, payments against investments are made against delivery and vice versa.
- (c) The Trustee shall promptly forward to the Pension Fund Manager any notices, reports or other documents issued by the issuers of securities, recipients of any of the Trust Funds (as deposits, refunds, distribution of dividends, income, profits, repayment of capital or for any other reason), any depository, an intermediary or agent in any transaction or from any court, government regulator, stock or other exchange or any other party having any connection with the transaction.
- (d) The Pension Fund Manager shall also advise the Trustee on a daily basis of the details of amounts to be paid from the respective Pension Account to respective Participants against withdrawal requests. Such payments shall be effected by the Trustee out of the respective accounts of the Sub-Funds of the Fund by way of transfer of the appropriate amounts to the designated bank accounts of the Participants.
- (e) The Pension Fund Manager shall also advise the Trustee on a daily basis of the details of amounts to be transferred to the Sub-Funds.
- (f) The Trustee shall pay to the Pension Fund Manager's order such sums out of the Front-end fee that is specified in Trust Deed establishing the Fund or Supplementary Deed, if any, as being payable out of the Contributions.
- (g) The Trustee shall also, if so required by the nature of such notices or deeds mentioned in the foregoing Clause, act in a manner that is in the best interest of the Trust. Such action shall include legal action if called for and the Trustee shall be entitled to recover any legal costs reasonably incurred from the Trust.
- (h) The Pension Fund Manager shall provide the Trustee with regular reports indicating dividends, other forms of income or inflows, and any rights or warrants relating to the Investments that are due to be received. The Trustee shall report back to the Pension Fund Manager any such amounts or warrants that are received on such accounts from time to time.
- (i) The Trustee shall provide proxies or other forms of powers of attorney to the order of the Pension Fund Manager with regard to any voting rights attaching to any Investment.

### 34. WINDING UP OF TRUST

- i. The duration of the Pension Fund is perpetual. It shall not be wound up or terminated by way of liquidation. However it can be wound up by the Commission or by the Pension Fund Manager on the occurrence of the events as mentioned below, by transferring the Individual Pension Accounts of the Participants maintained in the Pension Fund to another pension fund manager.
- ii. The Pension Fund Manager may decide to wind up the Trust, under intimation to the Trustee and with the prior approval of the Commission, if in its opinion it is impractical or inadvisable for the Trust to continue, by giving at least three months, notice to Participants and disclosing the grounds of its decision.
- iii. In the event the Pension Fund Manager is of the view that the quantum of withdrawal requests that have built up shall result in the Sub-Funds / Fund being run down to an unmanageable level or it is of the view that the sell-off of assets is likely to result in a significant loss in value for the Participants who are not redeeming, it may apply to the Commission to de-authorise the Pension Fund. In such an even, the queue system, if already invoked, shall cease to apply.
- iv. If the Commission considers that further continuation of the authorization of the Pension Fund shall not be in the interest of the Participants, it shall issue a three months' notice to the Participants about its intention to not maintain such authorization. Such a decision to de-authorize the Trust by the Commission shall be made on the grounds given in the Rules and after offering an adequate opportunity of explanation to the Pension Fund Manager.
- v. This Deed may be terminated in accordance with the conditions specified in the Rules if there is any breach of the provisions of this Deed or any other agreement or arrangement entered into between the Trustee and Pension Fund Manager regarding the Trust, after giving a three months' notice to the Participants, after approval of the Commission to such a decision.
- vi. The Trust may also be wound up if the Commission decides to cancel the registration of the Pension Fund Manager on the grounds given in the Rules and after offering an adequate opportunity of explanation to the Pension Fund Manager.
- vii. Upon the Pension Fund being de-authorised, the Pension Fund Manager shall suspend receiving Contributions forthwith from any of the participants from the date of issue of the notices under Clause 38 and proceed to transfer all the records of Individual Pension Accounts and books of accounts of the Pension Fund to another pension fund manager appointed by the Commission with the consent of the Trustee.
- viii. The Trustee shall ensure that accounts of the Pension Fund till the day of the transfer to the new pension fund manager are audited by the Auditors of the Fund and the audit and Trustee report is submitted within one month from the date of such appointment, to the Commission, the new pension fund manager and the Trustee. The Trustee with the approval of the Commission shall decide the cost of such interim audit and the same shall be charged to the Pension Fund with the prior approval of the Commission.

### **35. MODIFICATION OF THE DEED**

- i. The Trustee and the Pension Fund Manager acting together shall be entitled by deed supplemental hereto to modify, alter or add to the provisions of this Deed in such manner and to such extent as they may consider expedient for any purpose, subject only to 30 days prior notice to the Participants and approval of the Commission. Provided that, the Trustee and the Pension Fund Manager shall certify in writing that, in their opinion such modification, alteration or addition is required pursuant to any new law or amendment in the Rules or to ensure compliance with any fiscal or statutory requirement or to enable the provisions of this Deed to be more efficiently, conveniently or economically managed or otherwise for the benefit of the Participants and that it does not prejudice the interests of the Participants or any of them or operate to release the Trustee or the Pension Fund Manager from any responsibility to the Participants.
- ii. Where this Deed has been altered or supplemented the Pension Fund Manager shall again notify the Participants immediately by a notice published in a newspaper having wide circulation and by placing the same on its website.
- iii. The Pension Fund Manager may from time to time with the consent of the Trustee frame operational procedures for conducting the business of the Trust or in respect of any other matter incidental thereto; provided such procedures are not inconsistent with the provisions of the Rules, this Deed or the Offering Document.
- iv. Where a change or amendment in the Rules or the Income Tax Ordinance, 2001 or any other applicable law or regulation, renders any of the clauses contained in this Deed ineffective or in need of amendment, such Clause will automatically stand replaced by the new change or amendment and no modification in this Deed or any Supplementary Deed shall be required. However, if the Pension Fund Manager is amending the Deed or any Supplementary Deed for any other reason, the Pension Fund Manager may also amend such clauses that have been automatically overwritten and amended due to a change/ amendment in the Rules and/ or the Income Tax Ordinance, 2001.
- v. A copy of this Deed and of any such Supplementary Trust Deed shall be made available for inspection at the respective Head Offices of the Trustee and of the Pension Fund Manager at all times during Business Hours and shall be supplied by the Pension Fund Manager to any person on application at such rate as determined from time to time with the prior approval of the Commission by the Pension Fund Manager.
- vi. If at any time, any clause of this Deed is and/ or becomes in whole or in part, illegal, invalid or unenforceable under the laws of any applicable jurisdiction, neither the legality, validity and enforceability of the remaining clauses of this Deed hereof, nor the legality, validity or enforceability of such clause under the law of any other jurisdiction shall in any way be affected or impaired thereby.

### **36. ARBITRATION**

- i. In the event of any disputes arising out of this Trust Deed or Offering Document between the Pension Fund Manager on the one part and the Trustee on the other part, including as to the respective rights and obligations of the Parties hereto, as well as those relating to the interpretation of the terms and conditions of this Trust Deed, the Offering Document and/or the Supplementary Offering Documents, relating to the Trust, the same shall first be referred to the Commission and

thereafter, if the dispute still continues, it shall be referred to arbitration by two arbitrators, one to be appointed by the Pension Fund Manager and the other to be appointed by the Trustee. In the event of lack of consensus between the two arbitrators, the matter shall be referred to an umpire, to be selected by the two arbitrators before commencement of the reference. The unanimous decision of both the arbitrators, or the decision of the umpire, as the case may be, shall be final and binding upon both the Parties. The arbitrators and the umpire shall be selected from amongst, senior partners of renowned firms of chartered accountants, or senior partners of renowned law firms, or senior bankers or senior members of the Karachi Stock Exchange (Guarantee) Limited, (who may even be the heads of corporate members). The venue of the arbitration shall be Karachi. The arbitration shall be conducted in accordance with the Arbitration Act, 1940.

- ii. If any complaint or dispute arises between the Participant/nominees and the Pension Fund Manager under this Deed or the Rules, it shall be referred to an authority as provided under the Rules.

### **37. CONFIDENTIALITY**

The Trustee, the Pension Fund Manager, the Registrar and Distributors/ Distribution Companies/ Sales Agents and every director or officer of the said parties who are in any way engaged in the business of the Trust and all persons employed or engaged by the said parties in connection with the business of the Trust shall observe strict confidentiality in respect of all transactions of the Trust, its Participants and all matters relating thereto and shall not disclose any 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 or if compelled by any court of law or a competent authority.

### **38. NOTICES**

- i. Any notice required to be served upon the Participant shall be deemed to have been duly given if sent by post or courier service to or left at his address as appearing in the Register, or if permitted by the Commission sent electronically to the email address provided by the Participant. Any notice so served by post shall be deemed to have been served on the day following that on which the letter containing the same is posted, and in proving such service it shall be sufficient to prove that such letter was properly addressed, stamped and posted.
- ii. The Pension Fund Manager shall advertise any such notice on its website and/ or in a leading daily newspaper.
- iii. All instructions/ notices from a Participant or his nominees or survivors shall be in writing or <sup>48</sup>[through such other means as may be approved by the Commission.]
- iv. Any notice or document sent by post or courier service to or left at the registered address of a Participant shall notwithstanding that such Participant be then dead or bankrupt and whether or not the Trustee or the Pension Fund Manager have notice of his death or bankruptcy be deemed to have been duly served and such service shall be deemed a sufficient service on all persons interested (as claiming through or under him) in the Units concerned.

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48. Substituted, vide 2<sup>nd</sup> Supplemental Trust Deed dated September 3, 2018, for "in such other form as acceptable to the Pension Fund Manager and permitted by the Commission."



**39. SURVIVAL**

All obligations of either party which expressly or by their nature survive termination or transfer of this Deed shall continue in full force and effect after the termination or transfer, until they are satisfied, or by their nature expire.

IN WITNESS WHEREOF THIS DEED has been executed on the day and year first above written. The Common Seal of Atlas Asset Management Limited was hereunto affixed in the presence of

\_\_\_\_\_  
Name:  
Designation:

Common Seal

\_\_\_\_\_  
Name:  
Designation:

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

\_\_\_\_\_  
Name:  
Designation:

\_\_\_\_\_  
Name:  
Designation:

Common Seal

Witness:

For Atlas Asset Management Limited

For Central Depository Company of  
Pakistan Limited

\_\_\_\_\_  
Name: Lilly R. Dossabhoy  
Designation: Chief Financial Officer  
& Company Secretary  
CNIC NO: 42301-0990986-4

Name:  
Designation:  
  
CNIC NO

### Trusteeship Tariff Structure for Voluntary Pension Scheme

Net Assets (Rupees)		Tariff
From	To	
1	1 billion	Rs.0.3 million or 0.15% p.a. of Net Assets, whichever is higher.
Above 1 billion	3 billion	Rs.1.5 million plus 0.10% p.a. of Net Assets, on amount exceeding Rs.1 billion.
Above 3 billion	6 billion	Rs.3.5 million plus 0.08% p.a. of Net Assets, on amount exceeding Rs.3 billion.
Above 6 billion	--	Rs.5.9 million plus 0.06% p.a. of Net Assets, on amount exceeding Rs.6 billion.