

AMENDED TILL 6<sup>th</sup> APRIL, 2016 THROUGH SUPPLEMENTAL TRUST DEED – I

**TRUST DEED**  
**OF**  
**MEEZAN TAHAFFUZ PENSION FUND**

THIS TRUST DEED is made and entered into at Karachi, on this May 30, 2007

**1. CONSTITUTION OF THE PENSION FUND**

**1.1 NAME , REGISTERED ADDRESS, PLACE AND DATE OF REGISTRATION**

The name of the Pension Fund is **Meezan Tahaffuz Pension Fund**. The registered address of the Pension Fund is Ground Floor, Block B, Finance and Trade Centre (FTC) Shahrah-e-Faisal, Karachi. The Pension Fund has been constituted under this Trust Deed made and entered into at Karachi on this 30<sup>th</sup> day of May 2007

**1.2 PARTICIPATING PARTIES**

1.2.1 This Trust Deed is made and entered into by and between:

- (A) **Al Meezan Investment Management Limited**, a company incorporated under the Companies Ordinance, 1984, with its registered office at Ground Floor, Block B, Finance and Trade Centre (FTC) Shahrah-e-Faisal Karachi (hereinafter called the “**Pension Fund Manager**”, which expression shall, where the context so permits, include its successors-in-interest and assigns) of the one part; and
- (B) **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 99-B, Block ‘B’, S.M.C.H.S., Karachi (hereinafter called the “**Trustee**”, which expression shall, where the context so permits, include its successors-in-interest and assigns) of the other part.

WHEREAS:

- 1.2.2. The Pension Fund Manager is a Non-Banking Finance Company, licensed by the Commission under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules) and a pension fund manager registered by the Commission under 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 thereunder) to, inter-alia, carryout Asset Management Services, including establishing investment schemes under Trust Deeds and to establish and operate pension funds.
- 1.2.3. The Pension Fund Manager has been allowed by the Commission vide its letter No. 9 (1) SEC/SCD/PW-AMIML/2007-I dated May 30, 2007 appended hereto as Annexure “B” to constitute a Pension Fund under the name and title of “Meezan Tahaffuz Pension Fund” (hereinafter referred to as the “Fund”, or “Pension Fund”, or “Meezan Tahaffuz Pension Fund” or the “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.
- 1.2.4. The Pension Fund Manager has appointed Central Depository Company Limited (“CDC”) as Trustee of the Pension Fund and CDC has accepted such appointment upon the terms and conditions herein contained.
- 1.2.5. The Commission has approved the appointment of the CDC as Trustee, vide letter No. 9 (1) SEC/SCD/PW-AMIML/2007-II dated May 30, 2007, appended hereto as Annexure “C”.

NOW THIS DEED WITNESSETH:

**1.3 DECLARATION OF TRUST**

- 1.3.1 A Pension Fund is hereby constituted as a Trust under the Trusts Act, 1882, under the name of “**Meezan Tahaffuz Pension Fund**”. 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 said Pension Fund, and the Trustee hereby accepts such appointment. The Pension Fund Manager and the Trustee hereby declares that:
  - (a) 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 as a collection of Sub-Funds, Individual Pension Accounts and Approved Income Payment Plans;
  - (b) 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;
  - (c) Balances in the Individual Pension Account and Approved Income Payment Plan shall be the property of the respective Participant;
  - (d) Each Participant shall only be liable to the extent of his Contribution to the Pension Fund and no further liability shall be imposed on him in respect of the Pension Fund;
  - (e) The Trust Property shall be invested from time to time by the Trustee at the direction of the Pension Fund Manager in accordance with the Investment Policy prescribed by the Commission. Furthermore, all investments shall be in accordance with the Islamic Sharia as per the guidelines provided by the Shariah Advisor; and
  - (f) The Pension Fund Manager shall manage, operate, and administer the Pension Fund strictly in accordance with the provisions and conditions contained in this Deed, any Supplementary Trust Deeds, the Offering Document, the Rules, and the conditions (if any) which may be imposed by the Commission from time to time.
- 1.3.2. As soon as may be practicable, the Pension Fund Manager shall open participation in the Pension Fund through offer of Units of Sub-Funds at NAV calculated in the manner prescribed under the Rules or as may be specified by the Commission from time to time to the eligible persons.

- 1.3.3. The Pension Fund Manager may from time to time, with the consent of the Trustee and under intimation to the Commission, frame operational procedures for conducting the business of the Trust or in respect of any other matter incidental thereto; provided that, such rules or regulations are not inconsistent with the provisions of this Deed, any Supplementary Trust Deeds or the Rules.
- 1.3.4. Pension Fund Manager, Trustee of the Pension Fund and the Pension Fund, including the Sub-Funds, Allocation Schemes, Individual Pension Accounts, Approved Income Payment Plans or any structure related to the Pension Fund shall be subject to the full compliance of the Rules.

#### **1.4 SUB-FUNDS**

- 1.4.1 Meezan Tahaffuz Pension Fund will initially consist of the three Sub-Funds to be called Meezan Tahaffuz Pension Fund Equity Sub-Fund (the “Equity Sub-Fund”), Meezan Tahaffuz Pension Fund Debt Sub-Fund (the “Debt Sub-Fund”) and Meezan Tahaffuz Pension Fund Money Market Sub-Fund (the “Money Market Sub-Fund”) (collectively the “Sub-Funds”).

1.4.1 (A) The Pension Fund Manager and the Trustee have agreed to add a new sub-fund called Meezan Tahaffuz Pension Fund Gold Sub Fund (the “Gold Sub-Fund”), which is duly approved by the Commission<sup>1</sup>.

- 1.4.2 The Pension Fund Manager, after successfully managing the Equity, Debt, ~~and~~<sup>2</sup>Money Market ~~and Gold~~<sup>3</sup>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 securitised 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 Meezan Tahaffuz Pension Fund.
- 1.4.3. All Participants of the Pension Fund will in turn be holders of Units of the Sub-Funds in various proportions or in certain conditions prescribed under the Rules of cash held in appropriate bank account in the name of the Trustee.
- 1.4.4. The Units in the Sub-Funds would be non-tradable and non-transferable to another Participant/person, except in the circumstances mentioned in the Rules.
- 1.4.5. Each Participant shall only be liable to pay the NAV of the Sub-Fund subscribed by him and no further liability shall be imposed on him in respect of any Sub-Fund’s Units held by him. Sub-Fund Units shall be issued only against receipt of full payment.

## **2. GOVERNING LAW**

- 2.1 This Deed shall be subject to and be governed by the Laws of Pakistan, including the Ordinance, the Rules 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 of a pension fund by the Rules are incorporated in this Deed as part and parcel thereof and in the event of any conflict between this Deed and the provisions of the Rules, the latter shall supersede and prevail over the provisions contained in this Deed.
- 2.2 All the changes in applicable laws and regulations shall be deemed to be part of this Trust Deed irrespective of registration of the Supplementary Trust Deed.

## **3 OPERATORS AND PRINCIPALS**

Following are the particulars of current operators and principals of the Fund.

### **3.1 PENSION FUND MANAGER**

Al Meezan Investment Management Limited, having its registered office at Ground Floor, Block B, Finance & Trade Center, Shahrah-e-Faisal, Karachi, Pakistan is the Registered Pension Fund Manager under the Rules.

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<sup>1</sup> Amended through STD-I

<sup>2</sup> Amended through STD-I

<sup>3</sup> Amended through STD-I

## **3.2 TRUSTEE**

The Trustee for the Fund is the Central Depository Company of Pakistan Limited (“CDC”), a company incorporated in 1993 under the Companies Ordinance, 1984 and registered with the Securities & Exchange Commission of Pakistan (SECP) as a Central Depository Company, with its registered office at CDC House, 99-B, Block ‘B’, S.M.C.H.S., main Shahrah-e-Faisal, Karachi, Pakistan. (copy of Commission’s approval for appointment of CDC as Trustee is annexed to this Deed as Annexure “C”).

## **3.3 SHARIAH ADVISOR**

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

3.3.2 Meezan Bank Limited having its registered office at 3rd Floor, PNSC Building, MT Khan Road, Karachi, has been appointed the Shariah Advisor of the Fund (copy of Commission’s approval of appointment of Meezan Bank Limited as Shariah Advisor is annexed to this Deed as Annexure “E”). At present the Shariah Supervisory Board of Meezan Bank consists of Justice (Retd) Muhammad Taqi Usmani, Dr. Abdul Sattar Abu Guddah, Sheikh Essam M. Ishaq and Dr. Muhammad Imran Ashraf Usmani. The members of Shariah Advisory Board may change from time to time.

## **3.4 DISTRIBUTOR**

3.4.1 The main Distributors of the Fund shall be:

- (a) Meezan Bank Limited, having its registered address at, 3rd Floor, PNSC Building, MT Khan Road, Karachi, and its Branches.
- (b) Al Meezan Investment Management Limited and its branches.

3.4.2 The Pension Fund Manager may appoint or remove other Distributors for the Fund under intimation to the Commission and the Trustee.

## **3.5 REGISTRAR**

Meezan Bank Limited  
3rd Floor, PNSC Building,  
MT Khan Road, Karachi.

## **3.6 AUDITOR**

3.6.1 The first Auditors of the Meezan Tahaffuz Pension Fund shall be:

KPMG Taseer Hadi & Co.  
Chartered Accountants  
1st Floor, Sheikh Sultan Trust Building No. 2  
Beaumont Road, Karachi.

3.6.2. Thereafter, the Pension Fund Manager shall in consultation with the Trustee appoint as an Auditor, a firm of chartered accountants who shall be independent of the auditor of the Pension Fund Manager and the Trustee. The Pension Fund Manager may at any time, with the concurrence of the Trustee, and shall, if approved by the Commission, remove the Auditors and appoint another Auditor in its place. Furthermore, the Pension Fund Manager shall ensure that the Auditors so appointed, including the first Auditor, are appointed from the panel of Auditors as prescribed by the Commission for this purpose.

3.6.3. The Auditors shall hold office until transmission of the annual report and accounts but may be re-appointed for up to two consecutive terms of one year each. Thereafter, the Auditors shall only be eligible for appointment after the lapse of at least one year. 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, brothers, sisters or lineal ascendants or descendants of a director, officer or an employee of the Pension Fund Manager or Trustee;

(d) A person who is indebted to the Pension Fund Manager or Trustee; and

(e) A body corporate.

3.6.4. 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.

3.6.5. 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.

3.6.6. The Auditor shall prepare an auditor's report as required under the Rules, applicable laws and Regulations, to be transmitted to the Commission and the Participants..

3.6.7. The contents of the Auditors report shall be as required in the Rules.

3.6.8. In case the Rules or any other laws relating to appointment of Auditors of the Pension Funds are amended or substituted, the amended Rules or other laws, as the case may be, shall be deemed to become part of this Deed without the need to execute a Supplemental Trust Deed.

### **3.7 LEGAL ADVISORS**

3.7.1. The first legal advisor of the Meezan Tahaffuz Pension Fund is:

#### **Bawaney & Partners**

404, 4th Floor, Beaumont Plaza,  
6-c1-10, Beaumont Road,  
Civil lines, Karachi, Pakistan.

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

### **3.8 CHANGES IN APPOINTEES**

The appointees mentioned in Clauses 3.3, 3.4, 3.5, 3.6, and 3.7 may change from time to time with prior approval from the Commission, if required without the need to alter this Trust Deed.

## **4 CHARACTERISTICS OF THE PENSION FUND**

### **4.1 ELIGIBILITY**

All individuals fulfilling the eligibility criteria prescribed by the Commission from time to time under the Rules shall be eligible to contribute to the Pension Fund authorised under the Rules, directly as well as through employers.

### **4.2 STRUCTURE OF PENSION FUND**

4.2.1. The Pension Fund shall be in the form of a trust being made up of an equity Sub-Fund, a debt Sub-Fund, ~~and a~~<sup>4</sup> money market ~~and a Gold~~<sup>5</sup> Sub-Fund and such other Sub-Funds as may be allowed by the Commission. The Pension Fund shall have different Allocation Schemes that may be specified by the Commission from time to time. Details of Allocation Schemes currently being offered by the Pension Fund Manager shall be given in the Offering Document. When the Additional Allocation Schemes ~~or Sub-Funds~~<sup>6</sup> are launched, the Pension Fund Manager shall announce the same by Supplementary Offering Document without the need to alter this Trust Deed.

<sup>4</sup> Amended through STD-I

<sup>5</sup> Amended through STD-I

<sup>6</sup> Amended through STD-I

- 4.2.2. The Pension Fund established is perpetual in life and shall not be wound-up or terminated by way of liquidation.

### **4.3 APPLICATION PROCEDURES**

- 4.3.1. The procedure herein below is designed for paper based transactions. The Pension Fund Manager may at a later date introduce electronic/ Internet based options for the transactions.
- (a) The Pension Fund Manager shall be responsible for obtaining all requisite consents and approvals for the offer of the Fund.
  - (b) Participation in the Pension Fund shall be offered through Distribution companies.
  - (c) Before contributing, either himself or through the employer, to the Pension Fund, eligible person must open an account with the Pension Fund Manager, to be known as Individual Pension Account (the "IPA"), using the Prescribed Application Form.
  - (d) Applicants must indicate their Individual Pension Account Number in the Form except in cases where the Prescribed Application Form is sent with the Contribution.
  - (e) Details of documents required to be submitted along with the Forms would be as per the Offering Document and as per the Rules, Regulations and Guidelines issued by the Commission from time to time.
  - (f) 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.
  - (g) The Pension Fund Manager or the Distributor shall verify the particulars given in the Prescribed Application Form. The Pension Fund Manger shall ensure that only those forms are received and forwarded to the Registrar for further processing which are complete in every respect.
  - (h) The Participant shall have the option to select any one of the Allocation Schemes offered by the Pension Fund Manager. In the event of no choice made by the Participant, the Pension Fund Manager will have the right to allocate the Contributions to a default Allocation Scheme in light of the Prescribed Allocation Policy.
  - (i) After opening an account or at the time of opening of account a Participant may by using the Form, make Contribution towards Pension Fund. Allocation of Contributions among Sub-Funds will be made as per the Allocation Scheme selected by the Participant and the Allocation Scheme once selected can not be changed but on anniversary of the account and the same is intimated to the Pension Fund Manager through a Prescribed Application Form.
  - (j) Application for Contribution shall be made by completing the Form and submitting it physically or electronically via designated website to the Authorized Branches of the Distributor or to the Pension Fund Manager together with the payment by cheque, bank draft, pay order, or online transfer as the case may be in favor of "CDC -Trustee Meezan Tahaffuz Pension Fund Collection Account" and crossed "Account Payee only". Takaful premiums if any can also be collected with the said Contribution.
  - (k) 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 will advise the applicant in writing to remove the discrepancy, in the meanwhile the application will be held in abeyance up to fifteen days and in the event the discrepancy is not removed in the said fifteen days, the amount will be refunded out of collection account without any profit, interest or mark-up.
  - (l) If the cheque has been returned unpaid, the application for Contribution will be rejected.
  - (m) The Applicant must obtain a copy of the application or the receipt signed and stamped by an authorized officer of the Distributor acknowledging its receipt. However, in case of online Contributions, if any offered by the Pension Fund Manager and approved by

the Commission and Trustee, the online acknowledgement will be sufficient for the purpose of this clause.

- (n) Subject to the State Bank of Pakistan's regulations, the Pension Fund Manager will make arrangements, from time to time, for receiving the Forms and payments from outside Pakistan from the Participants or Applicants who meet with the eligibility criteria and will disclose these arrangements through its website and its Distributors and agents outside Pakistan.
- (o) The prescribed Forms can be lodged with any Distributor. Sales Agent or authorized representatives of the Distributor can collect these Forms for onward submission to the Distributor.

#### **4.3.2. ALLOCATION/ISSUE OF UNITS**

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

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

#### **4.4 CONTRIBUTION PROCEDURES AND MINIMUM CONTRIBUTIONS**

- 4.4.1 Contributions from Eligible persons and/ or from their employers can be paid lump sum or in installments. Detailed procedures are mentioned in clause 4.3 above.
- 4.4.2 The Pension Fund Manager shall send an account statement as an acknowledgement of receipt of the Contribution, to the Participant or the employer, as the case may be, within one week (7 days) of the receipt of Prescribed Application Form complete in all respects along with realization of payment. Such account statement shall provide all the information as per Guidelines issued by the Commission in this regard.
- 4.4.3 Dispatch of the account statement as an acknowledgment through registered post / courier shall be sufficient to meet the needs of the above obligation.
- 4.4.4 The Fund may be marketed in conjunction with group life or other Takaful schemes or any other scheme subject to approval of the Commission. These supplementary schemes would not be compulsory for all the Participants to join and the Trustee would be authorized to deduct the premiums only from the Contributions of those Participants who have opted to join such schemes. The Trustee would directly deposit the deducted premium with the relevant Takaful company. Only the net amount of Contributions after deduction of the premium would form part of the Trust Property.
- 4.4.5 Contribution procedure enunciated in clauses 4.4.1 to 4.4.4 shall be subject to alterations due to amendments to or substitutions of the Rules and/or the Income Tax Ordinance, 2001 and/or the Income Tax Rules. Such alterations with prior approval of the Commission shall be announced in by Supplementary Offering Documents and shall be deemed to correspondingly alter the above provisions without the need to execute a Supplementary Trust Deed.

#### **4.4.6 Minimum Contributions**

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

#### **4.5 INDIVIDUAL PENSION ACCOUNT**

- 4.5.1 The Pension Fund Manager shall assign a Distinct Registration /Individual Pension Account Number to Individual Pension Account held in the name of each Participant.
- 4.5.2 The Contribution received by the Trustee shall immediately be credited to the Individual Pension Account of the respective Participant. The amount in the Individual Pension Account shall be used for the purchase of the Units of different Sub-Funds in accordance with the Allocation Scheme selected by the Participant. In the event of no Allocation Scheme being selected by any Participant, the Pension Fund Manger shall allocate the Contributions among the various Sub-Funds in line with default allocation scheme under the Prescribed Allocation Policy.
- 4.5.3 The Participant shall have a right to change his Allocation Scheme only once at every anniversary.
- 4.5.4 The Pension Fund Manager shall make reallocation of the Units between the Sub-Funds as per Rules and Offering Document to ensure that the allocation of Units of all the Participants are according to the Allocation Scheme selected by the Participants or where no selection has been made, according to the Default Allocation Scheme.
- 4.5.5 Individual Pension Account and the Units shall not be subject to any lien, pledge or encumbrance, attachment in the execution of a decree, nor shall it be chargeable or assignable; and any agreement to charge or assign an allowance shall be void, and on the bankruptcy of a Participant, no sum shall pass to any trustee or person acting on behalf of his creditors.
- 4.5.6 As part of the Form, each Participant shall provide an undertaking that he/she has no objection to the Prescribed Investment Policy and Prescribed Allocation Policy determined by the Commission and he/she/am is fully aware of the risks associated with his/her/my selection of Allocation Scheme.
- 4.5.7 In case of retirement of the Participant, the units available in the Individual Pension Account shall be en-cashed on the first Dealing Day falling on or immediately after the date of retirement and such cash shall be deposited in a bank account maintained with a Bank having minimum entity rating of BBB which shall earn profit at applicable market rates offered for deposits of such amount and duration from the date of retirement till the date at which retirement options are exercised.
- 4.5.8 In case of death before retirement, the units available in the Individual Pension Account shall be en-cashed on the Dealing Day on which intimation of the death of the Participant would be received in writing and such cash shall be deposited in a bank account maintained with a Bank having minimum entity rating of BBB which shall earn profit at applicable market rates offered for deposits of such amount and duration from the date of intimation of death of the Participant till the date when the available options are exercised by the nominees/survivors.
- 4.5.9 The criteria of allocation may be subject to changes and modifications from time to time in accordance with the change in the Prescribed Investment Policy and Prescribed Allocation Policy. All such changes shall be announced by a Supplementary Offering Documents with the consent of the Trustee and shall be deemed to become part of this Trust Deed without the need to execute Supplementary Trust Deeds.

#### **4.6 WITHDRAWAL PROCEDURE**



- 4.6.1 Subject to the terms of this Deed and the provisions of the Rules, the Trustee shall, at any time during the life of the Pension Fund on the instructions of the Pension Fund Manager, authorize withdrawal out of the Pension Fund.
- 4.6.2 An application for Withdrawal along with the prescribed documents shall be made by completing the Form and the same is received at the Authorized Distributor on a Dealing Day during the Business Hours.
- 4.6.3 Withdrawal request complete in all respects along with all required documents and received by the Distributor, during Business Hours shall be considered as a withdrawal request received by the Pension Fund Manager on a Dealing Day.
- 4.6.4 The Distributors and Registrar shall verify the particulars given in the application for withdrawal and transfer.

#### **4.7 CHANGE OF PENSION FUND MANAGER BY THE PARTICIPANT**

- 4.7.1 Participants shall be allowed to transfer the entire or part of his Individual Pension Account with a particular pension fund manager to another pension fund manager by completing the Forms. For this purpose the Units shall be encashed at the Net Asset Value of each Sub-Fund notified at the date of transfer if a Dealing Day otherwise on the next Dealing Day.
- 4.7.2 No charge whatsoever called shall be deducted for transfer of the Individual Pension Account from one pension fund manager to another pension fund manager.
- 4.7.3 The transferred amount shall be used to purchase the Units of the Sub-Funds of the Pension Fund maintained by the new pension fund manager at the Net Asset Value notified at the close of the Dealing Day, of the receipt of amount, in accordance with the Allocation Scheme selected by the Participant.
- 4.7.4 The transfer of Individual Pension Account to another pension fund shall only take place on the Business Day falling on or immediately after the anniversary date of the opening of the Individual Pension Account in the Pension Fund.
- 4.7.5 The application for transfer of the account, specifying the name of the new pension fund manager and Individual Pension Account number with the new pension fund manager must be sent by the Participant or by the new pension fund manager at least thirty days before the relevant anniversary date. 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.
- 4.7.6 In the event the Commission de-authorises any Pension Fund Manager, the transfer shall take place without any restriction thereon.
- 4.7.7 Above procedures will be followed both in case of Transfer in and Transfer out of the Meezan Tahaffuz Pension Fund.
- 4.7.8 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 Meezan Tahaffuz Pension 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.
- 4.7.9 On receiving a transfer application mentioned in clause 4.7.5 above, complete in all respects, the Pension Fund Manager shall redeem the requested amount out of the balance available in Individual Pension Account of the Participant at the close of first Business Day that falls on or after the anniversary of opening of the Individual Pension Account and transfer the requisite amount to the requested pension fund. However, the Pension Fund Manager shall ensure that the remaining balance, if any, in the Individual Pension Account is as per the last selected Allocation Scheme by the Participant.

#### **4.8 REGISTER OF PARTICIPANTS**

- 4.8.1 The Pension Fund Manager has the responsibility to maintain Participant's records and for this purpose it may, under intimation to the Trustee, appoint a Registrar, who would be

responsible for maintaining Participants' records and providing related services. The Registrar shall perform the Registrar Functions and all other related activities. The Pension Fund Manager shall ensure that the Registrar shall comply with all relevant provisions of this Deed and the Rules.

- 4.8.2 The Pension Fund Manager or the Registrar as the case may be at their registered office shall maintain a Register of Participants. The Register shall also contain the information as prescribed by the Commission.
- 4.8.3 The Register shall be maintained in electronic form and be password protected. The Pension Fund Manager would grant access to all the Participants to view the account information. The record keeping system shall contain the computerized transaction log which shall record Participant Account changes, who made them and when they were made. The Registrar and the Pension Fund Manager shall make sufficient provision for back up of the Register and its storage at an off-site location.
- 4.8.4 The Pension Fund Manager shall ensure that the Registrar shall at all reasonable times during Business Hours give the Trustee and its representatives access to the Register and to all subsidiary documents and records or certified copies thereof and to inspect the same with or without notice and without any charge. The Trustee or its representative shall only be entitled after the written approval from the Commission and under intimation to the Pension Fund Manager to remove the Register or to make any entries therein or alternations thereto.
- 4.8.5 The Registrar shall, within three Dealing Days of receiving a written request from any Participant, post (or send by courier or through electronic means) to such Participant details of such Participant's account in the Register. Such service shall be provided free of charge to any Participant requesting 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.
- 4.8.6 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:
  - (a) Registration number;
  - (b) Individual Pension Account number
  - (c) Full names, father's name, residency status, CNIC number (in respect of Pakistani nationals)/ NICOP number (in respect of overseas Pakistanis), National Tax Number and addresses of Participant;
  - (d) If Participant is registered through employer the Individual Pension Account Number will be linked to an Employer Account Number that will contain the following:
    - i. Employer name;
    - ii. Registered address;
    - iii. National Tax Number;
    - iv. Number of employees contributing in VPS; and
    - v. Telephone number and e-mail address.
  - (e) Date of birth and Sex of the Participant;
  - (f) Complete record of the amount and date of each Contributions paid by the Participant;
  - (g) Complete record of the amount and date of each Contribution paid by the Employer;
  - (h) Date and amount of incoming and outgoing transfers;
  - (i) The number of Sub-Fund Units allocated and standing in the name of the Participant in the Individual Pension Account or Approved Income Payment Plan balances;
  - (j) The date on which the name of every Participant was entered in respect of the Sub-Fund Units standing in his name;
  - (k) Tax/Zakat status of the Participants;

- (l) Nominee(s);
  - (m) Record of specimen signatures of the Participant and Nominee(s);
  - (n) Information on retirement of Participant and the payments made or to be made;
  - (o) Information on death and transfer of account to heirs; and
  - (p) Such other information as may be specified by the Commission or Pension Fund Manager may require.
- 4.8.7 The Register shall be conclusive evidence as to the Sub-Fund Units or Individual Pension Account or Approved Income Payment Plan Account balances held by each Participant.
- 4.8.8 Any change of address or status of any Participant shall forthwith be notified in writing to the Registrar, who on being satisfied therewith and on compliance with such formalities shall update the Register accordingly.
- 4.8.9 The Participant or his nominee, as the case may be, shall be the only persons to be recognized by the Trustee, the Pension Fund Manager and the Registrar as having any right, title or interest in or to such Units and the Trustee, the Pension Fund Manager and the Registrar may recognize the Participant as the absolute owner thereof and shall not be bound by any notice to the contrary and shall not be bound to take notice of or to see to the execution of any trust, except where required by any court of competent jurisdiction.
- 4.8.10 Upon being satisfied that the contribution to the Pension Fund has been received in full from the successful applicant, the Registrar shall issue, within one week (seven days) of such contribution, an acknowledgement along with the account statement that will constitute evidence of the number of Sub-Fund Units or Individual Pension Account or Approved Income Payment Plan Account balances registered in the name of the Participant and shall contain such other information as prescribed by the Commission from time to time.
- 4.8.11 While making payment of the benefits, the Pension Fund Manager shall ensure that adequate description of reasons of payment i.e. retirement, disability, death benefit to the beneficiary(ies) is mentioned in the Register.
- 4.8.12 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.

#### **4.9 RETIREMENT AGE**

- 4.9.1 The Participant may choose his/her Retirement Age which would be 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.
- 4.9.2 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) total loss of eyesight;
  - (c) total deafness in both ears;
  - (d) very severe facial disfigurement;
  - (e) total loss of speech;
  - (f) paraplegia or hemiplegia;
  - (g) lunacy;
  - (h) advanced case of incurable disease; or
  - (i) wounds, injuries or any other diseases, etc, resulting in a disability due to which the Participant is unable to continue any work.

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

#### **4.10 BENEFITS ON RETIREMENT**

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

- (a) Withdraw 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 to withdraw from the remaining amount, monthly installments till the age of seventy-five years or earlier or as specified in the Rules, according to an Approved Income Payment Plan, approved by the Commission.

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

#### **4.11 WITHDRAWAL OF FUNDS BEFORE RETIREMENT**

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

4.11.2 Where the request is made by a Participant for partial withdrawal from the Individual Pension Account, the Pension Fund Manager will redeem the requested amount out of the Units of the Sub-Fund as per the last selected Allocation Scheme at the Net Asset Value prevailing on close of the Business Day on which the request was received and forward the request to the Trustee to make payment.

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

#### **4.12 BENEFITS ON DEATH BEFORE RETIREMENT**

4.12.1 In case of death of a Participant before the retirement age, all the Units of the Sub-Funds to his credit shall be redeemed at the Net Asset Value notified at close of the day of intimation of death in writing, if such day is a Dealing / Business Day and otherwise on the next following Dealing / Business Day the amount due shall be credited to his Individual Pension Account, which shall earn the applicable market rate of profit offered for deposits of such amount and duration from the date of receipt of death certificate till the date when available options are exercised by the survivors. Death certificate issued by the issuing authority having jurisdiction over the matter and received by the Distributor on Dealing Day shall be considered as intimation of death to the Pension Fund Manager. Detailed procedure for intimation and allocation thereafter shall be provided in the Offering Document and as per laws enforced from time to time.

4.12.2 The total amount in the Individual Pension Account of the deceased Participant shall be divided among the nominated survivors according to the percentages specified in the Nomination Deed and each of the nominated survivor shall then have the following options, namely :-

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

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

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

#### **4.13 INSTRUCTIONS FROM PARTICIPANTS**

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

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

4.14.1 Net Assets of the Pension Fund will comprise of the Net Assets of all the Sub Funds, Individual Pension Account, Approved Income Payment Plan, Cash collection and disbursement account constituting the Pension Fund and any other assets in any other account related to the Pension Fund.

4.14.2 Net Asset Value of the Unit of each Sub-Fund shall be calculated on the basis of the Sub-Fund's total Net Asset divided by the number of outstanding Units in that Sub-Fund.

#### **4.14.3 NET ASSET VALUE OF SUB-FUNDS**

Net asset value in relation to a Sub-Fund, means the excess of total value of assets over total value of liabilities of the Sub-Funds. The values of assets and liabilities will be computed in the manner specified in the Rules or as may be specified by the Commission from time to time,

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

4.15.1 The valuation of Net Assets of the Sub Funds will be performed atleast on all Dealing Days and any other day as determined by the Pension Fund Manager.

4.15.2 Dealing in the Units of the Sub-Funds will be conducted on at least four Dealing Days per week to be announced by the Pension Fund Manager initially in Offering Document and subsequently in newspaper.

4.15.3 For suspension or deferral in the dealing of Units please refer clause 8 in the Trust Deed.

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

4.16.1 Units of the Sub-Funds will be priced at Net Asset Value per Unit determined at the close of the Business Day as per criteria given in the Rules and amendment therein from time to time.

4.16.2. Unit pricing may change from time to time subject to change in Rules without any need to register the supplementary Trust Deed.

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

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

#### **4.18 PAYMENT OF PROCEEDS**

- 4.18.1 The amount payable on withdrawal shall be paid to the Participant by crossed cheque, pay order or transfer to the Participant's designated banker or an insurance company as the case may be within six Business Days from the date of presentation of the duly completed application at the Authorized Branch or office of the Distribution Company. 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).
- 4.18.2 In the event that the withdrawal or transfer request is incomplete in any respects, the Pension Fund Manager or the Registrar shall inform the Participant of the discrepancies within one week of the receipt of the request to provide the missing information. The payment shall not be made until all discrepancies have been removed.
- 4.18.3 The amount payable on transfer shall be paid on behalf of the Participant to the requested pension fund within six Business Days from the anniversary of the opening of the Individual Pension Account. In the event transfer requests on any day exceed 10% of the Meezan Tahaffuz Pension Fund, the Pension Fund Manager may take extra time but not more than 30 days for the transfer of the requested amount.
- 4.18.4 The receipt of the Participant or banking documents showing transfer to the Participant, insurance company or another pension fund as the case may be or proof of issue of a cheque and mail to the Participants address for any moneys payable in respect of the Individual Pension Account shall be a good discharge to the Trustee and the Pension Fund Manager.
- 4.18.5 The method for payment of proceeds given in 4.18.1 to 4.18.3 shall 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 Supplemental Trust Deed.

#### **4.19 WITHHOLDING TAX AND TAX PENALTY**

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

#### **4.20 SHARIAH GOVERNANCE**

- 4.20.1 All activities of the Pension Fund shall be undertaken in accordance with the Islamic Shariah as per the guidelines given by Shariah Advisor.
- 4.20.2 The Shariah Advisor shall prescribe screening criteria and guidelines for determining Shariah compatibility of Investments made / to be made by the Pension Fund.
- 4.20.3 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 from time to time.
- 4.20.4 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.

## **5 FEES AND CHARGES**

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

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

- 5.1.1 The Pension Fund Manager may charge Front-end Fee up to a maximum of 3% on Contributions to the Fund, unless such contributions are exempt from a Front-end Fee.
- 5.1.2 The following contributions are exempt from Front-end Fee:
- (a) Incoming transfer of the Individual Pension Account from other pension fund manager to the Pension Fund Manager;
  - (b) 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; or
  - (c) Such other contributions/transfers as may be declared by the Commission from time to time.
- 5.1.3 The remuneration of Distributors and Sales Agents shall be paid from any Front-end Fee received by the Trustee and/or may be paid by the Pension Fund Manager when the Trustee pays the Front-end Fee to the Pension Fund Manager for onward payments to Distributors or Sales Agents. Alternatively, the Trustee may pay the same directly to the Distributors or Sales Agents upon instructions of Pension Fund Manager, and no charges shall be made against the Fund Property in this respect. If the Front-end Fee received by the Trustee is insufficient to pay the remuneration of the Distributors and Sales Agents, the Pension Fund Manager shall pay the amount necessary to pay in full such remuneration.
- 5.1.4 Such payments, as mentioned hereinabove, may be made to the Distributors and Sales Agents and the Pension Fund Manager by the Trustee on the instructions of the Pension Fund Manager on monthly basis in arrears within thirty days of the end of the calendar month / or receipt of instructions whichever is later.
- 5.1.5 Any Distributor, whether in Pakistan or overseas, shall not receive any amount of Contributions in his own account (so he will not be able to deduct any distribution fee on his own). Every cheque/demand draft /instrument shall be in the name of the Trustee and then the Trustee shall, either directly or through the Pension Fund Manager, remit the commission to the Distributor.
- 5.1.6 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.

### **5.2 OTHER COSTS, FEES AND CHARGES PAYABLE BY A PARTICIPANT**

Fees and charges for any information requested by the Participant that is allowed to be charged under the Rules shall only be levied after the prior approval of the Commission.

### **5.3 REMUNERATION OF THE PENSION FUND MANAGER**

- 5.3.1 The Pension Fund Manager shall be entitled to an annual management fee not exceeding 1.5% of the Net Assets of each Sub-Funds calculated during the year for determining the prices of the units of the Sub-Funds.
- 5.3.2 The remuneration due to the Pension Fund Manager shall be accrued on daily basis and paid on monthly basis, within thirty (30) Business Days after the close of each month,

provided that the Pension Fund Manager may from time to time draw in advance out of the accrued remuneration a sum that the Trustee shall consider reasonable.

- 5.3.3 Pension Fund Manager shall not make any charge against the Participants or against the Fund Property for its services or for its expenses, except such expenses as are expressly authorized under the provisions of the Rules and the Trust Deed to be payable out of Fund Property.
- 5.3.4 In consideration of the foregoing and save as aforesaid and as provided the Pension Fund Manager shall be responsible for the payment of all expenses incurred by the Pension Fund Manager from time to time in connection with its duties as Pension Fund Manager of the Trust. The Pension Fund Manager shall also bear all expenditures in respect of its secretarial and office space and professional management, including all accounting and administrative services provided in accordance with the provision of the Trust Deed. In the event that a Pension Fund Manager erroneously makes an incorrect charge, the Pension Fund Manager shall immediately notify the Trustee and the Commission and credit the incorrectly charged amount to the respective Sub-Funds, at its own expense.
- 5.3.5 The remuneration shall begin to accrue from the date of payment in full of the Seed Capital. In respect of any period other than a full year, such remuneration shall be prorated on the basis of the actual number of days for which such remuneration has accrued in the Accounting Period concerned.

#### **5.4 REMUNERATION OF THE TRUSTEE**

- 5.4.1 The Trustee shall be entitled to a monthly remuneration out of the Fund Property based on an annual tariff of charges annexed hereto (Annexure "D"), which shall be applied to the average daily Net Assets of the Pension Fund during such calendar month. The Trustee's annual tariff of charges may be amended from time to time with the permission of the Commission without the need to alter this Trust Deed.
- 5.4.2 Such remuneration shall be paid to the Trustee in arrears within thirty Business Days after the end of each calendar month.
- 5.4.3 The Trustee shall bear all expenditures in respect of its secretarial and office space and professional management, in accordance with the provisions of this Deed.
- 5.4.4 The remuneration shall begin to accrue from the date of payment in full of the Seed Capital. 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.
- 5.4.5 Any change in the remuneration of the Trustee agreed to by the Pension Fund Manager shall require the prior approval of the Commission.
- 5.4.6 In consideration of the foregoing and save as aforesaid the Trustee shall be responsible for the payment of all expenses incurred by the Trustee from time to time in connection with their duties as Trustee of the Trust. The Trustee shall not make any charge against the Participants or against the Trust Property or against the Distribution Account for their services or for their expenses, except such expenses as are expressly authorized to be paid out of the Trust Property under the provisions of the Rules and this Deed

#### **5.5 OTHER FEES AND CHARGES PAYABLE OUT OF THE PROPERTY OF THE FUND**

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



- (d) Auditors' Fees and expenses.
  - (e) Annual fee payable to the Commission under Rule 36 of the Rules but not any fines, charges, sanctions or penalties asserted by the Commission against the Pension Fund Manager or any of its related companies;
  - (f) Any amount which the Shariah Advisor may declare to be Haram and to be paid to Charity as per Guidelines of the Commission;
  - (g) Preliminary expenses including Formation Costs but excluding any costs relating to marketing, sales, promotion, education, communication or any form of advertisement costs shall be subject to a limit of PKR 750,000/- or 0.5% of the total Seed Capital, whichever is less. This cost shall be paid to the Pension Fund Manager within the first three months of complete receipt of Seed Capital and amortized over a period of three years.
  - (h) Taxes applicable to the Trust on its income, turnover, assets or otherwise if any; and
  - (i) Custody charges including Central Depository Company of Pakistan charges, if any.
- 5.6 The Pension Fund Manager's Remuneration and the Trustee's Remuneration shall be charged to the Sub-Funds in proportion to the Net Assets of the pertinent Sub-Fund. Formation Costs shall be divided equally among all the Sub-Funds. Any admissible expense identifiable to a specific Sub-Fund shall be charged to that Sub-Fund. Common expenses like Legal Costs, Audit Fees, Annual Fees payable to the Commission and other Costs and Charges pertaining to the Pension Fund as a whole, shall be divided equally among the Sub-Funds. Any other charges as may be allowed by Commission from time to time shall also be charged as per the above criteria.

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

### **6.1 INVESTMENT OF FUND PROPERTY:**

- 6.1.1 The Fund Property shall initially be constituted out of the proceeds (the "Seed Capital") of the Sub-Fund Units (Core Units) issued to initial investors (the "Seed Capital Investors").
- 6.1.2 The aggregate proceeds of all Contributions including Takaful premium if any to the Fund from time to time shall be collected in the collection account and transmitted to the respective Sub-Fund accounts in the name of the Trustee after deducting Front-end Fees and Takaful premium if any in accordance with the instructions given by the Pension Fund Manager from time to time. The net proceeds after deduction of Front-end Fee and Takaful premium, if any, shall constitute Pension Fund Property vested in the Sub-Funds of the Pension Fund. Front-end Fee and Takaful premium will be transmitted in the name of Pension Fund Manager and specified Takaful Company respectively.
- 6.1.3 The Trustee shall take the Fund Property into its custody or under its control, either directly or through the Custodian and hold it in trust for the benefit of the Participants in accordance with the provisions of the Rules and this Deed. The Fund Property shall always be kept as separate property and shall not be applied to any purpose unconnected with the Fund. The Fund Property of each Sub-Fund shall be kept and accounted separately and shall not be commingled. All registerable Investments shall be registered in the name of the Trustee and shall remain so registered until disposed of pursuant to the provisions of this Deed. All expenses incurred by the Trustee in effecting such registration shall be payable out of the Fund Property.
- 6.1.4 All cash forming part of the Trust Property shall be deposited by the Trustee in separate account(s) to be opened in the name of the Trustee, as a nominee of the Trust, with Bank(s) or Financial Institution(s) having at least minimum BBB rating approved by the Pension Fund Manager. Such Bank(s) or Financial Institution(s) shall be required to allow profit thereon in accordance with the rules prescribed by such Bank(s) or the Financial Institution(s) for sharing of profits or mark-up on deposits maintained in such account or under any other arrangement approved by the Pension Fund Manager.
- 6.1.5 Save as herein expressly provided, the Fund Property of each Sub-Fund shall always be kept as separate property free from any mortgages, charges, liens, or any other encumbrances whatsoever and the Trustee, the Pension Fund Manager shall not, except for the purpose of the Fund, create or purport to create any mortgages, charges, liens or any

other encumbrances whatsoever to secure any loan, guarantee, or any other obligation, actual or contingent, on the Fund Property.

6.1.6 The Trustee shall have the sole responsibility for the safekeeping of the Fund 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 issued together with all rights and privileges pertaining thereto or compensate the Trust to the extent of such loss.

6.1.7 Remuneration of the Pension Fund Manager; Remuneration of the Trustee; Brokerage and Transaction Costs related to investing and disinvesting of the Trust Property; Legal costs incurred in protecting the interests of the Meezan Tahaffuz Pension Fund or the collective interest of the Participants; bank charges and other costs including; Audit Fees; Formation Costs, Annual Fee payable to the Commission, shall be payable out of the Trust Property. Provided further that the Formation Costs, including expenditure incurred in connection with the establishment and authorization of the Meezan Tahaffuz Pension Fund shall also be borne by the Pension Fund and amortize over a period of three years.

#### 6.1.8 BANK ACCOUNTS

- (a) The Trustee will maintain Bank Accounts for the Pension Fund in Banks and Financial Institutions having a minimum BBB entity rating, approved by the Pension Fund Manager and their branches as specified by the Pension Fund Manager from time to time. These Bank Accounts would be titled as follows:
- (b) For collection of Contribution “CDC-Trustee Meezan Tahaffuz Pension Fund Collection Account”.
- (c) For withdrawal of accumulated balance “CDC-Trustee Meezan Tahaffuz Pension Fund Disbursement Account”.
- (d) Others separately for each Sub-Fund “CDC-Trustee Meezan Tahaffuz Pension Fund (Equity / Debt/ Money Market / Gold<sup>7</sup>) Account”.
- (e) The amounts received from the Seed Capital Investors would be deposited in the bank account titled CDC-Trustee Meezan Tahaffuz Pension Fund Collection Account for onwards allocation to the individual Bank Accounts of the respective Sub-Funds. The Pension Fund Manager may start investment of this amount as per the Prescribed Investment Policy as soon as the total Seed Capital is received.

### 6.2 INVESTMENT POLICY OF MEEZAN TAHAFFUZ PENSION FUND AND ITS SUB-FUNDS

6.2.1. Pension Fund Manager shall make investment of the Meezan Tahaffuz Pension Fund in a transparent, efficacious, prudent and sound manner. Pension Fund will ~~initially~~<sup>8</sup> consist of ~~three-four~~<sup>9</sup> Sub-Funds.

6.2.2. All the investments of the Meezan Tahaffuz Pension Fund shall be strictly in compliance with the Prescribed Investment Policy (subject to relaxations if any, granted by the Commission from time to time). 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. Subject to prior approval of the Commission, the Sub-Fund may seek to invest in foreign Shariah-Compliant securities issued, listed or otherwise and traded outside Pakistan on such terms, Guidelines and directions as may be prescribed by the Commission and the State Bank of Pakistan from time to time.

### 6.3 INVESTMENT RESTRICTIONS

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<sup>7</sup> Amended through STD-I

<sup>8</sup> Amended through STD-I

<sup>9</sup> Amended through STD-I

- 6.3.1 The Fund Property shall be subject to such exposure limits as are provided in the Rules, subject to relaxations granted by the Commission from time to time.
- 6.3.2 The Fund shall not at any time:
- (a) Enter into a short sale transaction in any security, whether listed or unlisted;
  - (b) Purchase from or sell any security to any Connected Person;
  - (c) Enter into transactions with any single broker who is a Connected Person that account for ten per cent or more of the Fund's brokerage commission in any one Accounting Year of the Fund.
  - (d) Lend, assume, guarantee, endorse or otherwise become directly or contingently liable for or in connection with any obligation or indebtedness of any person. However, Investment in sale and repurchase transactions involving Government Securities or such listed securities which are regulated by the Stock Exchanges shall not be attracted by this rule under the risk management parameters given in above;
  - (e) Invest in any security of a company if any director or officer of the Pension Fund Manager or their lineal ascendant or descendants owns more than five per cent of the total nominal amount of the securities issued, or, collectively the directors and officers of the Pension Fund Manager own more than ten per cent of those securities;
  - (f) Except where it is necessary to protect its Investment, seek to acquire a controlling interest in any enterprise in which it has invested or has any other interest, which would give it primary responsibility for management.
- 6.3.3 The investment of properties of the Sub-Funds shall be subject to the restrictions/limitations prescribed by the Commission vide its Prescribed Investment Policy from time to time.

#### **6.4 BORROWING RESTRICTIONS**

- 6.4.1 Subject to any statutory requirements for the time being in force and to the terms and conditions herein contained, the Trustee may at any time at the request of the Pension Fund Manager concur with the Pension Fund Manager in making and varying arrangements with Banks or Financial Institutions for borrowing by the Trustee for the account of the Pension Fund; provided that the borrowing shall not be resorted to, except for meeting the withdrawal requests.
- 6.4.2 Borrowing shall not be resorted to except for meeting withdrawal requests or transfer of funds to other Pension Fund Managers and such borrowing shall not exceed the limits provided in the Rules at the time of borrowing. However, if subsequent to such borrowing the Net Assets are reduced as a result of depreciation in the market value of the Fund Property or withdrawal, the Pension Fund Manager will not be under any obligation to reduce such borrowings. Such borrowing shall be repayable within a period of ninety days.
- 6.4.3 The charges payable to any Bank or Financial Institution against borrowings on account of the Trust as permissible above shall not be higher than the normal prevailing bank charges or normal market rates for similar service and/or facility.
- 6.4.4 The maximum borrowing for the account of the Trust shall not exceed fifteen per cent of the total Net Asset Value of the Pension Fund and the maximum borrowing for the account of any Sub-Fund shall not exceed fifteen per cent of the total Net Asset Value of such Sub-Fund or such other limit as may be provided in the Rules. If subsequent to such borrowing, the Net Assets are reduced as a result of depreciation in the market value of the Fund Property or withdrawal of funds, the Pension Fund Manager shall not be under any obligation to reduce such borrowing.
- 6.4.5 Neither the Trustee, nor the Pension Fund Manager shall be required to issue any guarantee or provide security over their own assets for securing such borrowings from Banks and Financial Institutions. The Trustee or the Pension Fund Manager shall not in any manner be liable in their personal capacities for repayment of such loans or advances.
- 6.4.6 For the purposes of securing any such borrowing the Trustee may upon instruction of the Pension Fund Manager mortgage, charge or pledge in any manner all or any part of the

Fund Property provided that the aggregate amount secured by such mortgage, charge or pledge shall not exceed the limits provided under the Rules.

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

## **7 STATEMENTS AND DECLARATIONS**

### **7.1 PARTICIPATING Parties**

**Al Meezan Investment Management Limited**, an unlisted public limited company, incorporated under the Companies Ordinance, 1984 (hereinafter called the "Pension Fund Manager" which expression where the context so permits, shall include its successors in interest and assigns), registered as a Non Banking Finance Company with a license to perform Asset Management, Investment Advisory Services and Investment Finance Services under the Non Banking Finance Companies (Establishment and Regulation) Rules, 2003 (hereinafter referred to as the "NBFC Rules") and registered as a Pension Fund Manager under the Rules, having its registered office at Ground Floor, Block B, Finance and Trade Centre (FTC) Sharah-e-Faisal Karachi, of One Part

**AND**

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

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

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

7.2.2 The Pension Fund Manager shall:—

- (a) be obliged to manage and invest the assets of the Pension Fund, according to the provisions of this deed and the Rules, in the best interest of the Participants in good faith and to the best of its ability and without gaining any undue advantage for itself or any of its related parties or its officers;
- (b) be responsible for the acts and omissions of all persons to whom it may delegate any of its functions as Pension Fund Manager, howsoever designated, as if they were its own acts and omission;
- (c) account to the Trustee for any loss in value of the assets of the Pension Fund where such loss has been caused by its gross negligence, reckless or willful act or omission;
- (d) maintain at its principal office, proper accounts and records of the Pension Fund and each Sub-Fund and each Individual Pension Account to enable a complete and accurate view to be formed of the assets and liabilities and the income and expenditure of the Pension Fund and the Sub-Funds, all transactions for the account of the Pension Fund and Contributions received by the Pension Fund and withdrawals by the Participants including detail of the Front-end Fee deducted from the Contributions and the withholding tax deducted at source and transfer or receipt of balances in the Individual Pension Accounts of the Participants to or from other pension fund managers. The Pension Fund Manager shall provide and replicate these records to/with the Trustee and shall arrange the re-conciliation of these records with the Trustee at regular intervals to be decided by the Trustee. The extent of records to be provided to the Trustee shall be mutually decided with the Pension Fund Manager;
- (e) prepare and transmit an annual report, together with a copy of the balance sheet and income and expenditure account and the auditor's report of the Pension Fund and each Sub-Fund within three months of closing of the Accounting Period to the Commission,

Trustee and the Participants, and the balance sheet and income and expenditure account shall comply with requirements as set out in Schedule I to the Rules;

- (f) within one month of the close of the first, second and third quarter of its year of account of the Fund, prepare and transmit to the Participants, Trustee and the Commission a balance sheet as at the end of that quarter and a profit and loss account for that quarter, whether audited or otherwise, of the Pension Fund and the balance sheet and income and expenditure account shall comply with requirements as set out in Schedule I. The companies may, with the prior approval of the Commission, post the said quarterly accounts on their website;
- (g) The Pension Fund Manager shall maintain a Register of Participants of the Meezan Tahaffuz Pension Fund and inform the Commission of the address where the register is kept. For this purpose it may appoint a Registrar, who is responsible for maintaining Participants' records and providing related services. The Registrar shall carry out the responsibility of maintaining Participants' records, issuing statements of account, receipts for contribution, processing withdrawals and all other related activities;
- (h) appoint, from the list of auditors prescribed by the Commission from time to time, with the consent of the Trustee, at the establishment of the Pension Fund and upon any vacancy, an Auditor independent of the auditor of the Pension Fund Manager and the Trustee and such Auditor shall not be appointed for more than three consecutive years;
- (i) The Pension Fund Manager shall furnish to the Commission within one month of the close of the Accounting Year, (i) particulars of the personnel (executive, research and other) managing the Meezan Tahaffuz Pension Fund (ii) total number of Participants (iii) total value of all Individual Pension Accounts (iv) total Contributions for the previous year and (v) such other information that may be prescribed by the Commission from time to time;
- (j) send an account statement as at the 30th June and the 31st December each year, within thirty days after the end of each date, to individual Participants, confirming the aggregated transactions for that six month period and indicating the type(s) of Contributions received: contribution from the employer or the Participant, incoming transfers from other pension fund manager(s) or incoming transfers from Provident Fund or transfer from a deceased person's account or other; 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 Company, outgoing transfer to other pension fund manager(s), , premium deducted out of the Contributions on account of supplementary schemes, withdrawals or other. The statements shall include details of the number of Units allocated and held, the current valuation of the Units and such other information as may be specified by the Commission, free of charge. Additionally, the Participant shall be entitled to receive any statement, in respect of his account, at any time, on written application. Such information may also be posted on the website or emailed and furnished electronically, subject to prior approval of the Commission;
- (k) send as at 30<sup>th</sup> June each year, 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;
- (l) The Pension Fund Manager under intimation to the Commission and the Trustee, from time to time appoint, remove or replace one or more Distribution Company (ies) for carrying the Distribution Function at one or more locations, on terms and conditions to be incorporated in the Distribution Agreement to be entered into between the Distribution Company and the Pension Fund Manager.
- (m) furnish to the Commission a copy of its annual report and half yearly report, together with copies of the balance sheet, profit and loss account, the directors' report and the Auditors' report within two months of the close of its accounting year and within one month of its half year.
- (n) send any other statement or certificate to the Participants which may be necessary under these Rules.

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

The Pension Fund Manager on behalf of the Fund shall not:—

- (a) merge with, acquire or take over management of any other pension fund unless it has obtained the prior approval of the Commission in writing to the scheme of such merger, acquisition or takeover;
- (b) pledge any of the securities held or beneficially owned by the Pension Fund except for the benefit of the Pension Fund subject to prior approval of the Commission;
- (c) accept deposits from another pension fund;
- (d) make a loan or advance money to any person except in connection with the normal business of the Pension Fund;
- (e) participate in a joint account with others in any transaction;
- (f) apply any part of its assets to real estate, unless provided in the Rules or approved by Commission provided that the Pension Fund Manager may purchase real estate for its own use out of its shareholders' fund;
- (g) make any investment with the purpose of having the effect of vesting the management, or control, in the Pension Fund; and
- (h) employ as a broker, directly or indirectly, any of its director, officer or employee or a member of a family of such person which shall include spouse, parents, children, brothers and sisters and enter into transactions with any connected broker, which shall equal or exceed ten per cent or more of the brokerage or commission paid by the Pension Fund in any one accounting year:

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

### **7.4 LIMITATIONS AND PROHIBITIONS**

- 7.4.1. Pension Fund Manager on behalf of the Pension Fund shall not lend, assume, guarantee, endorse or otherwise become directly or contingently liable for or in connection with any obligation or indebtedness of any person.

Provided that investment in purchase and resale transactions involving Government securities or such eligible listed securities which are regulated by Stock Exchanges shall not be prohibited by this sub-clause subject to the condition that risk management parameters are disclosed in the Offering Document of the Pension Fund approved by the Commission.

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

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

- 7.5.1 The Pension Fund Manager may retire at any time after issuing a three months' notice to the Participants about its intention, with the prior approval of the Commission under intimation to the Trustee.
- 7.5.2 The Trustee may, with the prior approval of the Commission, remove the Pension Fund Manager if the Pension Fund Manager has contravened the provisions of this Deed in any material respect and has failed to rectify the contravention within (1) 30 days from the date of notification in writing, under intimation to the Commission or (2) such other period as may be specified by the Commission, in respect of the subject contravention.
- Provided that such notice 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.
- 7.5.3 The Pension Fund Manager will stand retired immediately in case of the following events and no notice is required to be served. All the other provisions relating to audit and approvals as mentioned herein shall be applied accordingly:
- (a) A receiver is appointed over any of the assets of the Pension Fund Manager.
  - (b) The Pension Fund Manager goes into liquidation (other than voluntary liquidation on terms previously agreed to with the Trustee for purpose of reconstruction and amalgamation);
- 7.5.4 If the Commission is of the opinion that the Pension Fund Manager has contravened any provision of the Rules, or has otherwise neglected or failed to comply with any order or direction of the Commission or with any requirement of the Rules or has failed or neglected to carry out its duties to the satisfaction of the Trustee, or the Commission, as the case may be, and considers that it would be in the interest of the Participants so to do, the Commission, on its own motion or on the report of the Trustee, by order in writing may immediately:-
- (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.
- 7.5.5 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.
- 7.5.6 If the registration of the company as a Pension Fund Manager is cancelled under as mentioned above, the Commission shall appoint with consent of the Trustee another Pension Fund Manager for the Pension Fund according to the provisions of this deed and the Rules and the Pension Fund Manager whose Registration has been cancelled shall not be eligible to be registered as a Pension Fund Manager again.
- 7.5.7 The removal of Pension Fund Manager and appointment of a new pension fund manager shall always require the prior approval of the Commission.
- 7.5.8 Upon a new pension fund manager being appointed, the Pension Fund Manager will take immediate steps to deliver all the documents and records pertaining to the Trust to the new pension fund manager and shall pay all sums due to the Trustee.
- 7.5.9 Upon its appointment the new pension fund manager shall exercise all the powers and enjoy all rights and shall be subject to all duties and obligations of the Pension Fund Manager hereunder as fully as though such new pension fund manager had originally been a party hereto.
- 7.5.10 If so directed by Commission, the Pension Fund Manager shall not receive any Contributions from any of the Participants or make any other transaction on account of the Pension Fund as from the date of issue of such notice as referred above.

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

## **7.6 OBLIGATIONS OF TRUSTEE**

7.6.1. The Trustee shall comply with the provisions of this Deed and 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 Trust for any loss in value of the Trust 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.

7.6.2. The Trustee shall exercise all due diligence and vigilance in carrying out its duties and in protecting the interests of the Participants. The Trustee shall not be under any liability on account of anything done or not done by the Trustee in good faith in accordance with or in pursuance of any request of the Pension Fund Manager, provided 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.

7.6.3. The Trustee shall; -

- (a) take into its custody or under its control all the property of the Pension Fund and hold it in trust for the Participants in accordance with the law and the provisions of the Constitutive Documents; and the cash and registerable assets shall be registered in the name of, or to the order of, the Trustee;
- (b) be liable for any act or omission of any agent with whom any investments are deposited as if they were the act or omission of any nominee in relation to any investment forming part of the property of the Pension Fund ;
- (c) be liable for the act and omission of the lender and its agent in relation to assets forming part of the property of the Pension Fund and, where borrowing is undertaken for the account of the Pension Fund, such assets may be registered in the lender's name or in that of a nominee appointed by the lender;
- (d) ensure that the issue, redemption and cancellation of Units are carried out in accordance with the provisions of the Constitutive Documents of the Pension Fund;
- (e) 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 the Constitutive Documents or as specified by the Commission;
- (f) carry out the instructions of the Pension Fund Manager in respect of Investments unless they are in conflict with the provisions of the prospectus or Constitutive Documents;
- (g) ensure that the investment policy prescribed by the Commission from time to time and the borrowing limitations set out in the Trust Deed, the Rules and other conditions under which the Meezan Tahaffuz Pension Fund was authorized are complied with;
- (h) issue a report to be included in the annual report to be sent to Participants whether, in the Trustees' opinion, the Pension Fund Manager has in all material respects managed



the Pension Fund in accordance with the provisions of the Constitutive Documents, and if the Pension Fund Manager has not done so, the respects in which it has not done so and the steps which the Trustee has taken in respect thereof; and

- (i) ensure that Units are not allocated until Contributions have been received.
  - (j) obtain from the Pension Fund Manager or the Registrar and maintain complete record of the Pension Fund, Sub-Funds, Individual Pension Accounts, transactions and shall update this record on regular basis as mutually agreed with Pension Fund Manager. These records may be reconciled on regular intervals, mutually agreed by the Pension Fund Manager and the Trustee.
- 7.6.4. The Trustee shall, from time to time appoint, remove or replace one or more Custodian(s) as an agent for performing the Custodian Function at one or more locations, on terms and conditions to be agreed between the Custodian and the Trustee and approved by the Pension Fund Manager;
- 7.6.5. The Trustee shall make available or ensure that there is made available to the Pension Fund Manager such information as the Pension Fund Manager may reasonably require from time to time in respect of the Trust Property and all other matters relating to the Trust.
- 7.6.6. 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 in a manner so as to enable the Pension Fund Manager to meet obligation for finalization of financial statements of the Sub-Funds within the required time period.
- 7.6.7. The Trustee shall promptly provide proxies or other forms of power of attorney to the order of the Pension Fund Manager with regards to any voting rights attaching to any Investments.
- 7.6.8. The Commission may, if it is satisfied that it is necessary and expedient so to do in the interest of the Participants, or in the interest of the capital market and public, by an order in writing, give such directions to the Trustee which are essential to enforce the Rules including but not limited to making arrangements for safe custody of assets of the Pension Fund, submission of reports and disclosure of information.
- 7.6.9. The Trustee shall, if requested by Pension Fund Manager and may if it considers necessary for the protection of Trust Property or safeguarding the interest of Participants, institute or defend any suit, proceeding, arbitration or inquiry or any corporate or shareholders' action in respect of the Trust Property or any part thereof, with full powers to sign, swear, verify and submit pleading and affidavits, to file documents, to give evidence, to appoint and remove counsel and to do all incidental acts, things and deeds through the Trustee's authorized directors and officers. All costs, charges and expenses (including reasonable legal fees) incurred in instituting or defending any such action shall be borne by the Trust and the Trustee shall be indemnified against all such costs, charges and expenses, provided that, no such indemnity shall be available in respect of any action taken against the Trustee for negligence or breach of fiduciary duties in connection with its duties as the Trustee under this Deed or the Rules.

## **7.7 RETIREMENT OR CHANGE OF TRUSTEE**

- 7.7.1. The Trustee shall not be entitled to retire voluntarily or otherwise except with the prior approval of the Commission and on appointment of a new trustee and such retirement shall take effect at the same time as the new trustee is appointed.
- 7.7.2. In the event of the Trustee desiring to retire, the Pension Fund Manager with the prior written approval of the Commission, within a period of three months may by a Supplementary Trust Deed under the seal of the Pension Fund Manager and the Trustee appoint a new trustee under the provisions of the Rules in place of the retiring Trustee and also provide in such deed for the automatic vesting of all the assets of the Trust in the name

of the new trustee. The retirement of the Trustee shall take effect at the same time as the new trustee is appointed and the Supplementary Trust Deed, reflecting this appointment is registered. The Pension Fund Manager shall ensure that accounts of the Pension Fund till the day of the appointment of the new Trustee are audited by the Auditors of the fund and the audit report is submitted, within one month time from the date of such appointment, to the Commission, the newly appointed Trustee and the Pension Fund Manager. The Pension Fund Manager with the approval of the Commission shall decide the cost of such interim audit and the same may be charged to the Trust with the prior approval of the Commission.

- 7.7.3 If the Trustee goes into liquidation (otherwise than for the purpose of amalgamation or reconstruction on terms previously agreed to with the Pension Fund Manager ) or ceases to carry on business of trusteeship or a receiver of its undertaking is appointed or it becomes ineligible to act as a trustee of the Trust under the provisions of the Rules, the Pension Fund Manager shall with prior approval of the Commission by instrument in writing remove the Trustee from its appointment under this Deed and shall by the same or some other instrument in writing simultaneously appoint as Trustee some other company or corporation according to the provisions of the Rules and this Deed as the new trustee.
- 7.7.4 The Commission after giving thirty days notice, may remove the Trustee by order in writing on grounds of any material default or non-compliance with the provisions of the Rules or this Deed, negligence of its duties or incompetence in performing its duties or if the Commission is of the opinion that the Trustee has otherwise neglected or failed to comply with any order or direction of the Commission and considers that it would be in the interest of the Participants so to do; provided that such notice shall not per se be regarded as an admission of contravention on part of the Trustee who shall have the right to defend such notice or action.
- 7.7.5 The Pension Fund Manager may also remove the Trustee with the prior approval of the Commission after giving three months notice if the Pension Fund Manager feels that the Trustee is charging a remuneration that is not comparable to the market norm and it would be in the interest of the Participants to appoint another trustee. For this purpose, if the Pension Fund Manager, based on a firm quotation or offer received from an alternate institution (qualified to be appointed as trustee of a pension fund) determines that the remuneration being paid to the Trustee is not comparable to the market norm and that for this reason, it would be in the interest of the Participants to appoint another trustee on such favorable terms, it will issue a thirty days notice of removal of the Trustee on this ground. However after receiving such notice from the Pension Fund Manager, the Trustee shall have the option to continue as Trustee of the Fund on such favorable terms offered by the alternate institution or to retire as Trustee of the Fund and notify the Pension fund Manager accordingly. The change of Trustee will become effective with the Commission's approval, once the newly appointed trustee takes charge of all duties and responsibilities and appoint another trustee; provided that such notice shall not per se be regarded an admission of contravention on part of the Trustee who shall have the right to defend such notice or action.
- 7.7.6 Upon the appointment of a new trustee the Trustee shall immediately deliver all the documents and records to the new trustee and shall transfer all the Trust Property and any amount deposited in any Account to the new trustee and make payments to the new trustee of all sum due from the Trustee.
- 7.7.7 The new trustee shall exercise all the powers and enjoy all rights and shall be subject to all duties and obligations of the Trustee hereunder as fully as though such new trustee had originally been a party hereto.
- 7.7.8 Notwithstanding the removal or resignation of the Trustee and its subsequent discharge from its duties under this Deed and the Rules, the Trustee shall remain entitled to the benefit under the terms of this Deed till the removal or resignation of the Trustee is effective without prejudice to the Trustee's responsibility or obligation to liquidate any liability for which the Trustee may have become liable under this Deed and/ or the Rules.

## **7.8 DEED BINDING ON EACH PARTICIPANT**

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

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 and the Rules.

## **7.9 UNITS TO RANK PARI PASSU**

- 7.9.1 All Units, including the Core Units, and fractions thereof represent an undivided share in the pertinent Sub-Funds of the Fund rank *pari passu* as to their rights in the Net Assets and earnings of such Sub-Fund and shall not be tradable or transferable. Each Participant has a beneficial interest in the Sub-Fund proportionate to the Units held by such Participant in such Sub-Fund. Units of each Sub-Fund shall be issued in registered, un-certificated form.
- 7.9.2 Seed Capital Units subscribed by the Seed Investors shall be offered and issued at the Par Value and shall not be redeemable for a period of three years from the date of issue or as may be determined by the Commission.

## **7.10 PARTICIPANTS RANKING PARI PASSU:**

The Trustee shall hold and stand possessed of the Trust Property that may from time to time hereafter be vested in the Trustee upon trust for the benefit of the Participants ranking *pari passu inter se*, according to the number of Units of Sub-Funds held by each Participant in the pertinent Sub-Fund. Similarly with respect to any 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 balance.

## **7.11 TRUSTEE TO REPORT TO PARTICIPANTS**

- 7.11.1 The Trustee shall report to the Participants on all matters provided in the Rules and this Deed. In particular, the Trustee shall issue a report to the Participants to be included in the annual report to be sent to the Participants stating whether in the Trustee's opinion, the Pension Fund Manager has in all material respects managed the Pension Fund in accordance with the provisions of this Deed and the Rules and if the Pension Fund Manager has not done so, the respect in which it has not done so and the steps, which the Trustee has taken in respect thereof.
- 7.11.2 The Trustee shall be entitled to require the Auditors to provide such reports as may be considered necessary to facilitate the Trustee in issuing the certification required under the Rules. The Trustee shall endeavor to provide the certification at the earliest date reasonably possible.

## **7.12 TRUST ARRANGEMENTS**

### **7.12.1 Primary Functions:**

- (a) **Fund Management** – The Pension Fund Manager has the responsibility to take all investment decisions within the framework of the Rules, Prescribed Investment Policy, 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 Commission and the Trustee. The Distributors shall receive applications for Contribution and withdrawal 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.

#### 7.12.2 **Administrative Arrangements:**

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

- (a) **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.

#### 7.12.3 **Bank Accounts**

- (a) The Trustee shall open Bank Accounts for the Meezan Tahaffuz Pension Fund, each Sub-Funds, Pension Account-Collection, Pension Accounts-Disbursement, Approved Income Payment Plan and other accounts with Bank(s) or Financial Institution(s) having minimum BBB entity rating approved by the Pension Fund Manager.
- (b) The Trustee shall open additional Bank Accounts at such branches of Bank(s) or Financial Institution(s) having minimum BBB rating approved by the Pension Fund Manager 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 any thing 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.

#### 7.12.4 **Transactions Relating to the Meezan Tahaffuz Pension Fund:**

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

#### 7.12.5 **Transactions Relating to Investment Activity/ Portfolio Management**

- (a) The Pension Fund Manager shall, from time to time, advise the Trustee of the settlement instructions relating to any investment/disinvestment transactions entered into by it on behalf of the Trust. The Pension Fund Manager shall ensure timely delivery of the settlement instructions, and that the same are complete and accurate so as to facilitate timely settlement, and the Trustee, shall ensure that the settlement is handled in a 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 Individual Pension Accounts 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 Trust 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 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.

#### **7.12.6 Voting Rights on Trust Property**

- (a) All rights of voting attached to any Trust Property shall be exercisable by the Pension Fund Manager on behalf of the Trustee and it shall be entitled to exercise the said rights in what it may consider to be the best interests of the Participants and may refrain at its own discretion from the exercise of any voting rights and the Trustee or the Participants shall not have any right to interfere or complain.
- (b) The Trustee shall upon written request by the Pension Fund Manager, from time to time execute and deliver or cause to be executed or delivered to the Pension Fund Manager or their nominees powers of attorney or proxies authorizing such attorneys and proxies to vote consent or otherwise act in respect of any Investment in such form and in favour of such persons as the Pension Fund Manager may require in writing.  

The word "vote" used in this sub-clause shall be deemed to include not only a vote at a meeting but the right to elect or appoint directors, any consent to or approval of any arrangement scheme or resolution or any alteration in or abandonment of any rights attaching to any Investment and the right to requisition or join in a requisition to convene any meeting or to give notice of any resolution or to circulate any statement.
- (c) The Trustee shall forward to the Pension Fund Manager within six days of receipt all notices of meetings and all reports and circulars received by the Trustee as the registered holder of any Investment.
- (d) All record related to voting rights stated in clause (c) shall be maintained by the Pension Fund Manager at its registered office in such manner as may be decided by the Pension Fund Manager in consultation with the Trustee or as be required under the Rules or by the Commission from time to time.

#### **7.13 BASE CURRENCY**

Base currency or Reporting currency means Pakistani Rupee in which financial statements are reported. All the transactions, Contributions, payments (in case of transfer or withdrawal) shall be made in Pakistani Rupee.

#### **7.14 LIMITED LIABILITY**

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

#### **7.15 LOSSES**

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

## **7.16 CLAIMS**

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

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

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

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

### **8.2 SUSPENSION OF REDEMPTION OF UNITS / WITHDRAWAL OF FUNDS**

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

- (a) Extraordinary circumstances including closure of one or more Stock Exchanges, closure of one or more Banks, in which the Fund's Bank Accounts are maintained;
- (b) The existence of a state of affairs, which in the opinion of the Pension Fund Manager, constitutes an emergency as a result of which disposal of any Investment would not be reasonably practicable or might seriously prejudice the interests of the Pension Fund or of the Participants;
- (c) Break down in the means of communication normally employed in determining the price of any Investment; or
- (d) When remittance of money can not 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 so determined in accordance with the Net Asset Value (NAV).

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

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

### **8.3 SUSPENSION OF FRESH ISSUE OF UNITS**

The Pension Fund Manager may, with consent of the Trustee and under intimation to the Commission, at any time subject to the Rules, if the circumstances similar to those mentioned in the preceding clauses exist, suspend the issue of fresh Units. The Pension Fund Manager shall announce the details of exemptions at the time a suspension of fresh issue is announced. The Pension Fund Manager shall immediately notify the Commission

and the Trustee if dealing in Units of all or any of the Sub-Funds is suspended and shall also have the fact published, immediately following such decision, in any one of the newspapers in which the Fund's prices are normally published. And the same shall be displayed at all the distribution and sales points in a clear and visible manner.

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

#### **8.4 REFUSAL TO ACCEPT THE CONTRIBUTIONS**

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

- (a) In case the contribution is contrary to the Know-Your-Customer (KYC) rules or policy of the Pension Fund Manager or any other Money Laundering rules that the Pension Fund may be subject to or that the Pension Fund Manager may frame for self regulation;
- (b) In case the contribution is from applicant has not a valid CNIC Number;
- (c) In case the contribution is contrary to the rules of the foreign jurisdiction that the Pension Fund or the Participant may be subject to or if accepting the contribution may subject the Fund or the Pension Fund Manager to additional regulations under the foreign jurisdiction;
- (d) If accepting the contribution would in any case be contrary to the interests of the Pension Fund Manager or the Participants; or
- (e) If advised by the Commission to do so.

#### **8.5 QUEUE SYSTEM**

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

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

8.5.3 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.

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

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

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

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

#### **10 DISTRIBUTION RESTRICTION POLICY**

Distribution of dividend shall not be allowed under the Rules.

#### **11 TAXATION**

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

## **12 REPORTS AND ACCOUNTS**

### **12.1 FUND ACCOUNTS**

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

### **12.2 ANNUAL ACCOUNTING PERIOD**

12.2.1 The Annual Accounting Period shall commence on 1<sup>st</sup> July and shall end on 30<sup>th</sup> June of the succeeding calendar year.

12.2.2 Accounting Date shall be the 30<sup>th</sup> day of June in each year and any interim dates at which the financial statements of the Fund are drawn up. Provided, however, that the Pension Fund Manager may, with the consent of the Trustee and after obtaining approval of the Commission and the Commissioner of Income Tax, change such date to any other date.

12.2.3 Accounting Period shall be the period ending on and including an Accounting Date and commencing (in case of the first such period) on the date on which the full amount of Seed Capital is received and in any other case from the end of the preceding Accounting Period.

### **12.3 PERIODIC REPORTS TO BE SENT TO PARTICIPANTS**

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

12.3.2 The balance sheet and income and expenditure accounts mentioned above shall be prepared separately for each Sub-Fund and in addition thereto consolidated accounts shall be prepared for the entire Fund.

### **12.4 PERIODIC REPORTS TO BE SENT TO COMMISSION**

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

## **13 WARNINGS**

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

## **14 TRANSACTIONS WITH CONNECTED PERSONS**

14.1 No Pension Fund Manager on behalf of the Pension Fund shall purchase from or sell any security to any of the Connected Person.

14.2 No single connected stockbroker shall account for ten per cent or more of the Pension Fund's brokerage or commission in any one financial year of the Pension Fund.

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

14.3 Neither the Trustee or the Custodian (if Trustee has appointed another person as Custodian) nor the Pension Fund Manager shall sell or purchase any Investment with the Pension Fund save in the capacity of intermediary or in the normal course of business.

14.4 All cash forming part of the Meezan Tahaffuz Pension Fund assets shall be deposited with the Trustee or the Custodian, which is a Bank, return shall be paid on the deposit by such



Trustee or Custodian at a rate that is not lower than the rate offered by the said Bank to depositors of similar duration.

## **15 LEGAL STATUS OF THE UNITS**

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

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

- 16.1** The duration of the Pension Fund shall be perpetual and shall not be wound up by way of liquidation.
- 16.2** If the Pension Fund Manager does not wish to maintain the authorization, it shall apply to the Commission to de-authorise the Pension Fund by giving at least three (03) months notice in writing to the Participants, the Trustee and the Commission, subject to conditions of the Rules.
- 16.3** In the event the Pension Fund Manager is of the view that the quantum of redemption requests that have built up shall result in the Sub-Funds / Fund being run down to an unmanageable level or it is of the view that the sell-off of assets is likely to result in a significant loss in value for the Participants who are not redeeming, it may apply to the Commission to de-authorise the Pension Fund. In such an event, the queue system, if already invoked, shall cease to apply.
- 16.4** The Pension Fund may also be de-authorised by the Commission on the grounds provided in the Rules.
- 16.5** 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 notice under Clauses 16.1, 16.2,16.3 and 16.4 and proceed to transfer all the records of Individual Pension Accounts and books of accounts of the Pension Fund to another pension fund manager.
- 16.6** The Trustee shall ensure that accounts of the Pension Fund till the day of the transfer to the new Pension Fund Manager are audited by the Auditors of the Fund and the audit and Trustee report is submitted within one month from the date of such appointment, to the Commission, the new pension fund manager and the Trustee. 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.
- 16.7** Once the Pension Fund has been de-authorised by the Commission, the Pension Fund Manager may, after transferring all the records of Individual Pension Accounts and books of accounts of the Pension Fund to the new pension fund manager, wind up the Pension Fund under the provisions of the Rules and in the court of jurisdiction.

## **17 MODIFICATION OF THE CONSTITUTIVE DOCUMENTS**

- 17.1** The Trustee and the Pension Fund Manager acting together shall be entitled by a Supplementary Trust Deed to modify, alter or add to the provisions of this Deed in such manner and to such extent as they may consider expedient for any purpose, subject only to 30 days prior notice to the Participants and the 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 amendment in the Rules or to

ensure compliance with any fiscal or statutory requirement or to enable the provisions of this Deed to be more efficiently, conveniently or economically managed or otherwise for the benefit of the Participant(s) and that it does not prejudice the interests of the Participant(s) or any of them or operate to release the Trustee or the Pension Fund Manager from any responsibility to the Participant(s).

**17.2** Where this Deed has been altered or supplemented, the Pension Fund Manager shall notify the Participants within ten (10) Business Days of such alteration.

**17.3** The Pension Fund Manager may, from time to time, with the consent of the Trustee frame such operational procedures for conducting the business of the Trust or in respect of any other matter incidental thereto; provided such operational procedures are not inconsistent with the provisions of the Rules, this Deed or the Offering Document.

**17.4** If the Commission grants any relaxations or exemptions of Rules for the Pension Fund, these shall be deemed to be part of this Deed without the need of altering it. However, in cases of significant changes, the Commission may require issuance of a Supplementary Trust Deed from time to time.

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

In the event of any disputes arising out of this Trust Deed between the Pension Fund Manager on the one part and the Trustee on the other part, including as to the respective rights and obligations of the Parties 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 Fund, the same shall be referred first to the Commission and thereafter, if the dispute still continues, for 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, (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.

## **19 COMPLAINTS AND DISPUTES TO BE REFERRED TO THE INSURANCE OMBUDSMAN**

**19.1** If any complaint or dispute arises between the Participant and Pension Fund Manager under these Rules, it shall be referred to an authority as provided in the Rules.

## **20 GENERAL**

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

**20.2** Any notice or document sent by post or courier service to or left at the registered address of a Participant shall notwithstanding that such Participant be then dead or bankrupt and whether or not the Trustee or the Pension Fund Manager have notice of his death or bankruptcy be deemed to have been duly served and such service shall be deemed a sufficient service on all persons interested (whether jointly with or as claiming through or under him) in the Units concerned.

**20.3** A copy of this Deed and of any such Supplementary Trust Deed shall be made available for inspection at the respective Head Offices of the Trustee and of the Pension Fund Manager at all times during all Business Hours and shall be supplied by the Pension Fund Manager to any person on application at a charge to be determined from time to time by the Pension Fund Manager, with the prior approval of the Commission.

**20.4** In case, a general notice is required to be served upon all the Participants, the Pension Fund Manager shall send information letter to the Participants via registered post or courier.

**20.5** Service of a notice or document on any employer shall be deemed effective service on all the Participants registered through that employer.

## **21 CONFIDENTIALITY**

The Trustee, the Pension Fund Manager, the Registrar and the Custodian and every director or officer of the said parties who are in any way engaged in the business of the Fund and all persons employed or engaged by the said parties in connection with the business of the Trust shall observe strict confidentiality in respect of all transactions of the Fund, its Participants and all matters relating thereto and shall not disclose any information or document which may come to 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.

## **22 DEFINITIONS**

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

**22.1 "Accounting Date"** means the date 30th June in each year and any interim dates at which the financial statements of the Trust are drawn up. Provided, however, that the Pension Fund Manager may, with the consent of the Trustee and after obtaining approval of the Commission and the Commissioner of Income Tax, change such date to any other date.

**22.2 "Accounting Period"** means a period ending on and including an Accounting Date and commencing (in case of the first such period) from the date of receipt of entire of Seed Capital and (in any other case) from the end of the last Accounting Period, as the case may be.

**22.3 "Allocation Schemes"** means mean the allocation schemes offered by the Pension Fund Manager in light of the Prescribed Allocation Policy issued by the Commission from time to time.

**22.4 "Annuity"** means a series of payments of set frequency.

**22.5 "Approved Annuity Plan"** means an Annuity Plan approved by the Commission under Section 2(3A) of the Income Tax Ordinance, 2001.

**22.6 "Approved Income Payment Plan"** means an income payment plan approved by the Commission under Section 2(3B) of the Income Tax Ordinance, 2001.

**22.7 "Asset Management Company"** means a company which has been licensed by the Commission under rule 5 of the Non-Banking Finance Companies Rules, 2003, to offer investment schemes under trust deeds and to issue redeemable securities.

**22.8 "Auditors"** means a person qualified under the provisions of section 254 of the Ordinance to act as an auditor of a company appointed by the Pension Fund Manager, with the consent of Trustee, as the auditor for the Pension Fund, who shall be independent of the auditor of the Pension Fund Manager and the auditor of the Trustee, as provided under the Rules. However, the Trustee and the Pension Fund Manager shall ensure that the auditors are selected from the list of auditors as prescribed by the Commission from time to time for this purpose.

**22.9 "Authorized Branch or Branches"** means those branches of the Distributors authorized by the Pension Fund Manager to perform Distribution Functions whose addresses shall be given in the Offering Document.

**22.10 "Bank"** means any Scheduled Bank, as defined under the State Bank of Pakistan Act, 1956 and licensed to carry on banking business and shall include a bank incorporated outside Pakistan and carrying on banking business in Pakistan as a Scheduled Bank.

**22.11 "Bank Accounts"** means those account(s) opened and maintained for the Trust by the Trustee at Banks, the beneficial ownerships in which shall vest in the Participants.

**22.12 "Business Day/Dealing Day"** means a day (such Business Hours thereof) when Banks and Stock Exchanges are open for business in Pakistan and for which Pension Fund Manager is open for business.

- 22.13 “Business Hours”** means period in a Business Day as determined by Pension Fund Manager from time to time.
- 22.14 “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, representing income, which is Haram.
- 22.15 “Commission”** means Securities and Exchange Commission of Pakistan established under the Securities and Exchange Commission of Pakistan Act, 1997(XLII of 1997).
- 22.16 “Connected Person”** shall have the same meaning as assigned in the Rules.
- 22.17 “Constitutive Document”** means the principal document governing the formation of the Pension Fund, and includes this Trust Deed of the Pension Fund and all material agreements.
- 22.18 “Contribution”** means an amount as may be voluntarily determined by an individual payable at any frequency to one or more Pension Fund Managers and held in one or more Individual Pension Accounts of a Participant, subject to any specified minimum limit prescribed by the Pension Fund Manager.
- 22.19 “Core Units”** means units issued to the Seed Capital Investors.
- 22.20 “Custodian”** means a Bank, the Central Depository Company, or any other Depository for the time being appointed by the Trustee to hold and protect the Trust Property or any part thereof as custodian on behalf of the Trustee; the Trustee may also itself provide custodial services for the Fund.
- 22.21 “Deed” or “Trust Deed”** means this Trust Deed which is the principal document governing the formation, management or operation of the Fund.
- 22.22 “Default Allocation Scheme”** means the default asset allocation scheme as determined by the Pension Fund Manager in light of the Prescribed Allocation Policy , allocating the Contributions received from the Participants between the Sub-Funds, as deemed fit, for those Participants who have not selected any Allocation Scheme.
- 22.23 “Distributor(s)”** means Company(ies), Firm(s), Sole Proprietorship Concerns, Individuals or Bank(s) appointed by the Pension Fund Manager under intimation to the Trustee for performing any or all of the Distribution Functions and shall include the Pension Fund Manager itself, if it performs the Distribution Functions.
- 22.24 “Distribution Functions”** means the functions with regard to:
- (a) Receiving applications for contributing to the Pension Fund;
  - (b) Interfacing with and providing services to the Participants including receiving Withdrawal, Transfer applications, conversion notices and applications for change of address for immediate transmission to the Pension Fund Manager or the Registrar as appropriate;
  - (c) Acknowledging receipt by delivering customer copy in respect of (a) and (b) above; and
  - (d) Accounting to the Pension Fund Manager for (i) monies received from the applicants when the Contributions; (ii) payments made to the Participants on withdrawal from Individual Pension Account; and (iii) expenses incurred in relation to the Distribution Functions.
- 22.25 “Financial Institution”** means a Bank, development finance institution, Non Banking Finance Company or Modaraba.
- 22.26 “Form”** means a Form prescribed under the Rules to collect information from the Participants.
- 22.27 “Formation Cost”** means all preliminary and floatation expenses of the Fund including expenses in connection with authorization of the Fund and its application fee payable to the Commission, execution and registration of the Constitutive Document, issue, legal costs, and all expenses incurred during the period leading up to the authorization to a maximum limit of PKR 750,000/- or 0.5% of the total Seed Capital, which ever is less.
- 22.28 “Front-end Fee”** means the sales charge or commission, not exceeding three percent (3%) of the amount of Contributions from Participants.

- 22.29** “**Fund**” means Meezan Tahaffuz Pension Fund or, “Trust” or “Unit Trust” constituted by this Deed.
- 22.30** "**Fund Property**" means the aggregate proceeds of the sale of all Units at NAV after deducting there from Front-end Fee, and any expenses chargeable to the Fund; and includes the Investment and all income, profits, shares, securities, deposits, right and bonus shares, cash, bank balances, dividends, fees, commissions, receivables, claims, contracts, licenses, privileges and other benefits arising therefrom and all cash and other movable and other assets and properties of every description, whether accrued or accruing, for the time being held or deemed to be held upon trust by the Trustee for the benefit of the Unit Holders pursuant to the Trust Deed and shall include the income.
- 22.31** “**Guidelines**” means various guidelines, including instructions and handouts issued by the Commission to be followed or implemented by the Pension Fund Manager, the Trustee and other persons connected with the Fund in relation to various matters under the Rules.
- 22.32** "**Haram**" means anything prohibited by the Shariah.
- 22.33** “**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 earlier.
- 22.34** “**Individual Pension Account**” means an individual account of a Participant maintained by the Pension Fund Manager to record his investment and the Units of the Sub-Funds as issued there against, including appreciations thereof.
- 22.35** “**Individual Pension Account Number**” of a Participant means his Computerized National Identity Card (CNIC) number followed by a hyphen, a two digit suffix denoting the particular Pension Fund Manager and a serial number, if any.
- 22.36** "**Investment**" means any Authorized Investment forming part of the Fund Property.
- 22.37** “**Life Insurance Company**” means a company registered under the Insurance Ordinance, 2000 (XXXIX of 2000), to transact life insurance business, and includes the State Life Insurance Corporation of Pakistan.
- 22.38** "**Net Assets**" means the excess of assets over liabilities of the Fund, such excess being computed in the manner as specified under the Rules.
- 22.39** “**Net Asset Value**” means per Unit Value of the Sub-Funds arrived at by dividing the Net Assets by the number of Units outstanding. Net Assets being computed in the manner specified under the Rules or as may be specified by the Commission from time to time.
- 22.40** “**Nomination Deed**” is the deed issued by the Court specifying the nominees of the deceased Participant and their respective entitlement.
- 22.41** "**Offering Document**" means a document issued by the Pension Fund Manager with consent of the Trustee and after approval of the Commission and contains the contribution and investment policy and all other information in respect of the Fund, as required by the Rules/Guidelines and is circulated to invite offers by the public to invest in the Fund.
- 22.42** "**Ordinance**" means the Companies Ordinance 1984.
- 22.43** "**Par Value**" means the First Offer Price of a Unit that shall be hundred rupees.
- 22.44** “**Participant**” means any person on whose behalf Contributions are made into one or more pension funds and held in one or more identifiable Individual Pension Accounts managed by one or more Pension Fund Managers.
- 22.45** “**Pension Fund**” means a fund made up of Sub-Funds created from the Contributions paid by the Participants and would consist of all the assets for the time being held or deemed to be held by Sub-Funds and includes all income or investment returns thereon but excludes fees, charges and expenses related to the management of the investments of Sub-Funds.
- 22.46** “**Prescribed Allocation Policy**” means the allocation policy as prescribed by the Commission from time to time.

- 22.47 “Prescribed Application Form”** means a Form approved by the Commission to open an Individual Pension Account and collect other information from the Participants.
- 22.48 “Prescribed Investment Policy”** means Investment Policy prescribed by the Commission from time to time under the Rules.
- 22.49 "Register"** means the Register of the Participants kept pursuant to the Rules and this Trust Deed.
- 22.50 "Registrar"** means an organization that the Pension Fund Manager may appoint for performing the Registrar Functions and may include a department of the Pension Fund Manager.
- 22.51 "Registrar Functions"** means the functions with regard to:
- (a) Maintaining the Register;
  - (b) Processing requests for Contribution, Withdrawal, Change of pension fund manager, reallocation of units between the Sub-Funds and Transmission of balance in the Individual Pension Account and requests for recording of lien or for recording of changes in data with regard to the Participant(s);
  - (c) Issuing Account Statements to the Participants;
  - (d) Dispatching income distribution advice and/or bank transfer intimations;
  - (e) Other functions to be performed as per Registrar Agreement; and
  - (f) Such other functions as may be required under the Guidelines on record keeping.
- 22.52 “Regulations”** means regulations made by the Commission under the Rules.
- 22.53 "Rules"** mean the Voluntary Pension System Rules, 2005, as amended from time to time.
- 22.54 “Sales Agent”** means an Individual, Firm, Corporate or other Entity appointed by the Pension Fund Manager, at its sole responsibility, to identify solicit and assist Participants in contributing in the Fund.
- 22.55 "Seed Capital"** means the amount invested or arranged by the Pension Fund Manager as initial investment in each Sub-Fund of the Pension Fund. This investment will be kept for a minimum period of three years from the date of investment or as determined by the Commission.
- 22.56 "Seed Capital investor"** means the investor of Seed Capital.
- 22.57 "Shariah"** means divine guidance as given by the Holy Qur'an and the Sunnah of Prophet Muhammad (PBUH) and embodies all aspects of the Islamic faith, including beliefs, practices, rules and principles.
- 22.58 "Shariah Advisor"** means Meezan Bank Limited or any other Islamic Financial Institution 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.
- 22.59 "Stock Exchange"** means any stock exchange registered under the Securities and Exchange Ordinance, 1969 (XVII of 1969).
- 22.60 “Sub-Fund”** means a collective investment sub-scheme of a specified investment class and/or investment policy set up within the overall Pension Fund. The Trust Property shall be accounted for and segregated with respect to each Sub-Fund.
- 22.61 “Supplementary Offering Document”** means a document issued by the Pension Fund Manager, with consent of the Trustee after approval of the Commission, describing the new features of the Pension Fund to invite offers by the public to invest in the Fund. .
- 22.62 “Supplementary Trust Deed”** means a deed registered between the Pension Fund Manager and the Trustee, with approval of the Commission, amending or adding to the Trust Deed. Such Supplementary Trust Deed shall be binding on each Participant, as if he is party to it and so to be bound by its provisions.

- 22.63 "Takaful Company"** means any General Takaful or Family Takaful Company as defined in the Takaful Rules, 2005.
- 22.64 "Tax Year"** shall have the same meaning as ascribed under the Income Tax Ordinance, 2001.
- 22.65 "Transaction Costs"** means the costs incurred or estimated by the Pension Fund Manager to cover the costs (such as, but not restricted to, Brokerage, Taxes or Levies on transactions, etc.) related to the investing or disinvesting activity of the Fund's portfolio, necessitated by creation or cancellation of Units.
- 22.66 "Trust"** means a trust established by a deed under the provisions of the Trusts Act, 1882.
- 22.67 "Trustee"** means Central Depository Company of Pakistan Limited (CDC) or any other company appointed with approval of the Commission from time to time.
- 22.68 "Trust Property"** means the aggregate proceeds credited in the Pension Fund including the Contribution(s) received and Seed Capital received from Seed Investors of each Sub-Fund(s) after deducting therefrom or providing thereout any applicable Front-end Fee and any other expenses chargeable to the Pension Fund including the Sub-Fund; and includes the Investments and all income, profit and other benefits arising there from and all cash, bank balances and other assets movable or immovable and property of every description for the time being held or deemed to be held upon trust by the Trustee for the benefit of the Participant pursuant to this Deed.
- 22.69 "Trusts Act"** means Trusts Act 1882 (II of 1882).
- 22.70 "Unit"** means an undivided share in a Sub-Fund of the Pension Fund.
- 22.71 "Zakat"** has the same meaning as in Zakat and Ushr Ordinance (XVIII of 1980), 1980.

Words and expressions used but not defined herein shall have the meanings assigned to them in the Ordinance, the Securities and Exchange Ordinance, 1969, the Insurance Ordinance, 2000, the Rules and the Non-Banking Finance Companies Rules, 2003. 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.

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

The common seal of **Al Meezan Investment Management Limited** was hereunto affixed in the presence of;

Seal

1) \_\_\_\_\_  
Chief Executive

The common seal of **Central Depository Company of Pakistan Limited** was hereunto affixed in the presence of;

Seal

1) \_\_\_\_\_  
Chief Executive

Witnesses:

1) Name: \_\_\_\_\_  
NIC: \_\_\_\_\_  
Signature: \_\_\_\_\_

2) Name: \_\_\_\_\_  
NIC: \_\_\_\_\_

Signature: \_\_\_\_\_



# ANNEXURE

**ANNEXURE A**

Al Meezan Investment Management Limited's license to  
Act as Pension Fund Manager

**ANNEXURE B**

Approval of Trust Deed of Meezan Tahaffuz Pension Fund by  
Securities & Exchange Commission of Pakistan

## **ANNEXURE C**

Securities & Exchange Commission of Pakistan's approval for appointment of Central Depository Company of Pakistan as the Trustee for Meezan Tahaffuz Pension Fund.

## ANNEXURE D

### Tariff structure of the Trustee

The Trustee remuneration shall consist of reimbursement of actual custodial expenses/ charges plus the following tariff:

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

**ANNEXURE E**

Securities & Exchange Commission of Pakistan's approval for appointment of Meezan Bank Limited as the Shariah Advisor of Meezan Tahaffuz Pension Fund