

TRUST DEED
OF
PUNJAB PENSION FUND TRUST

Created by

PUNJAB PENSION FUND

THIS TRUST DEED is made at Lahore this 27 day of September 2011. B.

By and Between

Punjab Pension Fund, a body corporate, constituted under Section 4 of the Punjab Pension Fund Act, 2007 ("**the Act**"), having its principal place of business at 23-D, FCC Block, Syed Maratib Ali Road, Gulberg-IV, Lahore, acting through the Members of its Managing Committee, notified by the Government of the Punjab under Section 5 of the Punjab Pension Fund Act, 2007 (which expression shall mean and include its successors-in-interest and permitted assigns) of the One Part

And

Central Depository Company of Pakistan Limited, a company incorporated under the Companies Ordinance, 1984 and registered as a central depository company under Rule 4(3) of the Central Depository Companies (Establishment & Regulation) Rules, 1996, having its registered office at CDC House, 99-B, Block B, S.M.C.H.S., Main Shakra-e-Faisal, Karachi (hereinafter referred to as the "**Trustee**", which expression shall mean and include its successors-in-interest, permitted assigns and official liquidators) of the Other Part.

WHEREAS:

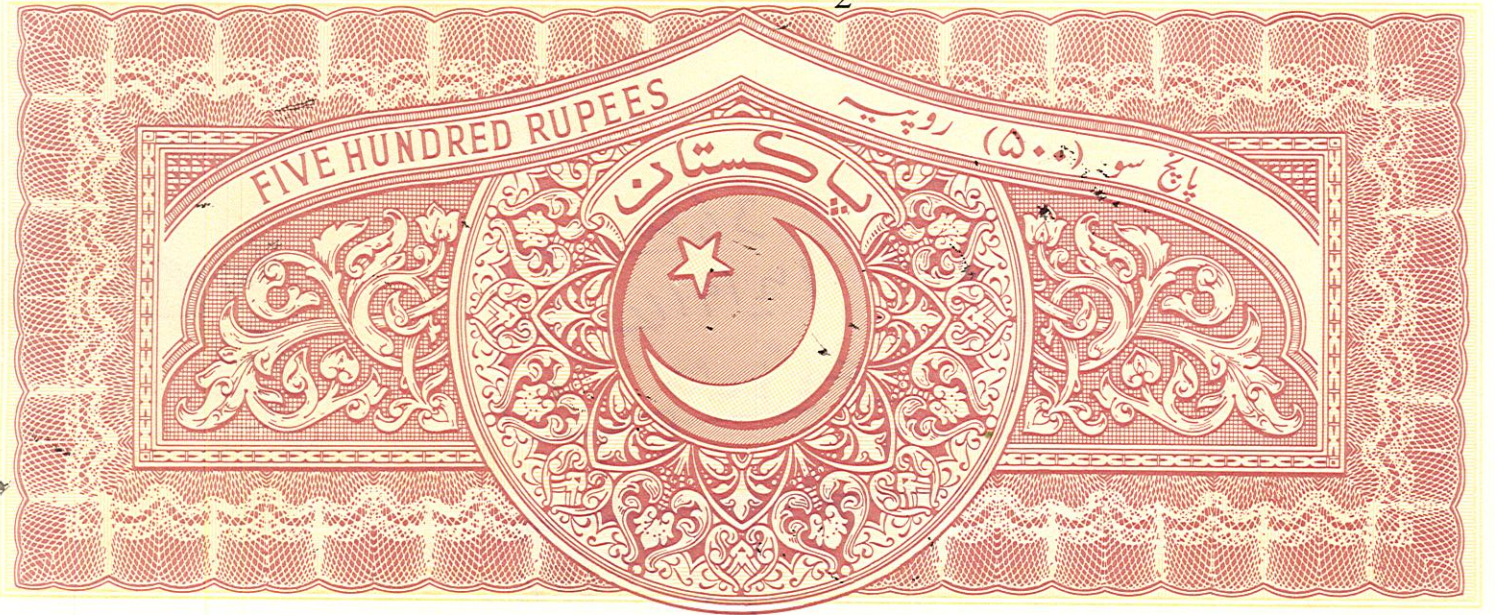
- (1) The Punjab Pension Fund has been formed by the Government of the Punjab ("**GoPb**") under the Act to *inter alia*, generate revenue for the discharge of pension liabilities of the GoPb and to make provisions for matters ancillary thereto.



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- (2) The Punjab Pension Fund is a body corporate with perpetual succession, common seal, power to enter into contracts and to sue and may be sued as per the provisions of the Act.
- (3) In exercise of the powers conferred upon him under Section 24 of the Act, the Governor of the Punjab has made the Punjab Pension Fund Rules, 2007 ("the Rules") for the purposes of the Act.
- (4) In compliance with Sections 3 and 4 of the Act, the GoPb has established Reserve Pension Fund and Punjab Pension Fund respectively through notifications bearing No. FD(W&M)7-206/2005 dated August 22, 2009 and corrigendum bearing no. FD(W&M)7-206/2008 (P-1) dated September 11, 2009 issued by the Finance Department, GoPb.
- (5) Under Rule 18, the Management Committee of the Punjab Pension Fund is empowered to appoint a Trustee.
- (6) The Management Committee of the Punjab Pension Fund has appointed the Trustee in its 5th meeting held on May 8, 2009 with the approval of GoPb and the Trustee has accepted such appointment upon the terms and conditions contained herein and the remuneration for trusteeship annexed hereto, as Annexure "A".
- (7) The GoPb has approved the appointment of the Trustee, vide its Letter No. FD(W&M)7-206/2008(P-1) dated June 24, 2009 issued by the Finance Department, GoPb, a true copy of which is annexed hereto, as Annexure "B".
- (8) For attaining the aims and objectives, the Punjab Pension Fund shall hand over to the Trustee, an initial sum of Rs. 10,000/- (Rupees Ten Thousand only). The Punjab Pension Fund shall hand over further Funds to the Trustee from time to time for the purposes of the Trust and the Trustee agrees to accept the same.



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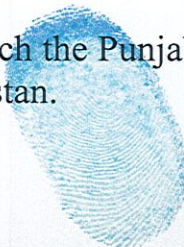
NOW THEREFORE THIS DEED WITNESSETH AS FOLLOWS:

Article 1 – Definitions

- 1.1 In this Deed the capitalized terms, unless the context otherwise requires, shall have the meanings assigned to them as follows:–
- 1.1.1 "**Accounting Date**" means the 30th day of June in each year, provided that the Punjab Pension Fund with the written consent of the Trustee and after obtaining the approval of the GoPb may change such date to any other date.
- 1.1.2 "**Accounting Period**" means a period ending on and including an Accounting Date and commencing in case of the first such period on the date on which the Trust Property is first paid or transferred to the Trustee and in any other case from the end of the preceding Accounting Period.
- 1.1.3 "**Act**" means the Punjab Pension Fund Act, 2007 (Act-1 of 2007) passed by the Provincial Assembly of the Punjab and notified in the Gazette of Punjab (Extraordinary) dated March 29, 2007 and shall include any amendments or modifications thereto or substitution thereof from time to time.
- 1.1.4 "**Assets**" shall mean all Funds and properties forming part of the Trust Property.
- 1.1.5 "**Auditor**" means a firm of Chartered Accountants that is appointed by GoPb as the auditor for the Trust.
- 1.1.6 "**Authorized Representatives**" mean in relation to the Punjab Pension Fund two or more Members of the Management Committee as notified by the GoPb for the time being in office and/or officers of the Punjab Pension Fund and/or a Third Party authorized by a resolution of the Management Committee to represent the Punjab Pension Fund to the Trustee, to deal with the Trustee and to give Instructions to the Trustee from time to time.
- 1.1.7 "**Bank**" means a banking company licensed as a scheduled bank under the Banking Companies Ordinance, 1962 and shall include a bank incorporated outside Pakistan and carrying on banking business in Pakistan as a scheduled bank.
- 1.1.8 "**Bank Account(s)**" shall mean those account(s) opened and maintained for the Trust by the Trustee at Banks, the beneficial ownerships in which shall vest in the Reserve Pension Fund.
- 1.1.9 "**Broker**" means any person engaged in the business of effecting transactions in Securities for the account of others including a licensed member of a Stock Exchange or a member of the Financial Market Association of Pakistan or a Bank.
- 1.1.10 "**Business Day**" means a day on which the Punjab Pension Fund and the Trustee are open for business in Pakistan.



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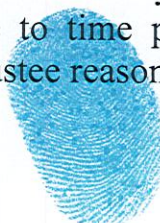


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- 1.1.11 "**Commission**" means the Securities and Exchange Commission of Pakistan and shall include its successor body succeeding it from time to time.
- 1.1.12 "**Committee**" includes the Management Committee and any other committee and/or sub-committee constituted under or in accordance with the Governing Law.
- 1.1.13 "**Custodian**" shall mean (a) bank(s), (b) a depository company approved by the Commission and (c) any other depository for the time being, which may be appointed by the Trustee with the approval of the Management Committee, to hold and protect the Trust Property or any part thereof as custodian on behalf of the Trustee and may include the Trustee itself for performing the custodial functions as per its normal business on terms to be agreed upon between the Trustee and the Management Committee.
- 1.1.14 "**Federal Government**" means the Government of the Islamic Republic of Pakistan.
- 1.1.15 "**Funds**" mean all monies, cash, Investments and other properties and Assets that may be received by the Trustee from the GoPb for the purpose of investments under this Deed and shall include proceeds of Investments and dis-investments in the hands of the Trustee from time to time.
- 1.1.16 "**GoPb**" means the Government of the Punjab.
- 1.1.17 "**Governing Law**" shall mean the Act, the Rules, the Regulations and the Investment Policy.
- 1.1.18 "**Instructions**" shall mean all instructions for transactions in relation to the Trust given to the Trustee from time to time by the Authorized Representatives and shall include instructions for purchase, sale of Securities, release of Funds to GoPb and release of budget/supplementary budget to the Punjab Pension Fund.
- 1.1.19 "**Investments**" shall mean Permissible Investments forming part of the Trust Property.
- 1.1.20 "**Investment Policy**" shall mean Investment Policy of the Punjab Pension Fund for investment of Funds received by the Trustee as approved by the Management Committee on October 15, 2008 and shall include any amendments, modifications thereto or substitutions thereof from time to time as may be notified to the Trustee reasonably in advance.
- 1.1.21 "**Investment Portfolio**" means the Portfolio as well as Funds invested through a Third Party.
- 1.1.22 "**Limitations on Investments**" shall have the same meaning as ascribed in the Act, the Rules and the Investment Policy, which may be subject to change or modification from time to time provided such changes or modifications are notified to the Trustee reasonably in advance.



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- 1.1.23 **"Management Committee"** shall mean the Punjab Pension Fund's Management Committee constituted under Sections 5 and 6 of the Act and shall include all Members comprised therein and substituted and/or replaced from time to time.
- 1.1.24 **"Members"** shall mean the members of the Management Committee of the Punjab Pension Fund in office from time to time.
- 1.1.25 **"Net Fund Value"** shall mean the net value of the entire Investment Portfolio at any given time and shall include the cash balances held in the Bank Account(s) of the Trust, as well as unrealized value of Securities sold or encashed and unrealized income, profit, dividend, bonus shares etc. that may have accrued on the Investment Portfolio or any part thereof, after deducting the losses, capital depreciation or Transaction Costs therefrom.
- 1.1.26 **"Permissible Investments"** shall have the same meaning as ascribed in the Rules and the Investment Policy and shall include any amendments or modifications thereto from time to time.
- 1.1.27 **"Portfolio"** means the Funds directly invested by the Punjab Pension Fund and not through a Third Party.
- 1.1.28 **"Prohibited Investments"** shall have the same meaning as ascribed in the Rules and the Investment Policy, which may be subject to change or modification from time to time.
- 1.1.29 **"Province"** means the Province of the Punjab.
- 1.1.30 **"Provincial Government"** shall mean the Government of the Punjab or the Government of the Sindh or the Government of the Khyber Pakhtunkhwa (formerly NWFP) or the Government of the Baluchistan, as and how the context so requires.
- 1.1.31 **"Punjab Pension Fund Trust"** or **"the Trust"** shall mean the Trust constituted by this Trust Deed.
- 1.1.32 **"Regulations"** shall mean the regulations framed by the Management Committee under the Act and shall include any amendments or modifications thereto or substitutions thereof from time to time.
- 1.1.33 **"Reporting Currency"** shall mean the currency used in presenting the financial statements of the Trust which shall be the Pakistani Rupee.
- 1.1.34 **"Rules"** shall mean the Punjab Pension Fund Rules, 2007, as notified, vide Notification No. PA/GM.Pb.Pension Fund/FD/ 2007 dated October 2, 2007, issued by the GoPb's Finance Department and shall include any amendments or modifications thereto or substitutions thereof from time to time.
- 1.1.35 **"Securities"** shall mean all certificates, scrips, receipts, both in physical form, as well as Book-Entry Securities as defined under the Central Depositories Act, 1997 ("CD Act") and other securities as generally understood and shall include securities as covered by the Governing Law.



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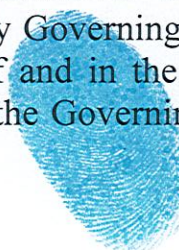
- 1.1.36 **"Stock Exchange"** shall mean Stock Exchange(s) registered under the Securities & Exchange Ordinance, 1969.
- 1.1.37 **"Supplementary Trust Deed"** shall mean a supplemental deed executed between the Punjab Pension Fund and the Trustee describing any amendments made to the Trust Deed, pursuant to Article 18 of this Deed.
- 1.1.38 **"Third Party"** shall mean an asset management company or a life insurance company.
- 1.1.39 **"Transaction"** shall mean sale or purchase of or investment in Securities and shall include subscriptions of Securities, rights issue, disinvestments, etc.
- 1.1.40 **"Transaction Costs"** shall mean the costs incurred on Investments (such as, but not restricted to, brokerage, taxes or levies on transactions, etc.) related to the investing or disinvesting activity of the Trust Property.
- 1.1.41 **"Trustee Report"** shall mean the Report to be submitted by the Trustee in accordance with Article 6.1.7 of this Deed.
- 1.1.42 **"Trust Property"** shall mean the Funds and monies received by the Trustee for the purpose of investments in Permissible Investments on account of the Trust for the benefit of the Reserve Pension Fund at the instructions of the Authorized Representatives and shall include all cash and bank balances, the Investments and all income, profits, accretions and gains thereon and shares, securities, deposits, rights and bonus shares, dividends, fees, commissions, receivables, claims, contracts, licenses, privileges and other benefits arising therefrom and all other movable or immovable 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 Reserve Pension Fund pursuant to this Trust Deed.
- 1.1.43 **"Zakat"** shall have the same meanings as ascribed in the Zakat & Ushr Ordinance, 1980.
- 1.2 Words and expressions used but not defined herein shall have the meanings assigned to them in the Governing Law. 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.

Article 2 – Constitution of the Trust

- 2.1 The Punjab Pension Fund through the Management Committee and the Trustee hereby create the Trust for the benefit of the Reserve Pension Fund.
- 2.2 This Trust Deed shall be subject to and governed by the Governing Law and it shall be deemed for all purposes whatsoever that all the provisions required to be contained in a trust deed by Governing Law are incorporated in this Deed as a part and parcel thereof and in the event of any conflict between this Deed and the provisions of the Governing Law the latter shall



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supersede and prevail over the provisions of this Deed unless a waiver has been obtained from the GoPb. The Punjab Pension Fund and the Trustee are authorized to execute Supplementary Trust Deed for the purpose of ensuring that the provisions of this Trust Deed do not conflict with the Governing Law.

- 2.3 It is hereby declared unequivocally, that a Trust in the name and title of **Punjab Pension Fund Trust** is hereby created and the CDC is hereby appointed as the Trustee of the Trust. The Punjab Pension Fund and the Trustee hereby agree to such appointment and further declare that:
- (a) The terms and conditions of this Deed and any deed supplemental hereto, shall be binding on the Trustee and the Punjab Pension Fund;
 - (b) The Punjab Pension Fund shall manage, operate and administer the Trust;
 - (c) All the Trust Property shall vest in the Trustee as the nominal owner thereof, who shall stand possessed of the same and hold, protect, realize, collect, secure, mobilize, motivate and spend the same in accordance with the Instructions given to it from time to time. The beneficial ownership and interest in the Trust Property shall however vest in the Reserve Pension Fund;
 - (d) The Trust Property shall be invested/disinvested from time to time by the Trustee at the direction of the Punjab Pension Fund strictly in terms of the provisions contained and the conditions stipulated in this Deed and the Governing Law;
 - (e) The Trustee may retire in the manner stated in Article 13 of this Deed; and
 - (f) This Trust shall be managed and operated strictly in terms of provisions contained and stipulated in this Deed and the Governing Law.
- 2.4 The Trust shall be of a perpetual nature and shall continue until the Trust is dissolved upon receipt of directions from the GoPb.

Article 3 — Principal Office of the Trust

The Principal Office of the Trust shall be at 23-D, FCC Block, Syed Maratib Ali Road, Gulberg-IV, Lahore, or at such other place as the Punjab Pension Fund may at its discretion decide under intimation to Trustee. Provided however, the principal office of the Trustee shall be at CDC House, 99-B, Block "B", S.M.C.H.S., Main Shakra-e-Faisal, Karachi or such other place as the Trustee may at its discretion decide under intimation to the Punjab Pension Fund.

Article 4 — Objects of the Trust

The objects for which the Trust has been created are inter alia, to entrust Funds of the Reserve Pension Fund to the Trustee for holding, investing and disinvesting the Funds on Instructions to enable the Punjab Pension Fund to create reserves for discharge of the pension liabilities of the GoPb, as stipulated in the Act.







Article 5 – Role of the Punjab Pension Fund

- 5.1 The Punjab Pension Fund shall have responsibility for making all decisions and taking all actions for the operational framework as stipulated in the Investment Policy and shall include the constitution and supervision of the roles of the Investment Committees as stipulated in the Investment Policy and to further ensure that the methodology and guidelines enunciated in the Investment Policy are fully adhered to and the Investment objectives as enunciated in the Investment Policy are met.
- 5.2 The Punjab Pension Fund shall have the responsibility for ensuring that all Investments on account of the Trust are made only in Permissible Investments and within the ambit of the Investment Criteria as stipulated in the Governing Law or otherwise as may be directed by the GoPb from time to time.
- 5.3 The Punjab Pension Fund shall have the responsibility of ensuring compliance with the exposure limits for Investments as stipulated in the Investment Policy or otherwise as may be directed by the GoPb from time to time.
- 5.4 The Punjab Pension Fund shall have the responsibility of ensuring that no investments are made in Prohibited Investments as stipulated in the Governing Law or otherwise as may be directed by the GoPb from time to time.
- 5.5 The Punjab Pension Fund shall have the responsibility of ensuring compliance with the General Restrictions as stipulated in the Governing Law or otherwise as may be directed by the GoPb from time to time.
- 5.6 The Punjab Pension Fund shall have the exclusive responsibility of ensuring the benchmark returns on Investments as stipulated in the Investment Policy.
- 5.7 The Punjab Pension Fund shall have the exclusive responsibility of adopting and implementing the risk mitigation strategy, selection and appointment of Investment Adviser, selection and appointment of Brokers, delegation of powers to Investment Committees and other such matters forming part of the Investment Policy.
- 5.8 The Punjab Pension Fund has the responsibility to maintain all records of Investments and disinvestments made by or on account of the Trust. The Punjab Pension Fund shall maintain at its principal office, proper accounts and records to enable a complete and accurate view to be formed of the assets and liabilities and the income and expenditure of the Trust, all transactions for the account of the Trust, the Funds received by the Trust and withdrawals of Funds made by the Punjab Pension Fund from the Trust. The Punjab Pension Fund may remove the records or documents pertaining to the Trust from its principal place to another place in the Province under intimation to the Trustee.
- 5.9 The Punjab Pension Fund shall manage the Trust in the best interest of GoPb in good faith and to the best of its ability and without gaining any undue advantage for itself or any of the Members of the Management Committee, employees and any other person associated with it and subject to the restrictions and limitations as provided in this Trust Deed and the Governing



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Law. Any purchase or sale of investments made under any of the provisions of this Trust Deed shall be made by the Trustee according to the Instructions in this respect, unless such Instructions are in conflict with the provisions of this Trust Deed and the Governing Law.

- 5.10 The Punjab Pension Fund shall comply with the provisions of this Trust Deed and the Governing Law for any act or matter to be done by it in the performance of its duties. Punjab Pension Fund shall be responsible for the acts and omissions of all persons to whom they may delegate any of its functions, including the Management Committee, Investment Committees and their respective members and any Third Party.
- 5.11 The Punjab Pension Fund shall make available or ensure that there is made available to the Trustee such information as the Trustee may reasonably require in respect of any matter relating to the Trust.
- 5.12 The GoPb shall appoint at the establishment of the Trust and upon any vacancy an Auditor who shall be a chartered accountant. The contents of the Auditor's report for the Accounting Period shall also be in accordance with his Terms of Reference and the provisions of the Governing Law and this Deed. In addition to the Auditors report for the Accounting Period, the GoPb and/or the Trustee may also cause the Auditors to conduct a special audit in any manner related to the Trust in accordance with the Terms of Reference.
- 5.13 The Punjab Pension Fund 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 Trustee shall carry out the settlements in accordance with the dictates of the specific transactions unless they are in conflict with this Deed and the Governing Law. The Punjab Pension Fund shall ensure that the settlement instructions are given promptly after entering into the transaction so as to facilitate timely settlement and the Trustee, on its side, shall ensure that the settlement is handled in a timely manner in accordance with dictates of the transaction.
- 5.14 The Punjab Pension Fund 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 Punjab Pension Fund any such amounts or warrants that are received on such accounts from time to time.
- 5.15 Notwithstanding anything contained hereinabove, or elsewhere in this Trust Deed, all matters enunciated in Articles 5.1, 5.6 to 5.11 and 5.14 above, and all other matters pertaining to the operations and affairs of the Punjab Pension Fund shall be considered as internal matters within the organization of the Punjab Pension Fund and the Trustee shall neither be concerned with nor be responsible for the above compliances; and the Trustee shall not be liable in any manner for non-compliance or breach of any of such terms and conditions.

Article 6 – Obligations of the Trustee

6.1 The Trustee shall:

- 6.1.1 take into its custody or under its control all the Assets of the Trust in accordance with the Governing Law and as per mandate of the Punjab



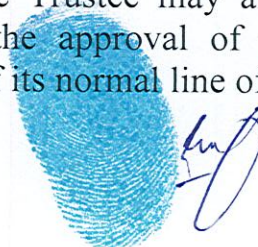
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Pension Fund; the said Assets at all time will be shown in the record of **“CDC Trustee - Punjab Pension Fund Trust”**;

- 6.1.2 collect interest, dividends, bonus shares and other amounts due;
- 6.1.3 settle Transactions of purchases and sales of securities;
- 6.1.4 ensure that the cash and registerable Assets shall be registered in the name of and to the order of the Trustee;
- 6.1.5 shall be liable for any act or omission of its agent as if it is an act or omission of the Trustee in relation to any Investment forming part of the Assets of the Trust;
- 6.1.6 carry out the Instructions in respect of Investments unless the Instructions are in conflict with the provisions of this Trust Deed and/or the Governing Law;
- 6.1.7 ensure that Investments are made within the ambit of investment criteria in terms of minimum credit rating as stipulated in the Governing Law;
- 6.1.8 ensure that limitations on the Investment/exposure limits, investment prohibitions and general restrictions on the Trust as provided in the Governing Law are complied with; Provided that it will not be necessary for the Trustee to sell any Investment merely because owing to appreciation or depreciation of any Investment or disposal of any Investments such limit are exceeded. The Punjab Pension Fund shall comply with the investments and exposure limits, as soon as may be practicable in case such limits are exceeded, for which the Trustee shall not be liable;
- 6.1.9 issue a Report to be included in the Annual Report of the Trust and therein state whether in its opinion the Punjab Pension Fund has in all material respects managed the Trust in accordance with the provisions of this Trust Deed and the Governing Law and if the Punjab Pension Fund has not done so, the respects in which it has not done so and the steps the Trustee has taken in respect thereof. The Report shall be submitted to Finance Secretary on behalf of GoPb by the sixtieth Business Day of the close of each Accounting Year; and
- 6.1.10 to maintain and provide complete record from time to time as kept by it in ordinary course of business, of the Assets of the Trust and all transactions handled by it in relation thereto.
- 6.2 The Trustee may with the approval of the Management Committee appoint, remove and/or replace from time to time one or more Bank(s) and/or depository company, to act as the Custodian(s) for holding and protecting the Trust Property and every part thereof and for generally performing the custodial services at one or more locations and on such terms, as the Trustee and the Management Committee may mutually agree and to be incorporated in custodial services agreement(s) to be executed between the Trustee and the Custodian(s). Provided however, the Trustee may also itself provide custodial services for the Trust with the approval of the Management Committee at competitive terms as part of its normal line of business.

- 6.3 Whenever pursuant to any provision of this Trust Deed, any Instructions, certificate, notice, direction or other communication is required to be given by the Punjab Pension Fund to the Trustee, the Trustee may accept as sufficient evidence thereof:
- 6.3.1 a document signed or purporting to be signed on behalf of the Punjab Pension Fund by any Authorized Representative(s) whose signature the Trustee is for the time being authorized in writing by the Management Committee to accept;
- 6.3.2 any Instructions received online through the software solution adopted by the Punjab Pension Fund/Trustee in consultation with each other shall be deemed to be Instructions from the Authorized Representatives; and
- 6.3.3 third party evidence where required such as Broker contract, bills etc. in relation to Clause 6.3.1 and 6.3.2 above.
- 6.4 The Trustee shall not be liable for any loss caused to the Trust or to the value of the Trust Property due to any elements or circumstances beyond its reasonable control.
- 6.5 The Trustee shall be entitled to require the Auditors to provide such reports as may be agreed between the Trustee and the Punjab Pension Fund as may be considered necessary to facilitate the Trustee in issuing its own report for the Trust.
- 6.6 The Trustee shall not permit any Transaction between the Trust and any Member of the Management Committee or officer of the Punjab Pension Fund or any of their respective family members which shall be disclosed by the Authorized Representatives to the Trustee.
- 6.7 The Trustee shall comply with the provisions of the Governing Law and this Deed for any act or matter to be done by it in the performance of its duties. The Trustee shall be responsible for the acts and omissions of all persons to whom they may delegate any of its functions and shall account to the Trust for any loss in value of the Trust Property where such loss has been caused by its gross negligence or reckless or willful act and/or omission of Trustee's officers, officials or agents.
- 6.8 The Trustee shall not be under any liability except such liability as may be expressly assumed by it under this Trust Deed nor shall the Trustee be liable for any act or omission of the Punjab Pension Fund or its Management Committee or any other Committee and/or their respective officers, officials and agents. If for any reason it becomes impossible or impracticable to carry out the provisions of this Trust Deed or any Instructions, the Trustee shall not be under any liability therefor or thereby and it shall not incur any liability by reason of any error of law or any matter or thing done or suffered or omitted to be done in good faith hereunder.

Article 7 – Bank Account(s)

- 7.1 The Trustee shall open and maintain one or more Bank Account(s) for the Trust titled "**CDC Trustee – Punjab Pension Fund Trust**", with one or



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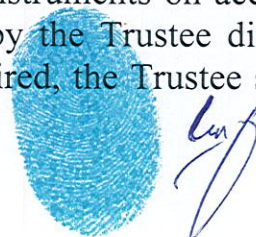
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more Bank(s), on the Instructions of the Authorized Representative of the Punjab Pension Fund. The Bank Account(s) shall be operated by the authorized officers of the Trustee. The Bank Account(s) shall be used for the operational activities of the Trust, release of Funds to GoPb and release of budget / supplementary budget to the Punjab Pension Fund and shall not be used for any other purpose. All cheques and payment orders shall be signed by the Trustee through its authorized officers. The Trustee shall have the right to change its authorized officers from time to time.

- 7.2 All the bank balances in the Bank Account(s) shall vest in Trustee as nominal owner, but the beneficial owners shall be the Reserve Pension Fund.

Article 8 - Investments and Disinvestments

- 8.1 On receiving Instructions from the Authorized Representatives of the Punjab Pension Fund, the Trustee shall be deemed to have been authorized by the Punjab Pension Fund to make payments to the issuers, Brokers and counter parties against all Investments made in the Permissible Investments on account of the Trust, to receive or collect the Securities against Investments, to deliver the Securities to the Brokers, issuers and counter parties against disinvestments and/or sale of Securities within the parameters of the Governing Law. In case any Instructions are withdrawn or altered, the same shall be in writing by a letter under signatures of the Authorized Representatives and shall be applicable only if Transactions pursuant to the previous Instructions have not been effectuated before the receipt of the letter of the withdrawal or alteration of the previous Instructions. In case the Trustee already acted on the Instructions, the same cannot be withdrawn/altered in any Transaction effectuated thereagainst shall be binding upon the Punjab Pension Fund and the Trustee shall not be responsible for any consequences thereof.
- 8.2 The Punjab Pension Fund shall exercise diligence and use its best judgment to execute trades which are in accordance with and within the limits set in the Governing Law.
- 8.3 The Punjab Pension Fund undertakes to fulfill its margin requirements, as required by Stock Broker(s), Stock Exchanges, commodity exchange and/or National Clearing Company of Pakistan Limited ("NCCPL") and give appropriate Instructions to the Trustee for depositing cash, treasury bills or other Securities and collaterals with the Broker(s), Stock Exchange, commodity exchange and/or NCCPL, through the Trustee. The Punjab Pension Fund acknowledges and understands that Broker(s) may require margin amounts in the Trust's account(s) with the Broker(s) in addition to the minimum margin requirements established by the Stock Exchanges.
- 8.4 For all intents and purposes, the Trustee shall act as an agent of the Punjab Pension Fund and shall be deemed to have the requisite authorization to represent the Punjab Pension Fund, as its agent in terms of this Deed and shall not exercise any other authority as an agent in violation hereof.
- 8.5 Warrants, cheques and other payment instruments on account of dividends, profits, income, etc. shall be credited by the Trustee directly in the Bank Account(s). Where endorsement is required, the Trustee shall be deemed to

be authorized to endorse such cheques, warrants and payment instruments on behalf of the Trust.

- 8.6 The Authorized Representatives shall prepare and send settlement details to the Trustee, in timely and efficient manner.
- 8.7 The Authorized Representatives shall ensure that the Trustee receives copies of all Broker(s) contracts and/or confirmations in respect of the trading and the resultant Transactions executed on account of the Trust in respect of the Investment Portfolio.

Article 9 – Borrowing Powers

- 9.1 Subject to the provisions of the Act the Management Committee may borrow money from the GoPb or any other institution to the extent permissible under the Governing Law.
- 9.2 Subject to the Governing Law, the Management Committee may borrow to pay for the purchase of Securities if at the time of making an investment the Management Committee anticipates that resources would be available to pay for the purchase in full.

Article 10 – Valuation of the Trust Property

Assets of the Punjab Pension Fund Trust shall be valued in the manner specified by the Management Committee from time to time.

Article 11 – Monthly Reports

The Trustee shall provide monthly reports to the Punjab Pension Fund by the 10th day of each calendar month containing details of securities owned/held by the Trust. The Punjab Pension Fund shall reconcile the same with its records and affirm the Trustee of its correctness or otherwise within 10 Business Days after the receipt of such a report.

Article 12 – Costs and expenses to be charged to and borne by the Trust

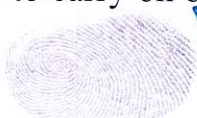
- 12.1 The expenses incurred on the operation of the Punjab Pension Fund, including expenses relating to the functioning of the Management Committee, shall be paid out of the Trust Property in the form of annual / supplementary budgets duly approved by the Management Committee. The Trustee shall make available the budgeted amount(s) subject to availability of funds upon receiving Instructions from Authorized Representatives of the Punjab Pension Fund. Funds withdrawn for budgetary expenses shall not form part of the Trust Property.
- 12.2 The following other expenses shall also be payable out of the Trust Property:
- 12.2.1 Charges and levies of Stock Exchange, commodity exchange, NCCPL, Central Depository Company charges and Custodian charges.
- 12.2.2 Trustee fee.
- 12.2.3 Auditors' fees and out of pocket expenses as billed by them.




- 12.2.4 Rating agencies fee and related expenses.
- 12.2.5 Brokerage and Transaction Costs related to investing and disinvesting of the Assets of the Trust.
- 12.2.6 Advisory fee comprising of management fee, sharing of profit in excess of hurdle rate etc. for investments through a Third Party.
- 12.2.7 Expenses incurred by Trustee in effecting registration of all registerable assets in the name of the Trustee.
- 12.2.8 Legal and related costs incurred in protecting or enhancing the interests of the Trust.
- 12.2.9 Borrowing expenses.
- 12.2.10 Bank charges.
- 12.2.11 Hedging costs including forward cover, forward purchase or option purchase costs.
- 12.2.12 Taxes, fees, cess, duties and charges applicable to the Trust on its income or its properties, etc.
- 12.2.13 All other expenses, taxes and charges due or accrued during Accounting Period which are allowed under applicable laws, rules and regulations.
- 12.2.14 Fees of professionals, such as legal counsel, actuaries, investment advisors, financial consultants, Brokers, evaluators, etc.
- 12.2.15 Any other expense approved by the Management Committee.

Article 13 – Retirement or Removal of the Trustee

- 13.1 The Trustee shall be entitled to retire voluntarily at any time upon prior written notice of three months to the Management Committee subject to the condition that the retirement shall take effect on the expiry of the three month period or from the date of assumption of Assets of the Trust by the newly appointed trustee, whichever is earlier. In the event of the Trustee desiring to retire, the Management Committee before the expiry of three months with the prior written approval of the GoPb, may by a trust deed supplemental hereto under the seal of the Punjab Pension Fund appoint a new trustee in place of the retiring Trustee and also provide in such trust deed for the automatic vesting of all the Assets of the Trust in the new trustee. Provided that the obligations of the Trustee shall continue and the Trustee shall also receive its remuneration until the new trustee is appointed. In case the Trustee decides to retire voluntarily, as above, it shall endeavor its best to suggest the name(s) of alternate company(s) or institution(s) qualified for being appointed as trustee to the Management Committee and the GoPb for appointment as the trustee, in the place of the Trustee and provide all possible support in the hand-over process.
- 13.2 If the Trustee goes into liquidation (otherwise than for the purpose of amalgamation or reconstruction on terms previously agreed to with the Management Committee for purpose of reconstruction and amalgamation) or ceases to carry on business or a receiver of its undertaking is appointed or



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it becomes ineligible to act as a trustee of the Trust under the provisions of the Rules, the Management Committee shall with the approval of the GoPb by an 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.

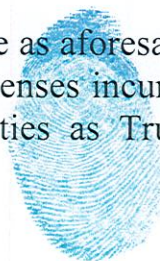
- 13.3 In the circumstances where the Management Committee or the GoPb is of the opinion that the Trustee has been in violation of the provisions of this Deed or is found guilty of misconduct or transgression or has failed to discharge its obligations under this Deed, the GoPb may remove the Trustee after giving opportunity of being heard. Further GoPb on its own motion or on the recommendation of Management Committee may remove the Trustee without giving any reason whatsoever.
- 13.4 Upon the appointment of a new trustee the Trustee shall immediately hand over all the documents and records to the new trustee and shall transfer all the Trust Property, including the credit balances in the Bank Accounts to the new trustee. All dues of the Trustee upto the appointment of new trustee shall be settled accordingly from the Trust.
- 13.5 The new trustee shall exercise all the powers and enjoy all the 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.
- 13.6 In case of change of Trustee, the GoPb may appoint auditors from amongst the panel of auditors designated as "A" category by the State Bank of Pakistan for audit of Financial Institutions. The auditors so appointed shall be other than the Auditors of the Trustee. The auditors shall have the Terms of Reference as may be specified by the GoPb. The auditors shall submit the report for the audit to the Management Committee not later than 30 Business Days from their appointment or any other date as agreed by the Management Committee and the Trustee. A copy of the report shall also be provided to the GoPb, out going Trustee and the new trustee. The report shall be for a period upto the date of appointment of the new trustee. The cost of such audit shall be borne by the Trust.

Article 14 – Remuneration of Trustee and Its Agents

- 14.1 The Trustee shall be entitled to a monthly remuneration in accordance with the tariff defined in Annexure "A" out of the Trust Property based on the Net Fund Value. The remuneration shall begin to accrue from the date when the Trust Property is first paid or transferred to the Trustee. For any period other than a full calendar month such remuneration shall be prorated on the basis of the actual number of days for which such remuneration has accrued for the total number of days in the calendar month concerned.
- 14.2 Such remuneration shall be paid to the Trustee within fifteen (15) Business Days after the end of each calendar month after the receipt of invoice from the Trustee.
- 14.3 In consideration of the foregoing and save as aforesaid and the Trustee shall be responsible for the payment of all expenses incurred by the Trustee from time to time in connection with its duties as Trustee of the Trust. The



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Trustee shall not make any charge against the Trust Property for its services or for its expenses, except such expenses as are expressly authorized to be paid out of the Trust Property under the provisions of this Deed and the Rules.

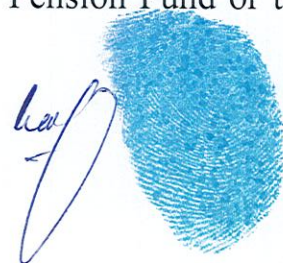
- 14.4 The Trustee shall bear all expenditures in respect of its secretarial and office space and professional management, including its own accounting and administrative services.
- 14.5 Any revision in remuneration of the Trustee shall require the approval of Management Committee.

Article 15 – Annual Accounting Period

- 15.1 The Annual Accounting Period shall commence on 1st July and shall end on 30th June of the ensuing calendar year.
- 15.2 Accounting Date shall be the 30th day of June in each year and any interim dates at which the financial statements of the Trust are drawn up. Provided, however, that the Punjab Pension Fund may with the consent of the Trustee and after obtaining approval of the GoPb, change such date to any other date.
- 15.3 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 Trust Property is first paid or transferred to the Trustee and (in any other case) from the end of the preceding Accounting Period.

Article 16 – Audit

- 16.1 The GoPb shall at the establishment of the Trust and upon any vacancy appoint as Auditor, a firm of chartered accountants. The GoPb may at any time remove the Auditor and appoint another Auditor in its place.
- 16.2 The Auditor shall hold office until transmission of the annual report and accounts but may be re-appointed for up to five consecutive terms of one year each. Thereafter, the Auditors shall only be eligible for appointment after the lapse of at least one year.
- 16.3 The following persons shall not qualify to be the Auditor of the Trust:
- (a) a person who is or at any time during the preceding three (3) years was a Member of the Management Committee or employee of the Punjab Pension Fund or the Trustee;
 - (b) a person who is a partner of or in employment of a Member of the Management Committee, officer, employee of the Punjab Pension Fund or the Trustee or their family members;
 - (c) a person who is indebted to the Punjab Pension Fund or the Trustee; and
 - (d) a body corporate.

- 16.4 Appointment of a partnership firm to be the Auditor shall be deemed to be the appointment of all persons who are partners in the firm for the time being.
- 16.5 The Auditor shall have access to the books, papers, accounts and vouchers of the Trust, whether kept at the office of the Punjab Pension Fund or the Trustee or elsewhere and shall be entitled to require from the Management Committee and the Trustee such information and explanations as considered necessary for the performance of audit.
- 16.6 In case of any audit performed by Auditor General of Pakistan with reference to the audit of Public Account of Government of the Punjab, the Trustee and/or the Management Committee shall provide such information and explanation as considered necessary for the performance of such audit.

Article 17 – Withdrawals and Payment of Pension

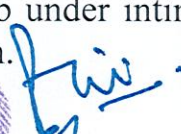
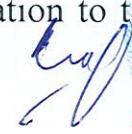

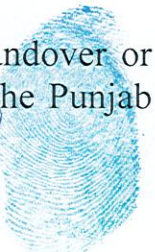
- 17.1 Management Committee may from time to time withdraw Funds from the Trust under written Instructions through the Authorized Representatives. In case any such Instructions are received by the Trustee and there is insufficient cash balance available in the hands of the Trustee, the Authorized Representative may instruct the Trustee to sell, so much of the assets as may be required to pay such Funds. All such payments will be made by the Trustee only by payment instruments drawn in favour of the Reserve Pension Fund, Provincial Account 1, Account G128-Pension Fund, Sub-Account G12801-Punjab Pension Fund; it being agreed and understood that no payment whatsoever shall be made in any other form or to any other person, entity or authority whatsoever.
- 17.2 The Trustee shall have no concern with or obligation to pay or disburse pensions to employees of the GoPb.

Article 18 – Modification of the Trust Deed

- 18.1 The Trustee and the Punjab Pension Fund acting together shall be entitled by Trust Deed supplemental hereto to modify, alter or add to the provisions of this Trust Deed in such manner and to such extent as they may consider expedient for any purpose, subject only to the approval of the Management Committee.
- 18.2 The Punjab Pension Fund and the Trustee may, from time to time, frame guidelines for conducting the business of the Trust or in respect of any other matter incidental thereto; provided such guidelines are not inconsistent with the provisions of this Trust Deed or the Governing Law.

Article 19 – Termination and Liquidation of the Trust

- 19.1 The Punjab Pension Fund may upon receiving directions from the GoPb terminate the Trust at any time by giving a written notice of at least three months to the Trustee.
- 19.2 In the event of the termination of the Trust, the Trustee shall handover or transfer all the Assets of the Trust to GoPb under intimation to the Punjab Pension Fund without any further obligation.

Article 20 – Arbitration

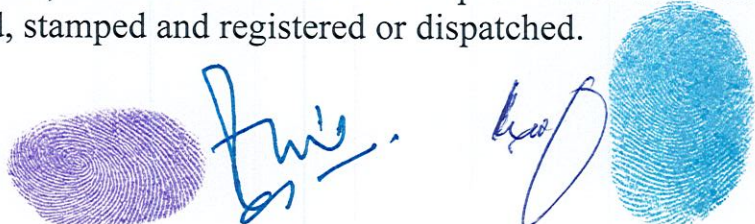
- 20.1 Without prejudice to any other remedy provided by law to the Punjab Pension Fund, in the event of any disputes arising out of this Trust Deed between the Punjab Pension Fund on the one part and the Trustee on the other part, including as to the respective rights and obligations of the parties hereto, as well as those relating to the interpretation of the terms and conditions of this Trust Deed, the same may be referred to arbitration by two arbitrators, one to be appointed by the Punjab Pension Fund 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 hereto. The arbitrators and the umpire shall be selected from amongst, senior partners of renowned firms of chartered accountants, or senior partners of renowned law firms, or senior bankers or the chairman of the renowned corporate members of the Stock Exchanges. The venue of the arbitration shall be Lahore. The arbitration shall be conducted in accordance with the Arbitration Act, 1940.
- 20.2 Save as provided above and subject to Arbitration Clause above applicable between the Punjab Pension Fund and the Trustee inter se each party, irrevocable submit to the exclusive jurisdiction of the courts at Lahore.

Article 21 – Confidentiality

The Punjab Pension Fund and the Trustee, the Custodians, the Auditor and every director/Member or officer of the Trustee, the Punjab Pension Fund and the Committees, who are in any way engaged in the business of the Trust and all persons employed or engaged by them in connection with the business of the Trust shall observe strict confidentiality in respect of all Transactions of the Trust and all matters relating thereto and shall not disclose any information or document which may come to his/their knowledge or possession in the discharge of his/their duties except when required to do so in the ordinary course of performance of his/their duties or by law or if compelled by any court of law or a competent authority.

Article 22 – Miscellaneous



Any notice required to be served upon the Trustee or the Punjab Pension Fund shall be deemed to have been duly given if sent by registered post to or left at the address as given in this Deed. Any notice so served by registered post and/or by courier service shall be deemed to have been served/couriered three Business Days from the date following that on which the letter containing the same is posted or handed over to the courier company, and in proving such service, it shall be sufficient to prove that such letter was properly addressed, stamped and registered or dispatched.



The image shows two sets of fingerprints and handwritten signatures in blue ink. The left set consists of a purple fingerprint and a signature that appears to be 'T. S.'. The right set consists of a blue fingerprint and a signature that appears to be 'K. S.'. The signatures are written in a cursive style.

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

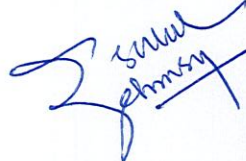
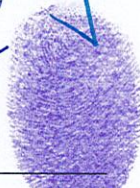
For Punjab Pension Fund

Signature:  

Name: ARQIL RAZA KHOJA



Designation: General Manager



Witnesses:  

1. Signature: _____
Name: ABDUL REHMAN WARRACH

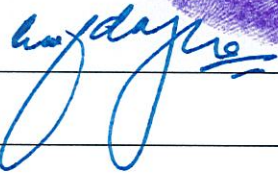

CNIC #: 35201-0605029-7

2. Signature:  

Name: MUHAMMAD SAJJID

CNIC #: 25201-2911622-3



For Central Depository Company of Pakistan Limited

Signature:  

Name: _____

Designation: _____



Witnesses:  

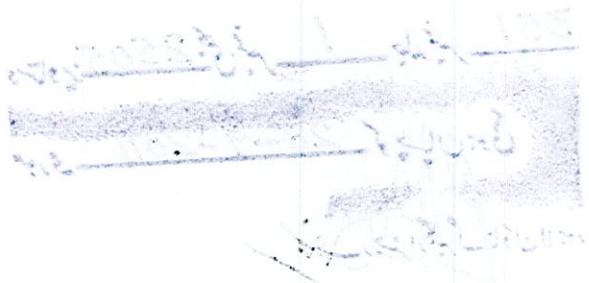
1. Signature: _____
Name: Arifur Rehman

CNIC #: 42501-9253203-1

2. Signature:  

Name: EJAZ ALI SHAH

CNIC #: 42301-1904678-9





ABUL KHAIR KHAN
General Manager

[Signature]

ABUL KHAN WARRAICH
32501-0602029-1



[Signature]

ABUL KHAN WARRAICH
32501-0602029-1

دستاویز 2505 بجی نمبر 1 جلد نمبر 351
مورخہ 28-9-2011 کو پاپا ہوئی
[Signature]

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

Head Office

CDC House, 99-B, Block 'B'
S.M.C.H.S. Main Shakra-e-Faisal
Karachi - 74400. Pakistan.
Tel: (92-21) 111-111-500
Dir: (92-21) 34326002
Fax: (92-21) 34326005
URL: www.cdcpakistan.com
Email: hanif_jakhura@cdcpak.com

Muhammad Hanif Jakhura
Chief Executive Officer

CDC/CS/LC-MK/013/10

August 27, 2010

Mr. Aquil Raza Khoja
Chief Investment Officer
Government of the Punjab
Punjab Pension Fund
23-D, FCC Block
Syed Maratib Ali Road, Gulberg IV
Lahore

Dear Sir,

Revised Tariff for Punjab Pension Fund

This is in furtherance to our earlier letter ref. CDC/CS/LC-MNK/056/09 dated February 11, 2009. As requested, following is the revised discounted tariff for Punjab Pension Fund:

NET ASSETS (Rupees)	TARIFF
Up to 10 billions	0.03% p.a. of net assets
Above 10 billion	0.02% p.a. of net assets

Please note that the trusteeship fee is accrued on a daily basis and billed monthly.

We look forward to serving you.

Yours sincerely,





NO.FD(W&M)7-206/2008(P-I)
GOVERNMENT OF THE PUNJAB
FINANCE DEPARTMENT

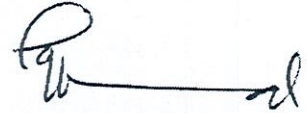
Lahore the, June 24, 2009

To

Dr. Sajid Yoosufani,
Acting General Manager,
Punjab Pension Fund,
23-D FCC Block, Syed Maratab Ali Road,
Gulberg IV, Lahore.

SUBJECT: GOVERNMENT'S APPROVAL FOR APPOINTMENT OF TRUSTEE

I am directed to refer to your letter No.FD/PPF/1-1/2003 dated 17.06.2009 on the above subject and to inform that Finance Department, Government of the Punjab agrees to the appointment of Central Depository Company of Pakistan (CDC) as Trustee of the Punjab Pension Fund in term of Section 18 of Punjab Pension Fund Rules 2007.



(MUHAMMAD IQBAL ANJUM)
SECTION OFFICER (W&M)
Phone No.042-9213487/9213664

