

**SECOND SUPPLEMENTAL TRUST DEED OF  
PAKISTAN INTERNATIONAL ELEMENT ISLAMIC FUND**

THIS SECOND SUPPLEMENTAL TRUST DEED OF PAKISTAN INTERNATIONAL ELEMENT ISLAMIC FUND is made and entered into at Karachi, on this 18<sup>th</sup> day of September, 2008; by and between

**BY AND BETWEEN**

(A) **Arif Habib Investment Management Limited**, a company incorporated under the Companies Ordinance, 1984, with its registered office at 2/1, R.Y. 16, Old Queens Road, Karachi (hereinafter called the “**Management Company**”, which expression where the context so permits shall include its successors-in-interest and assigns) of the One Part; and

**AND**

(B) **Central Depository Company of Pakistan Limited**, a company incorporated under the Companies Ordinance, 1984 and registered with the Securities & Exchange Commission of Pakistan (the “**Commission**”) 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, (hereinafter called the “**TRUSTEE**”, which expression where the context so permits shall include its successors-in-interest and assigns) of the Other Part.

**WHEREAS:**

- (1) The Management Company and the Trustee executed a Trust Deed dated December 14, 2005, to constitute Pakistan International Element Islamic Fund, which Trust Deed was registered with the Sub-Registrar, T Division I-A, Karachi, under Registered No.680 of Book No. IV Addl. dated 14-12-2005 and M.F. Roll No.U-113650/3059 dated 21-12-2005, ("the Trust Deed").
- (2) The Management Company and the Trustee amended certain Clauses of the Trust Deed in accordance with Clause 14 of the Trust Deed, vide a First Supplemental Trust Deed of Pakistan International Element Islamic Fund dated

December 11, 2006 which was registered with the Sub-Registrar-I, Jamshed Town, Karachi, under Registered No.1333 of Book No. IV dated 12-12-2006 and M.F. Roll No.U-102902/3937-3939 dated 23-12-2006.

- (3) The Management Company and the Trustee have agreed to further amend certain Clauses of the Trust Deed in accordance with Clause 14 of the Trust Deed.
- (4) The Securities & Exchange Commission of Pakistan (“the Commission”) has approved the further amendments to the Trust Deed, vide its letters No. NBFC-II/DD/PIEIF/700/2008 dated 5<sup>th</sup> September, 2008, annexed hereto as Annexures "A".

NOW THEREFORE THIS SECOND SUPPLEMENTAL TRUST DEED OF PAKISTAN INTERNATIONAL ELEMENT ISLAMIC FUND, WITNESSETH AS FOLLOWS:—

**1. Amendment of Clause 3 of the Trust Deed:**

In Clause 3 titled “*GOVERNING LAW*”, the following sentence be and is hereby incorporated after the word “*currency*” at the end:

“The Investments of the Fund made in offshore countries and the Bank Accounts and custodial services accounts that may be opened by the Trustee on the instructions of the Management Company for the Fund in offshore countries may become subject to the laws of such countries.”

**2. Amendment of Clause 6.4.7 of the Trust Deed:**

The entire text of Clause 6.4.7 be and is hereby replaced by the following text:—

*“Not more than 50% of the allowable limit of international investment will be placed in any one country. Provided that where an investment is made in a*

*mutual fund which makes investments in the different regions or countries of the world, the allowable limit of 50% would be applicable in relation to the country in which investment is made by such fund and not in relation to the country of registration or incorporation of such fund or of its management company/ investment adviser or of its trustee.”*

**3. Addition of new Clause 6.4.9 in the Trust Deed:**

After the existing Clause 6.4.8, the following new Clause, numbered as 6.4.9, be and is hereby incorporated

6.4.9            *The Management Company may in consultation with the Trustee or vice-versa further appoint advisors and professionals other than mentioned in clause 5.1.1 above in offshore countries for making investments in offshore countries and or for issuing units to the investors in the offshore countries to determine the legal and regulatory requirements to be fulfilled by the fund, the Management Company and the Trustee and their respective obligations in relation thereto.*

**4. Amendment of Clause 7.1.10 of the Trust Deed:**

Clause 7.1.10 of Clause 7.1 titled “**VALUATION OF ASSETS**”, be and is hereby amended as follows:–

7.1.10            *At each balance sheet date all investments in foreign currencies will be translated in Pakistan Rupees using the closing buying spot rates declared by the National Bank of Pakistan.*

**5. Amendment of Clause 14 of the Trust Deed:**

In Clause 14 titled “**MODIFICATION OF CONSTITUTIVE DOCUMENTS**”, after the existing Clause 14.1.1, the following new Clauses numbered as 14.1.2 and 14.1.3 be and are hereby incorporated:

- 14.1.2 *If the Commission modifies the Rules and /or the Regulations and/ or any other law for the time being in force, these shall be deemed to have been included in this Trust Deed without requiring any modification as such.*
- 14.1.3 *If any procedural change is proposed by the Management Company or the Trustee and such change is agreed by the counter party; for such change amendment shall not be required to be made in Trust Deed and Offering document. Provided such change is not in contradiction with the provisions of the Trust Deed, the Offering Document, the Regulations and the Rules*

6. **Amendment of Clause 16.2.2 of the Trust Deed**

*“The Trustee shall exercise all due diligence and vigilance in carrying out its duties and in protecting the interests of the Unit Holders. 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 Management Company, provided that they are not in conflict with the provisions of the Trust Deed ,the Offering Document, the Regulations or the Rules. Whenever, pursuant to any provisions of this Deed, any certificate, notice, direction, instructions or other communication is to be given by the Management Company to the Trustee, the Trustee may accept as sufficient evidence thereof, a document signed or purporting to be signed on behalf of the Management Company by any person, whose signature the Trustee is for the time being, authorized in writing by the Management Company to accept, or instructions given electronically based on distinctive user IDs and passwords allocated to the authorized person(s) of the Management Company through a computerized system for which both the parties i.e. the Management Company and the Trustee have agreed in writing. In case of any error or omission occurring in electronic system due to system malfunction or any instruction(s) based on such system contain any error or omission due to the above*

*malfunction, the Trustee and the Management Company not knowing fact will act in the best interests of the fund and the unit holders.”*

**7. Amendment in title of Clause 16.5 of the Trust Deed:**

The title of Clause 16.5 be and is hereby changed from “*BANK ACCOUNTS*” to “*BANK ACCOUNTS AND OFFSHORE ARRANGEMENTS*”.

**8. Amendment of Clause 16.5.1 of the Trust Deed:**

The entire text of Clause 16.5.1 be and is hereby replaced by the following text:-

*16.5.1 “The Trustee shall open Shariah-Compliant Bank Accounts and make other offshore arrangements for the Fund at Banks that are regulated by concerned Regulatory Authorities, at the request of the Management Company”.*

**9. Addition of new Clauses 16.5.3 and 16.5.4 in the Trust Deed:**

After the existing Clause 16.5.2, the following new Clauses to be numbered as 16.5.3 and 16.5.4 be and are hereby incorporated:

*16.5.3 “The Trustee shall, if requested by the Management Company open Shariah Compliant Bank Accounts, Brokerage Accounts and Custodial Services Accounts for the Fund in offshore countries where any transactions are to be carried out on account of the Fund. For this purpose, the Trustee shall be deemed to be authorized to sign and submit the prescribed account opening forms and any supporting documents or instruments, as may be required by such offshore Banks, including for opening and maintaining custodial services accounts with such Banks or other sub-custodians in such countries provided that the investments are made according to the Trust Deed/ Offering Documents/ NBFC Regulations and other governing laws. The opening, operation and maintenance*

*of such Bank Accounts and custodial services accounts in offshore countries shall be subject to the approval of governing authorities as required in Pakistan*

16.5.4 *The Management Company and the Trustee, will exercise due caution and diligence in appointing and arranging of such Banks, brokerage houses and custodian/ sub-custodian in offshore countries. The Management Company and the Trustee shall not incur any personal liability for any consequences that may arise in the opening and operation of such Bank Accounts, brokerage accounts and/or custodial/sub-custodial services accounts. The Management Company and the Trustee shall be indemnified out of the Fund Property for any losses, costs and expenses that may be suffered, sustained or incurred by the Management Company /Trustee and against all consequences arising from and out of (1) the execution by the Management Company /Trustee of the account opening forms/ documents with all particulars as may be required by such Bank(s), Financial Institution(s), custodian(s)/sub-custodian(s) and brokerage house(s), (2) the opening of such account(s) with the offshore Bank(s), Financial Institution(s), custodian(s)/sub-custodian(s) and brokerage house(s), (3) the Investments made in offshore countries on account of the Trust, (4) the appointment of Bank(s), Financial Institution(s), broker(s) and/or custodian(s)/sub-custodian(s) for the Funds' Investments, securities and other assets internationally and (5) all other related or incidental activities of the Management Company/Trustee in relation to the above. Provided that such indemnity shall not be available to the Management Company and/or the Trustee, if such loss, cost or expense is sustained or incurred due to willful or negligence on their respective part .”*

**10. Renumbering of existing Clauses 16.5.3 and 16.5.4:**

The existing Clauses No.16.5.3 and 16.5.4 be and are hereby renumbered as 16.5.5 and 16.5.6, respectively.

All other contents of the Trust Deed remain unchanged and the Trust Deed shall continue to remain in full force and effect, amended as above.

The Trustee and the Management Company hereby certify that the above amendments are required in the Trust Deed for making Investments in offshore countries; for clarification that where the Investments are made on account of the Funds in different regions/ countries of the world; the allowable limit of 50% would be applicable in relation to the country in which such investment is made in an offshore Fund and not in relation to the Country of registration or incorporation of offshore Funds or the country of registration or incorporation of its investment adviser or management company or the trustee; to permit the Trustee to open accounts with offshore Banks, Financial Institutions, brokerage houses and sub-custodians; to include formal changes, due to modification in the Rules / Regulations relating to the valuation of Investments dominated in foreign currencies and for introducing of tracking module system for giving instructions electronically to the Trustee by the Management Company and that in the opinion of the Management Company and the Trustee, the above amendments shall not prejudice the interests of the Unit Holders or any of them or operate to release the Trustee or the Management Company from any responsibility to the Unit Holders.

IN WITNESS WHEREOF, THIS SECOND SUPPLEMENTAL TRUST DEED OF PAKISTAN INTERNATIONAL ELEMENT ISLAMIC FUND has been executed on the date first mentioned above.

The Common Seal of Arif Habib Investment Management Limited was hereunto fixed on September 18, 2008 in the presence of:

Seal:

\_\_\_\_\_  
Mr. Nasim Beg  
Chief Executive

\_\_\_\_\_  
Syed Ajaz Ahmed  
CFO & Company Secretary

The Common Seal of Central Depository Company of Pakistan Limited was hereunto fixed on September 18, 2008 in the presence of:

Seal: \_\_\_\_\_  
Mr. Kamran Qazi  
CFO & Company Secretary

\_\_\_\_\_  
Mr. Atiq ur Rehman  
GM Trustee Operations

**WITNESSES**

1. \_\_\_\_\_  
Syed Shaukat Hussain Rizvi

2. \_\_\_\_\_  
Zeeshan Quddus