

FIRST DEED OF AMENDMENT OF TRUST DEED
OF FIRST HABIB INCOME FUND

This First Deed of Amendment of Trust Deed is made at Karachi, on this 18th day of March, 2008 by and between:

- I. Habib Asset Management Limited**, a public limited Company incorporated under the Companies Ordinance, 1984 with its Registered Office at 1st Floor, Imperial Court, Dr. Ziauddin Ahmed 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

- II. Central Depository Company of Pakistan Limited**, a company incorporated 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 Shakra-e-Faisal, Karachi-74400, Pakistan (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. Habib Asset Management Limited, as the Management Company and the Central Depository Company of Pakistan Limited as the Trustee, executed a Trust Deed dated 6th September 2006, to constitute "First Habib Income Fund" (defined as "the Scheme", "Trust", "Unit Trust" or "Fund" under the said Trust Deed), which Trust Deed was registered with the Sub-Registrar-II, Saddar Town, Karachi, under Registered No. 503 of Book No.IV dated 06-09-2006 and M.F.Roll No: U 74113/3712 dated 16-09-2006 of the Photo Registrar, Karachi.
2. Habib Asset Management Limited and the Trustee have agreed to amend the Trust Deed as authorized under Clause 13 of the Trust Deed so as to introduce new Class of Units and to make some other formal amendments.
3. The Securities & Exchange Commission of Pakistan ("SECP") vide its letter No. SEC/NFBC-II/JD-VS/188/HAML-2008 dated March 17, 2008 appended hereto as Annexure "A" has approved the amendments to the Trust Deed.

Now this First Deed of Amendment of Trust Deed witnesseth as under:

Amendments in the Trust Deed

- (i) The existing Clause 7.1.2 to be read as follows:
- “ 7.1.2 The remuneration shall begin to accrue from the close of the initial offer period. In respect of any period other than an Accounting Period such remuneration shall be prorated on the basis of the actual number of days for which such remuneration has accrued in the Accounting Period”.
- (ii) The existing Clause 7.2.1 to be read as follows:
- “ 7.2.1 The Trustee shall be entitled to a monthly remuneration out of the Trust Property determined in accordance with charges mentioned in “Annexure-D”.
- The remuneration shall begin to accrue from the close of the initial offer period. For any period other than a full calendar month such remuneration shall be pro-rated on the same basis as mentioned in 7.1.2 above”.
- (iii) In Clause No. 10 “DISTRIBUTION OF INCOME” after clause 10.7 the following new clause 10.8 be added:
- “ 10.8 The Management Company may pay the Unit holders interim dividend, if it considers that the Income for the Accounting period would justify such distribution”.
- (iv) In Clause No. 21 “UNITS” Clause 21.2, after sub-clause (c), the following new sub-clause (d) be added:
- “(d) Class ‘C’ Units shall be offered and issued after the expiry of the Initial Public Offering (IPO). Class ‘C’ Units will be entitled to cash dividend only even if the distribution to other classes is in the form of Bonus Units. The Units will be issued with/without Sales Load and/or back end load. An investor shall, at the time of opening an account, select the Class of Units in which he wishes to invest i.e. Class ‘B’ and or Class ‘C’. The investors may convert the Units from one class of Units to another class without any fee. However, if Class A Units (restricted/core units) issued to the core investors are converted to Class ‘C’ Units, such Units can not be redeemed for a period of two (2) years from the date of closure of initial offer. However such Units are transferable. All the existing Unit holders shall have the option to switch to this class of Units by applying the management company.

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

The Common Seal of Habib Asset Management Limited has hereunto been fixed in the presence of:

Seal

Imran Azim
CNIC # 42301-4068685-3

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

Seal

Kamran Ahmed Qazi
CNIC # 42201-0522034-5

Attiquir Rehman
CNIC # 42501-9253203-1

Witnesses:

Name: _____
Aquil Raza Khoja
CNIC # 42201-7395416-3

Name: _____
Asif Mahmood
CNIC # 42101-1391535-3

Occupation: Private Service

Occupation: Private Service

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