

**PAKISTAN REVENUE AUTOMATION (PRIVATE) LIMITED, EMPLOYEES'
GRATUITY FUND RULES**

1. THE FUND

The Fund shall be called Pakistan Revenue Automation (Pvt) Ltd, Employees Gratuity Fund (“the Fund”) and shall consist of all sums contributed by Pakistan Revenue Automation (Pvt) Ltd (“the Company”) for the purposes of establishing Gratuity Fund.

2. OBJECTS

The object of the Fund is to accumulate certain sums for benefit of the employees of the Company and their families in the event of employees leaving service of the Company, due to but not limited to, termination of service, resignation, retirement, or death.

3. EFFECTIVE DATE

These Rules shall become effective from 1st day of July 2006 and notwithstanding the date on which fund is recognized by the Commissioner of Income Tax.

4. DEFINITIONS

For the purpose of these Rules, unless there is anything repugnant in the subject or context, the term _

“*Accumulated amount due*” shall mean the amount due to the Member or such portion thereof as may be payable to him under these Rules on the day his Membership ceases in this Fund;

“*Company or employer*” shall mean Pakistan Revenue Automation (Pvt) Ltd;

“*BOT*” means the Board of Trustees constituted under the Trust Deed;

“*Employees*” shall mean all employees of the Company whether regular or on contract (provided the contract is not for less than 12 months);

“*Family*” shall mean Member’s lawfully wedded spouse, but shall not include a divorced spouse and his children and parents;

“*Member*” shall mean a full time employee of the Company who shall be eligible to the benefits under these Rules ;

“*Net Assets*” shall mean net realizable value of all assets minus all liabilities of the Fund other than liability towards members of the Fund in accordance with the provisions of these rules;

“*Normal retirement date*” shall mean the date on which the employee reaches the age of 60 years; or the date of superannuation as approved by the BOD;

“*Retirement*” shall mean in relation to a member ceasing to be in the Company’s service at the normal retirement age or thereafter or earlier;

“*Rules*” mean these Rules as in force for the time being;

“*Salary*” shall include all allowances, if the term of employment so provide, but exclude all non-cash allowances and perquisites;

“*Trust Deed*” means Pakistan Revenue Automation (Pvt) Ltd Gratuity Fund Trust Deed;

“*Trustees*” mean the Trustees of the Fund for the time appointed in accordance with the Trust Deed.

Throughout in these Rules wherever the context admits words implying the masculine gender include the feminine gender and singular shall include plural.

5. MANAGEMENT OF THE FUND

The management of the Fund shall be vested in a Board of Trustees who shall administer the Fund in accordance with the provisions and directions of the Trust Deed and these Rules.

6. EXPENSES OF MANAGEMENT

All the expenses including auditor's fee, costs of professional as well as clerical staff, account books and stationary and all other costs, charges and expenses to which the Trustees shall be put in connection with the Fund for any reason whatsoever, shall be borne by the Company. Neither Member nor any representative of a Member shall have any claim upon the Fund in respect thereof.

7. GRATUITY PAYABLE

- 7.1. An employee who has completed a minimum of two years continuous service with the company shall be entitled to Gratuity.
- 7.2. The condition of two years' continuous service shall not apply when an employee dies or has to leave service on medical grounds, redundancy or in case of Female Employees' marriage.
- 7.3. An employee shall be entitled to Gratuity at the rate of one Gross salary for each completed year of service.
- 7.4. Gross salary shall be deemed to be the salary for the last month immediately preceding the month in which Gratuity becomes payable.
- 7.5. For calculation and payment of Gratuity, all period shall be taken on monthly prorata basis.

8. PERIOD OF SERVICE

For the purpose of calculation of the gratuity, an employee's eligible service shall be counted from 1st July 2006 and the employees who join after 1st July 2006, from the date of his joining in the Company (including the period of probation) but does not include the period served as a trainee, or interneer.

9. ELIGIBLE SERVICE

A member's eligible service means all periods of service with the employer and shall include:

- a) all periods of leave of absence with pay;
- b) all periods of leave of absence without pay:
 - i) up to a maximum of one year on account of illness or disability;
 - ii) for educational purposes with the express approval of the employer; or,
 - iii) for any other purpose for such time as the employer may expressly approve and certify to the Trustees.
- c) all periods of leave of absence due to any national emergency as the employer may expressly approve and certify to the Trustees;
- d) subject to employer's express approval, any period of service with the employer on probation provided that at the end of the period of probation, the employee was Authorized in the employer's service;
- e) subject to employer's consent, all service with the employer prior to the commencement date including such service as defined in (a) to (d) above.
- f) In the event of a former employee of the Employer re-entering the Employer's service, his eligible service shall not for any purpose whatsoever of these rules and theses present includes any service prior to such re-entry.

Unless specifically provided to the contrary elsewhere in these presents, eligible service shall be calculated and expressed in years and fractions of a year and in term of months (more than 14 days of a month will be counted complete month and up to 14 days, ignored), and any reference to the number of year of eligible service shall mean the period of eligible service so expressed.

However, employees who are dismissed from the service of the Company for cause including but not limited to misconduct, dishonesty, or gross negligence resulting in loss to the Company shall not be eligible to participate in the Fund.

The Gratuity will be granted to an employee on his ceasing to be in the Company's service, or in the event of his death before grant of the Gratuity, to his legal heirs.

10. MEMBERSHIP

Any employee of the Company, subject to these Rules and subject to approval of the BOT, may apply to become Member from the date of the establishment of the Fund on the prescribed Form 'A' appended to these Rules. An employee who is appointed as Trustee shall not by this reason alone be disqualified from becoming a Member.

If the Trustees grant an approval for membership of the Fund, the applicant shall become a Member of the Fund subject to the provisions of these Rules, and the applicant shall be informed accordingly as per Form "B" appended to these Rules.

Membership shall not cease except when the Member ceases to be an employee and the Gratuity which the Member earned has been paid to him by the Trustees.

11. INVESTMENT

The moneys of the Fund shall be invested in the name of the Fund, as the Trustees may select in accordance with the provision of Rule 118 read with sub-rule (1) of rule 102 of the Income Tax Rules, 2002. The Trustees shall have the power to dispose off the investments and to reinvest the sale proceeds and profit, if any, only in such other securities as are authorized by Rule 118 of the Income Tax Rules, 2002.

All investments and bank accounts of the Fund shall be in the name of the Fund.

12. ACCOUNTS

The accounts of the fund shall be maintained by the Trustees in such form and for such period and shall contain such particulars as may prescribe from time to time.

A statement of accounts shall be made as at the end of each financial year, and furnished to each Member.

13. AUDIT

A firm of Chartered Accountants who shall be appointed by the Trustees shall audit the accounts of the Fund. The Auditors shall have access to all books, papers, voucher's, accounts and documents connected with the Trust and who shall in writing report to the Trustees on the annual Balance Sheet and Revenue Account and shall verify the correctness thereof.

14. BANK ACCOUNT

The Trustees shall authorize the opening and operating an account or accounts in the name of the Fund with any scheduled bank or banks for the deposit of moneys belonging to the Fund. The Trustees will nominate the signatories for the bank account subject to such terms and conditions as may be approved for operating the account.

15. NOMINATION OF BENEFICIARY

Each Member on joining the Fund shall nominate in Form 'C' appended to these Rules any person or persons who shall be entitled to receive the accumulated dues in the event of the Member's death while in the service of the Company and receipts from any such nominee or nominees to whom the said amount may be so paid shall operate as and be considered as valid receipt, discharge and release to the Trustees;

If a Member nominates a person who is a minor as per Form 'D' or under disability to give legal receipt or discharge to the Trustees, the Member shall at the time of such nomination appoint a person of full age and ability who is capable of giving a legal receipt and discharge, to receive payment of the amount standing to the credit of the Member for and on behalf of the nominee if he should still be a minor or under disability at the time the payment is to be made, and the receipt of the said person of full age and ability shall be a good discharge to the Trustees, in the aforesaid case the Member shall make nomination in Form "C" appended to these Rules;

If a Member nominates more than one person under Rules 22 and 23 above he shall specify the amount or share payable to each of the nominees in such a manner as to cover the whole of the accumulated balance due;

The Member may change their nominations from time to time and inform the Trustees accordingly in writing. Notification in the change of nomination(s) without employee's signature shall be considered invalid and prior nomination(s) shall not be cancelled;

In the absence of a nominee, on the death of a Member, payment of the accumulated balance due to the estate of the deceased Member shall be made to his legal heirs; executors or administrators, as determined by the Trustees and such payment shall be deemed to be a good discharge against all claims on the Fund.

Every nomination or change in nomination by a Member shall, to the extent that it is valid, take effect on the date on which it is received by the Trustees.

16. ASSIGNMENT, ETC.

Except so far as the nomination prescribed by these Rules operates as such, no assignment, mortgage or other disposition of money standing to a Members' credit shall be recognized by the Trustees; and

The contribution of the Company shall not be liable to attachment under any decree or order of any civil, Revenue or Criminal Court of law in respect of any debt or liability incurred by the Member and neither the Official Assignee or any Receiver appointed under the provincial Insolvency Act of 1920 shall be entitled to, or have any claim on any such compulsory deposit or contribution.

17. PAYMENT

The accumulated amount due to a Member shall be payable to him or to the person or persons nominated by him as soon as the accumulated amount due can reasonably be determined in accordance with these Rules, and the amount subsequently shall be paid after the day on which such Member ceased to be in the service of the Company, or has left the service of the Company, due to permanent or total disability, or has died; or after winding up of the Fund;

If payment is not claimed within ten years from the date such payment is due, the accumulated balance due to the Member shall lapse absolutely to the Fund and will be credited to the Fund Lapses and Forfeiture Account.

The amount payable at the time of final payment will be ascertained and determined by a certificate signed by three of the Trustees and payment of such amount so certified to the Member or other person entitled hereto under these Rules shall operate as a full and sufficient discharge of all liabilities of the Fund and of the Trustees in respect thereof.

18. LAPSES AND FORFEITURES

All Lapses and Forfeitures occurring at any time, all profits earned at any time on the sale of investments, and all balances due to former Members of the Fund remaining unclaimed after five years shall be transferred to the Fund and always belong to the Fund. No member shall have a right on such lapses and forfeitures.

19. MEETING OF MEMBERS

A meeting of the Members may be convened by the Trustees on the request in writing by the BOM or by any ten Members. The procedure at such a meeting may be prescribed by the Trustees. Any Member may authorize any other Member as proxy to vote for him in which case the Member so appointed shall have one vote for himself or herself and one vote for the Member for whom he acts as proxy. Provided that notice of such appointment is given to the Fund by the member on Form "G".

20. WINDING UP OF THE FUND

The Trustees may at any time, with the consent of the BOM, and shall if so directed by the BOM, on giving at least six months notice in writing to each Member personally or by sending the same by registered post to his last known address, or by posting such written notice in a prominent place in the office of the Trust, wind-up the fund and distribute its net assets as determined according to these Rules to the Members, and thereafter the Fund shall cease to exist and these Rules shall cease to have any effect other than for the purposes of determining any right or title or exercising any power or discretion in relation to the winding up or the distribution of the assets.

No person, not already a Member of the Fund, shall be admitted as a Member of the Fund after the issue of notice as aforesaid. In the event of the Company going into liquidation whether voluntary or compulsory (save for the purpose of reconstruction or amalgamation), the Fund shall automatically cease and the Trustees shall thereupon wind up the Fund and distribute its assets as provided in these Rules;

The surplus balance available after distribution to the Members on winding up of the Fund shall be transferred to the Company arising out of the sale proceeds of the investments of the Fund and the proceeds of realization of its other assets. The deficit in the amounts to be distributed to the Members on winding up of the Fund shall be met by the Company. The costs, charges and expenses incidental to the winding up of the Fund and realization and distribution of assets shall also be borne by the Company; and

Prior to the final distribution of its assets, the Fund's accounts shall be audited and the value of distributable assets shall be certified by the Fund's Auditors.

21. NOTICES

For the purpose of these Rules, a notice to a Member may be given by exhibiting the same in a conspicuous place in the Registered Office of the Company. A notice to the Trustees may be given by sending the same through the post or by delivering the same by hand to the Chairman of the Trust or to the Secretary of the Trust.

22. ARBITRATION

Any dispute or difference which may arise between any Member or his nominees or legal representative and the Trustees or between any Member or his nominees or legal representative and the Company or between the Company or its nominees or legal representative and the Trustees as to the meaning or effect of these Rules or to any matter relating to or arising out of the same, shall be referred for arbitration at Islamabad in accordance with the provisions of the Arbitration Act, 1940.

FIRST TRUSTEES

Signatures

- 1. **General Manager (Operations)**
- 2. **General Manager (Software Development)**
- 3. **General Manager (Finance)**
- 4. **Special Assistant to CEO/ Manager (HR)**
- 5. **Manager (Finance)**

WITNESSES:

1. _____

2. _____