

THE COMPANIES ORDINANCE, 1984

[COMPANY LIMITED BY SHARES PURSUANT TO THE ORDER NO. 1/2016 OF THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN DATED JANUARY 11, 2016 APPROVING SCHEME OF INTEGRATION DATED OCTOBER 28, 2015 BETWEEN KARACHI STOCK EXCHANGE LIMITED AND LAHORE STOCK EXCHANGE LIMITED]

**ARTICLES OF ASSOCIATION
OF
LSE FINANCIAL SERVICES LIMITED**

PRELIMINARY

Articles to supersede Table "A"

1. The Regulations contained in Table "A" of the First Schedule to the Companies Ordinance, 1984 shall not apply to the Company except to the extent they are expressly incorporated herein, and in case of any conflict between these Articles and the provisions contained in Table "A", the provisions contained herein shall prevail.

INTERPRETATION AND DEFINITIONS

2. In the interpretation of these Articles, unless repugnant to the context capitalized words and expressions used herein shall bear the meanings given below:

"Articles" means these Articles of Association as originally framed or as amended from time to time.

"Board" means the Board of Directors of the Company.

"Chairman" means the Chairman of the Board of Directors of the Company.

"Chief Executive" means the Chief Executive appointed by the Company in accordance with these Articles and applicable law.

"Commission" means the Securities and Exchange Commission of Pakistan, constituted under the Securities & Exchange Commission Act, 1997(Act XLII of 1997) and the successor thereof.

"Ordinance" means the Companies Ordinance, 1984.

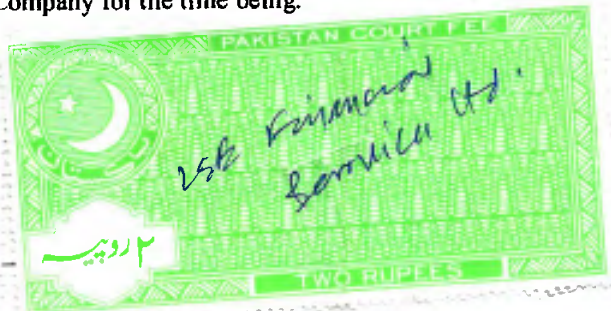
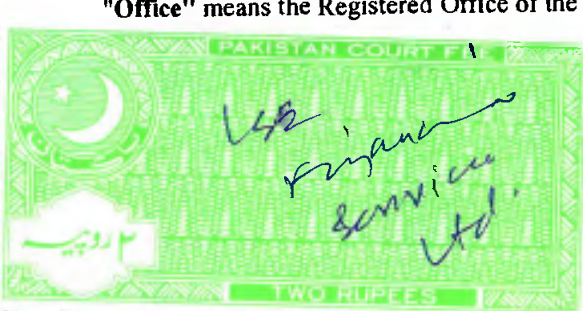
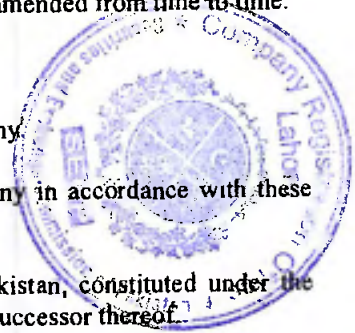
"Director" means a Director of the Company appointed in accordance with these Articles and applicable law.

"Company" means the company constituted by the Memorandum of Association in the name and style of "LSE Financial Services Limited."

"Member" means a person whose name is for the time being entered in the Register of Members by virtue of his being a subscriber to the Memorandum and Articles of Association of the Company or of his holding by allotment or otherwise any share, which gives him a voting right in the Company.

"Memorandum" means the Memorandum of Association of the Company.

"Office" means the Registered Office of the Company for the time being.



"Ordinary Resolution" means a resolution passed at a general meeting when votes cast (whether on a show of hands or on a poll, as the case may be) in favour of the resolution by members present and voting or by proxy exceeds the votes, if any, cast against the resolution.

"Proxy" includes attorneys duly appointed under a Power of Attorney instrument.

"Register" means the Register of Members to be kept in pursuance of Section 147 of the Ordinance.

"Redeemable Capital" includes finance obtained on the basis of Participation Term Certificate ("PTC"), Musharika Certificate, Term Finance Certificate ("TFC"), or any other security or obligation other than an ordinary share of a company, representing an instrument or a certificate of specified denomination, called the face value or nominal value, evidencing investment of the holder in the capital of the Company on terms and conditions of the agreement for the issue of such instrument or certificate or such other certificate or instrument as the Federal Government may, by notification in the official Gazette, specify for the purpose.

"Registrar" means the Registrar of Companies having jurisdiction over the Company.

"Section" means Section of the Ordinance.

"Seal" means the common seal of the Company.

"Secretary" means the Secretary of the Company.

"Share" means share in the share capital of the Company.

"Security" means any shares, scrip, preference share, debenture, participation term certificate, Modaraba Certificate, Musharika certificate, Term Finance Certificate, bond, pre-organization certificate or such other instrument as the Federal Government may, by notification in the official Gazette, specify for the purpose.

"Special Resolution" has the meaning assigned thereto by Clause (36) of Section 2(l) of the Ordinance.

"In writing" and **"written"** includes printing, lithography, typewriting, photography, computer printouts, facsimile, internet communication and other modes of representing transmitting or reproducing words in a visible form.

Words importing the masculine gender include the feminine gender.

Words importing persons include any association, company, trust, body corporate or corporations.

Words importing the singular number include the plural number and vice versa.

INVESTMENT POLICY

3. The Company's Investment Policy will be determined by its Board of Directors. It will be reviewed periodically in response to the changing investment and economic environment. Additionally, its investment policy shall be:
 - a. The investment policy will be in keeping with the shareholders' interests and maximising returns on their investment. The Company will invest in equity and other instruments of companies and other enterprises in such manner as it considers to be in the best interest of the Company having regard to the relative risk and return capital growth to be derived from the investment.
 - b. The Company will maintain a diversified risk portfolio. It will endeavour to restrict exposure to any single issuer, associated companies or associated issuer of risk assets to within acceptable limits in relation to its liquid net worth and will ensure that its total assets in equities do not exceed its liquid net worth, except equities taken up as a consequence of underwriting commitment in which case this limit may be exceeded for a short period.

Within these broad parameters, the operations of the Company will be undertaken with due care and diligence and its operating policies and strategies would be continuously reviewed by the Board.

BUSINESS

Object

4. The business of the Company shall include the objects expressed in the various clauses of the Memorandum of Association or any of them and any such business may be undertaken by the Directors at such time or times as they shall think fit. The Directors, however, shall have regard to the restrictions on commencement of business imposed by Section 146 of the Ordinance if, and so far as, those restrictions apply to the Company.

Commencement

5. The Company shall continue to carrying on business subject to ~~restrictions binding upon the~~ Company.



CAPITAL AND SHARES

Share capital

6. The capital of the Company is Rs.2,000,000,000 (Pak. Rupees Two Billion only) divided into 200,000,000 (Two Hundred Million) shares of Rs.10/- (Rupees Ten) each. The Company shall have the powers to increase, reduce or re-organize the capital of the Company and divide shares in the capital for the time being into several kinds, including ordinary and Preference Shares, and several classes in each kind of share capital and attach thereto such rights, privileges and conditions as may be provided in the Articles of Association of the Company classes constituting ordinary shares in accordance with the Companies Ordinance, 1984.

Allotment of shares under control of Directors

7. The Company may issue shares of a single class or of different classes. Where ordinary shares

of more than one class are issued, the rights as between various classes of such ordinary shares shall be strictly proportionate to the paid-up value of the ordinary shares as regards voting, dividends and other benefits. The rights of preference shares shall be strictly proportionate to the paid-up capital value of the Preference Shares.

Subject to the provisions of these Articles, and to the provisions of Section 86 of the Ordinance, the shares of the Company for the time being remaining unissued, including any new shares resulting from an increase in the authorized share capital, shall be under the control of the Directors who may allot or otherwise dispose of the same to such persons on such terms and conditions, and either at a premium or at par, and at such times as the Directors consider appropriate.

Variation of shareholder rights

- ✓ 8. If at any time the share capital of the Company is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of Section 108 of the Ordinance, be varied with the consent in writing of the holders of three fourths of the issued shares of that class, or with the sanction of a Special Resolution passed at a separate general meeting of the holders of shares of that class.

Allotment and minimum subscription

9. The Directors shall as regards any allotment of shares and minimum subscription duly comply with such of the provisions of Sections 68 to 73 of the Ordinance, as may be applicable to the Company.

Only fully paid up shares to be issued

- ✓ 10. The Company shall not issue partly paid shares. In the case of an issue of shares for cash, the amount payable on application shall be the full nominal amount of the share, except where shares are issued at a discount.

Corporate shareholders

- ✓ 11. Shares may be registered in the name of any limited company or other body corporate.

Issue of shares at discount

- ✓ 12. With the previous authority of the Company in General Meeting and the sanction of the Commission and upon otherwise complying with the provisions of Section 84 of the Ordinance, it shall be lawful for the Directors to issue shares in the capital of the Company at a discount.

Commission for placing shares

13. The Company may at any time pay a commission to any person for subscribing or agreeing to subscribe (whether absolutely or conditionally) any shares or debentures or redeemable capital of the Company or procuring or agreeing to procure subscriptions (whether absolute or conditional) for any shares or debentures or redeemable capital of the Company. In case any commission shall be paid the Company shall comply with the provisions of Section 82 of the Ordinance. The Company may also pay such brokerage as may be lawful on any issue of shares or debentures.

Trusts not recognized

14. Except as required by law, no person shall be recognized by the Company as holding any share upon any trust, and the Company shall not be bound by or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share or any interest in any fractional part of a share or (except only as by these Articles or by law otherwise provided or under an order of a court of competent jurisdiction) any other rights in respect of any share except as absolute right to the entirety thereof in the registered holder.

Joint holders

15. Not more than four persons shall be registered as joint holders. If any shares stand registered in the name of two or more persons, the person first named in the Register, shall as regards receipt of dividend or bonus or service of notices and all or other matters connected with the Company except voting at the meeting and the transfer of shares, be deemed the sole holder.

Death of Joint Share Holders

16. In the case of the death of any one or more of the persons named in the Register as the joint-holders of any share, the survivor or survivors shall be the only person or persons recognised by the Company as having any title to or interest in such share.

No Purchase of or Loan on Company's Shares

17. The Company shall not purchase or otherwise acquire any of its shares (unless so permitted by law in connection with employee stock option plans or otherwise) or the shares of its holding company (if any), and the Company shall not except as permitted by Section 95(2) of the Ordinance give, whether directly or indirectly, and whether by means of a loan, guarantee, the provision of security or otherwise, any financial assistance for the purpose of or in connection with a purchase or subscription made or to be made by any person of any shares of the Company or its holding company (if any) or give any loan upon the security of any shares of the Company or those of its holding company (if any).

Issue of shares to banks etc.

18. As provided in Section 87 of the Ordinance, the Directors may issue ordinary shares, or grant option to convert into ordinary shares, the outstanding balance of any loans, advances, or credits or other non-interest bearing securities and obligations outstanding or having a term of not less than three years in the manner provided in any contract with any scheduled bank financial institution to the extent of 20% of such balance.

Issue of Redeemable Capital

19. The Directors may issue to banks or financial institutions either severally, jointly or through syndicate, Redeemable Capital in consideration of any funds, moneys, accommodation received or to be received by the Company whether in cash or in specie or against promise, guarantee, undertaking, or indemnity issued to, or in favour of, or on behalf of, for the benefit of, the Company.

Registered holders as absolute owners

20. Save as herein otherwise provided, the Company shall be entitled to treat the registered holder of any share as the absolute owner thereof and accordingly shall not, except as ordered by a court of competent jurisdiction, or as by statute required, be bound to recognize any equitable, contingent, future partial or other claim to or interest in such share on the part of any other person(s).

CERTIFICATE

Certificate

21. Every person whose name is entered as a member in the Register of members shall, without payment, be entitled to receive, within 90 days after allotment or within 45 days of the application or registration of transfer, a certificate under the Seal specifying the shares held by him and the amount paid thereon. In case shares are required to be issued to a depository company for credit to the shareholder's account with the company, the shares shall be issued in the name of such depository company for credit to the shareholder's account with the company.

Joint holders

22. In respect of a share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate and delivery of a certificate for a share to one of the joint holders shall be sufficient delivery to all.

Duplicate certificate

23. If a share certificate is defaced, lost or destroyed, it may be renewed on payment of the prescribed fee, if any, and on such terms as to evidence and indemnity and payment of expenses incurred by the Company in investigating title as the Directors think fit.

Prohibition on purchase of its own shares

24. Except to the extent and in the manner allowed by the provisions of the Ordinance, no part of the funds of the Company shall be employed in the purchase of, or in loans upon the security of, the Company's shares.

TRANSFER OF SHARES

Execution of transfer

25. The instrument of transfer of any share in the Company shall be executed both by the transferor and transferee, and the transferor shall be deemed to remain holder of the share until the name of the transferee is entered in the register of member in respect thereof.

Form of transfer instrument

26. Shares in the Company shall be transferred in the following form, or in any usual or common form which the Directors shall approve:

DEED OF TRANSFER OF SHARES

I _____, the undersigned Transferor, in consideration of the sum of Rupees _____ paid to me by _____, the undersigned Transferee, do hereby transfer to the said Transferee _____ share(s) numbered _____ to _____ inclusive, in LSE Financial Services Limited, to hold unto himself, his executors, administrators and assigns, subject to the several conditions on which I held the same at the time of the execution hereof; and I, the said Transferee, do hereby agree to take the said share(s) subject to the conditions aforesaid.

As witness our hands this _____ day of _____, 20____

The Transferor:

Signature: _____

Name:

Father's Name: .

Address:

Date:

Witnessed by:

Signature: _____

Name:

Father's name:

Address:

Date:

The Transferee:

Signature: _____

Name:

Father's name:

Address:

Date:

Witnessed by:

Signature: _____

Name:

Father's name:

Address:

Date:

Directors not to refuse transfer

27. The Directors shall not refuse to transfer any fully paid shares unless the transfer deed is defective or invalid. The Directors may also suspend the registration of transfers during the ten days immediately preceding a general meeting or prior to the determination of entitlement or rights of the shareholders by giving seven days previous notice in the manner provided in the Ordinance. The Directors may decline to recognize any instrument of transfer in the absence of a duly stamped instrument of transfer accompanied by the certificate of the shares to which it relates, and such other evidence as the Directors may reasonably require showing the right of the transferor to make the transfer.

If the Directors refuse to register a transfer of shares they shall within one month after the date on which the transfer deed was lodged with the Company send to the transferee and the transferor notice of the refusal indicating the defect or invalidity to the transferee who shall after removal of such defect or invalidity be entitled to re-lodge the transfer deed with the Company.

Shares of deceased holders

28. The executors, administrators, heirs, or nominees, as the case may be, of a deceased sole holder of a share shall be the only person recognized by the Company as having any title to the share. In the case of a share registered in the names of two or more holders, the survivors, or the executors or administrators of the deceased survivor, shall be the only persons recognized by the Company as having any title to the share. Provided, however, in case of any doubts, the Directors shall have the powers to require such nominees or legal representatives of the deceased member to submit succession certificate or other mandate from an appropriate court of law.

Nomination of heirs

29. A member may deposit with the Company a nomination conferring on one or more persons the right to acquire the interest in the shares therein specified in the event of his death. The provisions of Section 80 of the Ordinance shall apply to all such nominations.

Entitlement to shares

30. Any person becoming entitled to a share in consequence of the death or insolvency of a member shall, upon such evidence being produced as may from time to time be required by the

Directors, have the right either to be registered as a member in respect of the share or, instead of being registered himself, to make such transfer of the share as the deceased or insolvent person could have made; but the Directors shall in either case have the same right to decline or suspend registration as they would have had in the case of a transfer of the share by the deceased or insolvent person before the death or insolvency.

Entitlement to dividend

31. A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other privileges to which he would be entitled if he were the registered holder of the share except that he shall not, before being registered as a member in respect of the share be entitled in respect of it to exercise any right conferred by membership in relation to the meetings of the Company.

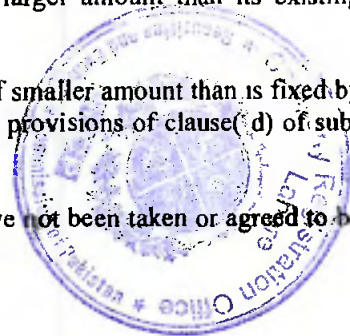
ALTERATION OF SHARE

Increase of share capital

32. The Company may from time to time, by ordinary resolution increase the share capital by such sum, to be divided into ordinary share or shares of another class carrying different rights and privileges of such amount, as the resolution shall prescribe. The new shares shall be subject to the same provisions with reference to the transfer, transmission, and otherwise of the shares as shares in the original share capital.

Consolidation, division, sub-division, and cancellation of shares

33. The Company may, by ordinary resolution:
- (a) Consolidate and divide its share capital into shares of larger amount than its existing shares;
 - (b) Sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum of association, subject, nevertheless to, the provisions of clause (d) of subsection(1) of Section 92 of the Ordinance;
 - (c) Cancel any shares which, at the date of the resolution, have not been taken or agreed to be taken by any person.



Offer of new shares

34. Subject to the provisions of the Ordinance, all new shares shall, before issue, be offered to existing holders of shares in proportion to their holding of shares. However, new shares of a particular class, if existing shares of that particular class already exist, may be offered only to existing shareholders of that particular class of shares. Offers shall be made by notice specifying the number of shares offered, and limiting a time within which the offer, if not accepted by existing shareholders will be deemed to be declined, and after the expiration of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares offered, the Directors may dispose of the same in such manner as they think most beneficial to the Company. The Directors may likewise so dispose of any new shares which (by reason of the ratio which the new shares bear to shares held by persons entitled to an offer of new shares) cannot, in the opinion of the Directors, be conveniently offered under this regulation.

Reduction of share capital

35. The Company may from time to time, and with and subject to any incident authorize and

consent required by law by Special Resolution reduce its share capital in any manner.

New shares to rank with shares in the original capital

36. Except so far as otherwise provided by the conditions of issue, or by these Articles, any capital raised by the creation of new shares shall be considered part of the original capital, and shall be subject to the provisions herein contained with reference to transfer, transmission and otherwise.

GENERAL MEETING

Annual general meeting

37. Annual General shall be held in accordance with the provisions of section 158 of the Ordinance within 18 months from the date of incorporation of the Company and thereafter once at least in every year within a period of four months following the close of its financial year and not more than fifteen months after the holding of its last preceding annual general meeting as may be determined by the Directors.

Extraordinary general meeting

38. All general meetings of the Company other than the statutory meeting or an annual general meeting mentioned in section 157 and 158 of the Ordinance respectively shall be called Extraordinary General Meetings.

Calling of an extraordinary general meeting

39. The Directors may, whenever they think fit, call an Extraordinary General Meeting and an Extraordinary General Meeting shall also be called on such requisition, or in default, may be called by such requisition, as is provided by section 159 of the Ordinance. If at any time there are not within Pakistan sufficient Directors capable of acting to form a quorum, any Director of the Company may call an Extraordinary General Meeting in the same manner as nearly as possible as that in which meeting may be called by the Directors.

NOTICE AND PROCEEDINGS OF GENERAL MEETING

Notice

40. At least 21 days' notice (exclusive of the day on which the notice is served or deemed to be served, but inclusive of the day for which notice is given) a notice specifying the place, day, and hour of the meeting, and any special business to be considered, shall be issued to such persons as are, under the Ordinance or the regulations of the Company, entitled to receive such notices from the Company; but the accidental omission to give notice to, or the non-receipt of notice by, any member shall not invalidate the proceedings at any general meeting.

Notice in case of EGM

41. In the case of an Extraordinary General Meeting, a shorter notice may be given with the consent of the Registrar as provided by Section 159 of the Ordinance, and for passing a Special Resolution, a meeting may be convened on shorter notice with the consent of all the members entitled to attend and vote as provided by Section 2 (1)(36) of the Ordinance.

Special business

42. All business shall be deemed special that is transacted at an Extraordinary General Meeting, and also all that is transacted at an Annual General Meeting with the exception of declaring a

dividend, the consideration of the accounts, balance-sheet and the reports of the Directors, and auditors the election of Directors, the appointment of and the fixing of the remuneration of, the auditors.

Omission to give notice

43. The accidental omission to give notice of a meeting to or the non-receipt of notice of a meeting by any person entitled to receive notice shall not invalidate the proceedings at that meeting.

Quorum

44. No business shall be transacted at any general meeting unless a quorum of members is present at that time when the meeting proceeds to business; save as herein otherwise provided, three members personally present, and having twenty five per cent of the voting power present in person or through proxy shall be a quorum.

Adjourned meeting

45. If within half an hour from the time appointed for the meeting a quorum is not present, the meeting, if called upon the requisition of members, shall be dissolved; in any other case, it shall stand adjourned to the same day in the next week at the same time and place, and, if at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting, the members being not less than two, shall be a quorum.

Chairman

46. The Chairman of the Board of Directors, if any, shall preside as Chairman at every general meeting of the Company but if there is no such Chairman, or if at any meeting he is not present within fifteen minutes after the time appointed for the meeting, or is unwilling to act as Chairman, any one of the Directors present may be elected to be Chairman and if none of the Directors is present, or willing to act as Chairman, the members present shall choose one of their number to be Chairman.

Power to adjourn general meeting

47. The Chairman may, with the consent of any meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a meeting is adjourned for ten days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

Adoption of resolution

48. At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded. Unless a poll is so demanded, a declaration by the Chairman that a resolution has, on a show of hands, been carried, or carried unanimously or by a particular majority or lost, and an entry to that effect in the book of the proceedings of the Company shall be conclusive evidence of the fact, without proof of the number or proportion of the votes recorded in favour of, or against, that resolution.

Demand for a poll

49. A poll may be demanded only in accordance with the provisions of Section 167 of the Ordinance.

Manner and time of taking a poll

50. If a poll is duly demanded, it shall be taken in accordance with the manner laid down in Section 168 and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.

Casting vote

51. In the case of an equality of votes, whether on a show of hands or on a poll, the Chairman of the meeting at which the show of hands takes place, or at which the poll is demanded, shall have and exercise a second or casting vote.

VOTES OF MEMBERS

Right to vote

52. Subject to any rights or restrictions for the time being attached to any class or classes of shares, on a show of hands every member present in person shall have one vote except for election of Directors in which case the provisions of section 178 of the Ordinance shall apply. On a poll every member shall have voting rights as laid down in Section 160 of the Ordinance.

Corporate members

53. In accordance with Section 162, where a corporation is a member of the Company, a person duly appointed by resolution of the member company's Board of Directors to represent the member company at a meeting of the Company shall be allowed to vote on behalf of the member company upon production of a copy of the resolution by which he is appointed to represent the member company at a meeting of the Company, provided that the copy is certified as being a true copy by Company Secretary or any other person authorized, in his absence, by the Chief Executive of the member company.

Joint holders

54. In case of joint-holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the register of members.

Vote by members of unsound mind

55. A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on show of hands, or on a poll by his committee or other legal guardian and any such committee or guardian may, on a poll, vote by proxy.

Voting by proxy

56. On a poll, votes may be given either personally or by proxy; provided that no body corporate shall vote by proxy as long as a resolution of its Directors in accordance with the provisions of Section 162 of the Ordinance is in force.

Appointment of proxy

57. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorized in writing. Except for purposes of Section 162, a proxy must be a member.

Deposit of instrument of proxy

58. The instrument appointing a proxy and the power-of-attorney or other authority (if any) under which it is signed, or a notarially certified copy of that power or authority, shall be deposited at the registered office of the Company not less than forty eight hours before the time for holding the meeting at which the person named in the instrument proposes to vote and in default the instrument of proxy shall not be treated as valid.

Objections to vote

59. No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection made in due time shall be referred to the Chairman of the meeting whose decision shall be final and conclusive.

Form of instrument of proxy

60. An instrument of proxy shall be in the following form or as near thereto as may be:

APPOINTMENT OF PROXY

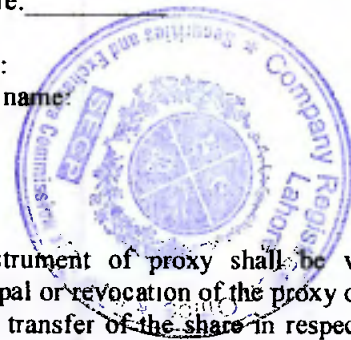
I _____, the undersigned member, being a member of LSE Financial Services Limited, hereby appoint _____, the undersigned proxy, as my proxy to vote for me and on my behalf at the (annual, extraordinary, as the case may be) general meeting of the Company to be held on ____ the day of ____, 20 ____ and at any adjournment hereof.

The Member:

Signature: _____
Name: _____
Address: _____
Father's name: _____
Date: _____

The Proxy:

Signature: _____
Name: _____
Address: _____
Father's name: _____
Date: _____



Validity of proxy

61. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal or revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the share in respect of which the proxy is given, provided that no intimation in writing of such death, insanity, revocation or transfer as aforesaid shall have been received by the Company at the office before the commencement of the meeting at which the proxy is used.

DIRECTORS

Composition of Board of Directors

62. The Board of directors shall comprise of seven (7) directors named by the Company - four (4) shareholder directors, two (2) nominee directors and the Managing Director/Chief Executive. The Board of directors shall hold election of directors, within a period of 60 days, in accordance with the provisions of these Articles and subject to approval of the Commission if required.

Determination of number of Directors

63. Before every General Meeting at which Directors are to be elected, and not later than thirty

five days preceding the date of such meeting, the Directors shall fix the number of Directors that the Company shall have from the effective date of the election at such meeting and the number of such Directors who shall be elected Directors. Except with the prior approval of the Company in General Meeting, the number of Directors so fixed shall not be increased or reduced by the Directors.

Period of office of elected Directors

64. A Director elected by the members in General Meeting shall hold office for a period of three years following the date from which his election is effective unless he earlier resigns, becomes disqualified from being a Director or otherwise ceases to hold office.

Filling of Casual vacancies

65. Any casual vacancy occurring among the elected Directors may be filled up by the Directors, but a person so appointed shall hold office for the remainder of the term of the Director in whose place he is appointed. The Company shall prior to every such appointment secure and file with the Registrar of Companies as required by Section 184 of the Ordinance in the form prescribed for this purpose, the consent of the person concerned consenting to act as a Director.

Eligibility for election as Director

66. The Members in General Meeting shall elect the Directors from amongst persons who not being ineligible in accordance with Section 187 of the Ordinance, and the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 ~~and Non-Banking Finance Companies and Notified Entities Regulations, 2008~~ for election as Directors in accordance with these Articles. Any person claiming to be eligible who desires to offer himself for election shall, whether he is a retiring Director or not, file with the Company not later than fourteen days before the date of the General Meeting at which Directors are to be elected, a notice that he, being eligible, intends to offer himself for election as a Director at that meeting. Every person notifying his intention to offer himself for election as a Director shall together with the notice aforesaid deliver to the Company his consent to act as a Director. A person offering himself for election as a Director may withdraw his candidature at any time before the holding of the election and may do so by withdrawing the notice in which he offered himself for election.

Procedure for election of Directors

67. The Directors shall, unless the number of persons who offer themselves for election is not more than the number of directors fixed under Article 63, be elected by the Members of the Company in General Meeting in the following manner namely:
- (a) Every Member present in person or by proxy shall have such number of votes as is equal to the product of the number of voting shares or securities held by him and the number of directors to be elected;
 - (b) The number of votes calculated in accordance with the preceding clause (a) may be given to a single candidate or may be divided between any two or more candidates in such manner as the person voting may choose: and
 - (c) The candidate who gets the highest number of votes shall be declared elected as Director and then the candidate who gets the next highest number of votes shall be so declared and so on until the total number of directors to be elected have been so elected.

Notwithstanding that the number of persons offering themselves for election as Director is not more than the number of Directors fixed under Article 63 the number of votes cast in favour

of each candidate and the name of the member casting such vote shall be recorded in the minutes of the meeting.

Notwithstanding anything contained in these Articles, no person shall be nominated, appointed or elected as a Director of the Company, if he/she does not qualify under the Fit and Proper Criteria, as may be specified from time to time by the Commission.

Removal of Directors

check
68. The Company in General Meeting may remove a Director from office by a resolution passed with the requisite number of votes determined in accordance with the provisions of Section 181 of the Ordinance.

Special remuneration

69. Any Director who serves on any committee or who devotes special attention to the business of the Company, or who otherwise performs services which in the opinion of the Directors are outside the scope of the ordinary duties of a Director, may be paid such extra remuneration as may be determined by the Board of Directors.

Nominated Directors

70. The Company may have Directors nominated by Company's creditors or other special interest, by virtue of the contractual agreements, as provided in the Ordinance. Provided that the person so nominated shall meet the prescribed Fit & Proper Criteria for the position of the director.

Alternate Directors

71. A Director who is about to leave or is absent for a period of three months or more from Pakistan may with the approval of the Directors appoint any person who is eligible under Section 187 of the Ordinance for appointment as a Director to be an Alternate Director during his absence from Pakistan and such appointment shall have effect and such appointee, whilst he holds office as an Alternate Director, shall be entitled to notice of meeting of the Director and to attend and vote thereat and to exercise in place of his appointer all the functions of his appointer as a Director of the Company but he shall ipso facto vacate office as and when his appointer returns to Pakistan or vacates office as a Director or removes the appointee from office. Any appointment or removal under this Article shall be effected by the notice in writing under the hand of the Director making the same. Such Alternate Director may be one of the Directors of the Company. In such case, he shall be entitled to act in capacities including the right to vote on behalf of his appointer in addition to his own right to vote. An Alternate Director need not hold any share qualification.

Provided that the person so nominated shall meet the prescribed Fit & Proper Criteria for the position of the director.

Remuneration of Directors

72. The remuneration of the Directors shall from time to time be determined by the Board of Directors of the Company subject to the provisions of law.

Directors being Members

73. Save as provided in Section 187 of the Ordinance, no person shall be appointed as a Director unless he is a member of the Company.

Retiring Director

74. A retiring Director shall be eligible for re-election.

Election of Directors

75. The Director shall comply with the provisions of Sections 174 to 178A and Sections 180 and 184 relating to the election of Directors and matters ancillary thereto.

POWERS AND DUTIES OF DIRECTORS

General powers of Company vested in Directors

76. Subject to the provisions of the Ordinance, the business of the Company shall be managed by the Directors, and may exercise all such powers of the Company as are not by the Ordinance or any statutory modification thereof for the time being in force or by these Articles or by a Special Resolution required to be exercised by Company in General Meeting.

Meeting necessary to exercise certain powers

77. A resolution at a meeting of the Directors duly convened and held shall be necessary exercising the powers of the Company specified in Section 196(2) of the Ordinance.

Power of Attorney

78. The Directors may from time to time and at any time by power of attorney appoint any company, firm or person or body of persons, whether nominated directly or indirectly by the Directors, to be the attorney or attorneys of the Company for such purpose and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Directors under these Articles) and for such period and subject to such conditions as they may think fit, and any such powers of attorney may contain such provisions for the protection and convenience for persons dealing with any such attorney as the Directors may think fit and may also authorize any such attorney to delegate all or any of the powers, authorities and discretions vested in him.

Conditions on which Directors may hold office of profit

79. A Director of the Company or a firm of which such director is a partner or a private company of which such director is a director may with the consent of the Company in General Meeting hold any office of profit under the Company provided that no such consent is required where the office held is that of Chief Executive or legal or technical adviser or banker.

Making of loans

80. In the matters of granting loans, giving guarantees and providing securities the Company shall have due regard to the prohibitions and restrictions contained in Section 195 of the Ordinance.

Directors may contract with Company

81. Subject to authorization being given by the Directors in accordance with Article 75 and Section 196(2) of the Ordinance, a Director shall not be disqualified from contracting with the Company either as vendor, purchaser or otherwise, nor shall any such contract or arrangement entered into by or on behalf of the Company with any company or partnership of or in which any Director of the Company shall be a member or otherwise interested be avoided nor shall any such Director so contracting or being such member or so interested be liable to account to the Company for any profit realized by any such contract or arrangement by reason of such

Director holding that office or of the fiduciary relation thereby established.

Directors to disclose interest

82. A Director who, or whose spouse or minor child, is in any way, whether directly or indirectly, concerned or interested in any contract or arrangement or proposed contract or arrangement with the Company shall disclose the nature of such concern or interest in accordance with Section 214 of the Ordinance.

Where Directors interest lies in appointment of Chief Executive

83. Where by any contract or resolution of the Directors an appointment or a variation in the terms of an existing appointment is made (whether effective immediately or in the future) of a Chief Executive, whole time Director or Secretary of the Company in which appointment any Director of the Company is, or after the contract or resolution becomes, in any way, whether directly or indirectly, concerned or interested or, where by any contract or resolution of the Directors an appointment or a variation in the terms of appointment is made (whether effective immediately or in the future) of a Chief Executive, the Company shall inform the Members of such appointment or variation in the manner required by Section 218 of the Ordinance and shall comply with the requirements of that Section in regard to the maintaining of such contracts and resolutions open for inspection by Members at the Office, the provision of certified copies thereof and extracts there from and otherwise.

Prohibition of voting by interested Directors

84. Except as provided in Section 216 of the Ordinance, a Director shall not vote in respect of any arrangement in which he is either directly or indirectly concerned or interested nor shall his presence count for the purpose of forming a quorum at the time of any such vote, where a quorum cannot be achieved in respect of a matter to be considered and acted upon by the Board due to one or more Directors having a direct or indirect interest therein, the Directors of the Company shall, as soon as practicable, convene an Extraordinary General meeting to act upon such matter in accordance with the provisions of these Articles.

Register of Contracts and Appointments

85. The Company shall comply with the provisions of Section 219 of the Ordinance in regard to the keeping of a register and the entry separately therein of the particulars of all contracts and arrangements or appointments of the kind referred to in Sections 214, 215, 216 or 218 of the Ordinance and in regard to the maintaining of such register open for inspection by Members at the Office, the provision of certified copies thereof and extracts there from and otherwise.

Director holding office with Companies in which the Company is interested

86. A Director of the company may be or become a director of any other company promoted by the Company or in which the Company may be interested as a vendor, shareholder or otherwise and no such Director shall be accountable for any benefits received as a director or member of such other company.

Signing of cheques

87. All cheques, promissory notes, drafts, bills of exchange and other negotiable instruments, and all receipt for moneys paid to the Company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be in such manner as the Directors shall from time to time by resolution determine.

Directors to comply with the provisions of the Ordinance

88. The Directors shall duly comply with the provisions of the Ordinance or any statutory modification thereof for the time being in force, and in particular with the provisions in regard to the registration of the particulars of mortgages and charges affecting the property of the Company or created by it, and to keeping a register of the Directors and Officers of the Company (including the Chief Executive, Secretary, Chief Financial Officer, Auditors and Legal Adviser), and to sending to the Registrar of Companies an annual list of Members and a summary of particulars relating thereto and notice of any consolidation or increase of share capital or any sub-division or cancellation of shares and copies of Special Resolutions and a copy of the register of the Directors and Officer of the Company and notification of any changes therein. The Directors shall also comply with the provisions of the Ordinance with regard to the keeping of a register of the shareholding of certain persons specified in Section 220 thereof. The Directors shall further comply with such general or special order of the Securities and Exchange Commission of Pakistan issued from time to time under the provisions of the Ordinance, as may be applicable to the Company in regard to the submission of periodical statements of accounts, information and other reports as specified in such orders.

Minutes

89. The Directors shall cause minutes to be made in books provided for the purpose and kept at Office:

(a) of the name of the Directors present at each meeting of the Directors and of any committee of Directors;

(b) of all resolution and proceedings at all meetings of the Company and of the Directors, and of any committee Directors; and the Directors present at any meeting of Directors or any committee of Directors and all Members and proxies of Members present at any General Meeting shall sign their names in books to be kept for that purpose; and any such minutes of such a meeting if purporting to be signed by the chairman thereof, or by the chairman of the next succeeding meeting of the same body, shall be sufficient evidence without any further proof of the facts therein stated.

Payments of pension to Directors

90. The Directors on behalf of the Company may pay a gratuity or pension or allowance on retirement to any Director who has held any other salaried office or place of profit with the Company or to his widow or dependents and may make contributions to any fund and pay premiums for the purchase of provision of any such gratuity, pension or allowance.

DISQUALIFICATION OF DIRECTORS

Disqualification of Directors

91. No person shall become a Director of the Company if he suffers from any the disabilities or disqualifications mentioned in Section 187 of the Ordinance and, if already a Director shall cease to hold such office from the date he so becomes disqualified or disabled.

PROCEEDINGS OF DIRECTORS

Meetings of Directors

92. The Directors may meet together for the dispatch of business, adjourn and otherwise regulate their meetings, as they think fit, provided that the Directors shall meet at least four times in every calendar year. A Director may, and the Secretary on the requisition of a Director shall,

at any time summon a meeting of Directors. Seven days' notice at least (exclusive of the day on which the notice is served or deemed to be served, but inclusive of the day for which notice is given) shall be given for a meeting of Directors, provided that, if all the Directors entitled to attend and vote at any such meeting so agree, in writing a meeting may be held of which less than seven days' notice has been given. It shall be necessary to give notice of the meeting to the alternate Director. The Chairman shall preside at all meetings of the Board but if at any meeting the Chairman is not present within ten minutes after the time appointed for holding the same or is unwilling to act as Chairman, the Directors present may choose one of their number to be chairman of the meeting. Questions arising at any meeting shall be decided by the affirmative vote of the majority of the directors present at the meeting. The following actions and/or business of the Company, among others, shall require authorization and approval by the affirmative vote of majority of the Directors (including the affirmative vote of the Chief Executive) present at a meeting of the Board of Directors: increase or decrease in the authorized capital of the Company;

- (a) any change in the Memorandum and Articles of Association or either of them;
- (b) merger or consolidation of the Company with any other company or the amalgamation, reconstruction consolidation or voluntary liquidation of the Company other than pursuant to the terms of this Agreement;
- (c) the sales, transfer or disposal of all or substantially all of the assets of the Company (other than in the normal course of business or for obtaining financial facility under the Islamic mode of financing). **However, any sale, transfer or disposal of assets of the Company shall require prior approval of the Securities and Exchange Commission of Pakistan.;**
- (d) investment in any associated company or undertaking or the formation of any subsidiary company;
- (e) any material change in the primary business of the Company) offer of shares to the public or the application for listing of the shares of the Company on any stock exchange in Pakistan;
- (f) increase or decrease in the subscribed issued and paid up capital;
- (g) obtaining debt financing for the Company if the total outstanding amount is cumulatively in excess of ten million rupees in one financial year;
- (h) each item of capital expenditure in excess of the limit as may be prescribed under the Ordinance.
- (i) the determination of annual budget including operating, financial and expenditure budgets;
- (j) any variation in the terms of engagement or powers or duties and responsibilities of the Chief Executive;
- (k) the making of any loan or advance or the giving of any guarantee, indemnities, performance bonds other than for valuable consideration and in the normal course or business of the Company;
- (l) the granting of any power of attorney or the appointment of any trustee or agent;
- (m) the commencement of any litigation, arbitration or other proceedings which are material in the context of the business of the Company; and

- (n) Approving the annual and half yearly accounts, including balance sheets, profit and loss accounts level of dividends and payment thereof.

Quorum of Directors

93. The quorum for a meeting of the Board for the transaction of any business will be three (3) Directors. If a meeting is adjourned more than once due to lack of quorum, then the Directors present at the second adjourned meeting shall constitute a quorum, provided that such number is not less than two. However, compulsory presence of the Chief Executive is not required when the office of the Chief Executive is vacant or where he is interested in the manner to be discussed at a meeting. An alternate Director whose appointment is effective shall be counted on quorum.

Directors may act notwithstanding vacancy

94. The continuing Directors may act notwithstanding any vacancy in their body so long as their number is not reduced below the number fixed by or pursuant to these Articles as the minimum number of Directors.

Reference to General Meeting where no quorum

95. If as a consequence of the Directors or some of them being concerned or interested in any contract or arrangement a quorum is not available for the transaction of any business relating thereto on account of the provisions of Section 216 of the Ordinances, such business shall be referred to the Company in Extraordinary General Meeting whose decision shall be carried into effect.

Powers of Quorum

96. A meeting of the directors at which a quorum is present shall be competent to exercise all or any of the powers for the time being vested in or exercisable by the Directors generally.

Power to delegate to committees

97. The Directors may delegate any of their powers to committees consisting of such member or members of their body as they think fit. Any committee so formed shall in the exercise of the powers so delegated conform to any terms, conditions and procedures including as to quorum and decision making as may be agreed by the Directors.

When acts of Directors or Committee valid

98. All acts done at any meeting of the Directors or of any committee of Directors constituted pursuant to Article 92 or by any person acting as a Director, shall notwithstanding that it shall afterwards be discovered that there was some defect in the appointment or continuance in office of any such directors or person acting as aforesaid or in the constitution or operations of any committee of Directors or that such Directors or any of them were disqualified or had vacated office, or were not entitled to vote or otherwise be as valid as if every such person or committee, as the case may be had been duly appointed or constituted or if such Director had duly continued in office and was entitled and qualified and had continued to be a Director or if such committee had duly continued to function as constituted.

Resolution in writing

99. Subject to the provisions of Article 75, a resolution in writing initiated by the Chief Executive and signed by three-fourth majority of the total number of Directors (or in their absence their Alternate Directors) or by all the members of a committee of directors shall be as valid and

effectual as if it had been passed at a meeting of the Directors, or as the case may be, of such committee, duly called and constituted. Such resolution may be contained in one document or in several documents in like form each signed by one or more of the Directors or members of the committee concerned. A cable, telex, or telecopy message or an Email sent by a Director or member of the committee shall be deemed to be a document signed by him for the purposes of this Article.

Election of Chairman

100. The Chairman of the Board shall always be a non-shareholder Director and Directors may elect from among themselves a Chairman on such terms and conditions, including as to remuneration and entrust such powers and responsibilities to him as they may deem fit.

Provided that the Chief Executive will not vote in the election of Chairman.

CHIEF EXECUTIVE

First appointment

101. The Directors of the Company shall appoint any individual to be the Chief Executive of the Company. The Chief Executive shall be appointed in accordance with the Ordinance, Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 and Non-Banking Finance Companies and Notified Entities Regulations, 2008.

Term of first Chief Executive

102. The Chief Executive of the Company shall, unless he earlier ceases to hold office, hold office until the first annual general meeting of the Company.

Subsequent appointment and term

103. Within 14 days of the election of Directors under Section 178 of the Ordinance or the office of the Chief Executive falling vacant, as the case may be, the Directors of the Company shall appoint any person, including an elected Director, to be the Chief Executive, but such appointment shall not be for a period exceeding three years from the date of appointment.

Eligibility for reappointment

104. On the expiry of his term of office, a Chief Executive shall be eligible for reappointment.

Continuation of office until appointment of successor

105. In accordance with Section 199 of the Ordinance, a retiring Chief Executive shall continue to perform his functions until his successor is appointed unless non-appointment of his successor is due to any fault on his part or his office is expressly terminated.

Deemed to be a Director

106. The Chief Executive shall, if he is not already a Director, be deemed to be a Director of the Company, and be entitled to all the rights and privileges, and subject to all the liabilities, of that office.

Removal of Chief Executive

107. The Directors of the Company, by resolution of the Directors, or the Company by a Special

Resolution, may remove a Chief Executive before the expiration of his term of office notwithstanding anything contained in these Articles or in any agreement between the Company and the Chief Executive.

Remuneration of Chief Executive

108. The Chief Executive shall receive such remuneration and benefits as may be determined by the Board.

Powers of Chief Executive

109. The Chief Executive may exercise all such powers and to do all such acts and things on behalf of the Company as he/she is authorized or directed by the Board of Directors.

SECRETARY OF THE COMPANY

Appointment of Secretary

110. A whole time Secretary shall be appointed by the Directors for such term, at such remuneration and upon such conditions as they may think fit; and any Secretary so appointed may be removed by them. The Secretary shall meet the qualification and requirements prescribed under the Ordinance.

Authentication of Documents

111. Any Director or the Secretary or any person appointed by the Directors for the purpose shall have power to authenticate any documents affecting the constitution of the Company and any resolutions passed by the Company or the Directors or any committee, and any books, records, documents and accounts relating to the business of the Company, and to certify copies thereof or extracts therefrom as true copies or extracts; and where any books, records, documents or accounts are elsewhere than at the Office the local manager or other officer of the Company having the custody thereof shall be deemed to be a person appointed by the Directors as aforesaid. A document purporting to be a copy of a resolution, or an extract from the minutes of a meeting, of the Company or of the Directors, or any committee which is certified as aforesaid shall be conclusive evidence in favour of all persons dealing with the Company upon the faith thereof that such resolution has been duly passed or, as the case may be, that any minute so extracted is a true and accurate record of proceedings at a duly constituted meeting.

THE SEAL

Common Seal

112. The Directors shall provide for the safe custody of the Common Seal and the Seal shall not be affixed to any instrument except by the authority of a resolution of the Board of Directors or by a committee of Directors authorized in that behalf by the Directors and in the presence of at least two Directors and of the Company Secretary or such other person as the Directors may appoint for this purpose; and those two Directors and Secretary or other person as aforesaid shall sign every instrument to which the Seal of the Company is affixed in their presence.

Office Seal

113. The Directors may provide for the use, in any country outside Pakistan, of an Official Seal

which shall be facsimile of the Common Seal of the Company, with the addition on its face of the name of the country outside Pakistan in which it is to be used. The provisions of Section 213 shall apply to the use of the Official Seal.

DIVIDENDS AND RESERVES

Declaration of dividend

114. The Company in general meeting may declare dividends but no dividend shall exceed the amount recommended by the Directors.

Interim dividend

115. The Directors may from time to time pay to the members such interim dividends as appear to the Directors to be justified by the profits of the Company.

Dividend out of profits only

116. No dividend shall be paid otherwise than out of profits of the Company or any other undistributed profits and in the determination of the profits available to dividends the Directors shall have regard to the provisions of the Ordinance and in particular to the provisions of Sections 83, 235 and 248 of the Ordinance.

Dividend in proportion to amount paid

117. Subject to the rights of persons (if any) entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid on the shares, but if and so long as nothing is paid upon any of the shares in the Company, dividends may be declared and paid according to the amounts of the shares.

Transfer to reserve

118. The Directors may, before recommending any dividend, set aside out of the profits of the Company such sums as they think proper as a reserve which shall, at the sole discretion of the Directors, be applicable for meeting contingencies or for equalizing dividends, or for any other purpose to which the profits of the Company may be properly applied, and pending such application may, at the like discretion either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Directors may, subject to the provisions of the Ordinance from time to time think fit.

Carrying forward of profit

119. The Directors may carry forward any profits which they may think prudent not to distribute, without setting them aside as a reserve.

Mode of payment

120. Unless otherwise directed, any dividend may be paid by cheque sent to the registered address of the member entitled, or in the case of joint holders, to the registered address of the joint member whose name appears first in the register, and every cheque so sent shall be payable to the order of the person to whom it is sent.

Dividend to joint holders

121. If several persons are registered as joint-holders of any share, any one of them may give effectual receipt for any dividend payable on the share.

Unclaimed dividend

122. All dividends unclaimed for one year after having been declared shall be dealt as per law.

Time of payment

123. The dividend shall be paid within the period laid down in the Ordinance.

Payment of dividends in specie

124. With the sanction of a General Meeting any dividend may be paid wholly or in part by the distribution of specific assets and in particular of paid-up shares or debentures of any other company or in any one or more of such ways. Where any difficulty arises in regard to such distribution, the Directors may settle the same as they think expedient, and in particular may fix the value for distribution of such specific assets or any part thereof and may determine that cash payments shall be made to adjust the rights of all Members, and may vest and such specific assets in trustees upon trust for the members entitled to the dividend as may seem expedient to the Directors.

ACCOUNTS

Books of accounts

125. The Directors shall cause to be kept proper books of account with respect to:

- a) all sums of money received and expended by the Company and the matters in respect of which the receipts and expenditures take place;
- b) all sales and purchases of goods by the Company;
- c) all assets of the Company; and
- d) all liabilities of the Company.

Books of Account to be kept at registered office

126. The books of accounts shall be kept at the registered office of the Company or at such other place as the Directors shall think fit and shall be open to inspection by the Directors during business hours.

Inspection by members

127. The Directors shall from time to time determine whether and to what extent and at what time and places and under what conditions or regulations the accounts and books or papers of the Company or any of them shall be open to the inspection of members not being Directors and no member (not being a Director) shall have any right of inspecting any account and book or papers of the Company except as conferred by law or authorized by the Directors or by the Company in general meeting.

Annual Accounts

128. The Directors shall arrange to place before the Annual General Meeting of the Company in every year a duly audited balance sheet and profit and loss account, conforming to the requirements of Section 234, 237 and 238 of the Ordinance and made up to date not more than

four months before the date of such meeting and having the auditor's report attached thereto, and a report of the Directors, conforming to the requirements of Section 236 of the Ordinance.

- (a) As required by Section 241 of the Ordinance the balance sheet and profit and loss account shall first be approved by the Directors and when so approved shall be signed by the Chief Executive and at least one Director but if on account of his absence from Pakistan the signature of the Chief Executive cannot be obtained, the balance sheet and profit and loss account shall be signed by at least two Directors for the time being in Pakistan, and in every such case a statement signed by those two Directors shall be subjoined to the balance sheet and profit and loss account stating the reason why the signature of the Chief Executive was not obtained.
- (b) The Directors may authorize the Chairman or the Chief Executive to sign the report of the directors which may then be signed accordingly, but in the absence of any such authority the report of the Directors shall be signed as required by Section 226(3) of the Ordinance in the same manner as the balance sheet and profit and loss account.

Copies to be sent to members and others

129.

- (a) A copy of the balance sheet, profit and loss account and the reports of the Directors and auditors shall be sent at least twenty one days before the date of the Annual General Meeting to the Members and other persons entitled to receive notices of General Meetings in the manner in which notices are to be given hereunder and a copy thereof shall be kept for a period of at least twenty one days before the meeting at the Office for inspection by Members. In case the company is listed on a stock exchange, the Company shall also send the same to the Securities and Exchange Commission of Pakistan and each stock exchange where the shares of the Company are listed. The Company shall also file Registrar of Companies five copies each of the balance sheet, profit and loss account and report of the Director and auditors with the Registrar of Companies with whom the company is registered.
- (b) After the balance sheet, profit and loss account and the reports of the Directors and auditors have been laid before the Annual General Meeting of the Company, five copies thereof (or such larger number as may be prescribed under Section 242(1) of the Ordinance) signed by the signatories thereto shall be filed with the Registrar of Companies within thirty days from the date of the meeting and the Company shall also comply with the provisions of Section 242(2) of the Ordinance where applicable

Half Yearly Accounts

130. On listing of the Company on a stock exchange, within two months from the close of the first half of each year of account of the Company, the Directors shall send to the Members and each Stock Exchange listing the shares of the Company a copy of the profit and loss account for that half year and of the balance sheet as at the end of that half year. Such half yearly profit and loss accounts and balances not be audited but must be signed in the same manner as the annual profit and loss accounts and balance sheets are required to be signed. The Directors shall also send to the Securities and Exchange Commission of Pakistan and Registrar of Companies five copies each (or such larger number as may be prescribed for the time being under Section 245(1)(b) of the Ordinance) of such half yearly profit and loss accounts and balance sheet at the same time as they are sent to the Members in accordance with this Article.

Directors to comply with Ordinance

131. The Directors shall in all respects comply with the provisions of Section 230 to 247 of the Ordinance, or any statutory modification thereof for the time being in force.

CAPITALIZATION OF PROFITS

Power to Capitalize

132. The Company in General Meeting may upon the recommendation of the Directors resolve that it is desirable to capitalize any part of the amount for the time being standing to the credit of any of the Company's reserve accounts or to the credit of profit or loss account or otherwise available for distribution and accordingly that such sum be set free for distribution amongst the Members who would be entitled thereto if distributed and in the same proportions on condition that the same be not paid in cash but be applied in or towards paying up in full un-issued shares or debenture or redeemable capital of the Company to be allotted and distributed and credited as fully paid up to and amongst such Members in the proportion aforesaid and the Directors shall give effect to such resolution; provided that a share premium account may for the purpose of this Article only be applied in paying up of un-issued shares to be allotted to Members as fully paid bonus shares.

Effect of resolution to Capitalize

133. Whenever such a resolution as aforesaid shall have been passed the Directors shall make all appropriations and applications of the undivided profits resolved to be capitalized and all allotments and issues of fully paid shares or debentures if any and generally shall do all acts and things required to give effect thereto with full power to the Directors to make such provision by payment in cash or otherwise as they think fit for the case of shares or debentures becoming distributable in fractions and also to authorize any person on behalf of all the Members entitled thereto into an agreement with the Company providing for the allotment to them respectively, credited as fully paid up to any further shares or debentures or redeemable capital to which they may be entitled upon such capitalization and any agreement made under such authority shall be effective and binding on Members. The Directors may, if they think fit make provision for the registration of any or all of such shares as aforesaid in the names of such persons as the Members entitled thereto may in writing request.

AUDIT

Audit and appointment of auditor

134. Auditors shall be appointed and their duties regulated in accordance with Sections 252 to 255 of the Ordinance. Nothing contained herein shall limit or restrict the right or power of Directors of the Company to approve from time to time any internal audit or loan or other examination of the financial condition of the Company and to authorize payment of any out-of-pocket costs and expenses incurred or sustained by the relevant auditors or examiners in connection therewith.

NOTICES

Mode of notice

135. A notice may be given by the Company to any member either personally or by sending it by post to him to his registered address or (if he has no registered address in Pakistan) to the address if any within Pakistan supplied by him to the Company for the giving of notices to him. Where a notice is sent by post, service of the notice shall be deemed to be effected by properly addressing, prepaying and posting a letter containing the notice and, unless the contrary is proved, to have been effected at the time at which the letter would be delivered in the ordinary course of post.



Notice to Foreign Shareholder:

Notwithstanding anything hereinabove to the contrary in addition to any other notice it or he shall be entitled to receive, a Member which is a foreign corporation a company or individual shall be given notice by telex and or facsimile transmission or electronic mail addressed to such Member at its telex and or facsimile number or electronic mail address supplied by it or him to the Company.

Notice by newspaper

136. If a member has no registered address in Pakistan, and has not supplied to the Company an address within Pakistan for the giving of notices to him, a notice addressed to him or to the shareholders generally and advertised in a newspaper circulating in the neighbourhood of the registered office of the Company shall be deemed to be duly given to him on the day on which the advertisement appears.

Notice to joint holders

137. A notice may be given by the Company to the joint-holders of a share by giving the notice to the joint-holder named first in the register in respect of the share.

Notice to successors etc.

138. A notice may be given by the Company to the persons entitled to a share in consequence of the death or insolvency of a member by sending it through the post in a prepaid letter addressed to them by name, or by the title of representatives of the deceased, or assignee of the insolvent or by any like description, at the address(if any) in Pakistan supplied for the purpose by the person claiming to be so entitled, or (until such an address has been so supplied) by giving the notice in any manner in which the same might have been given if the death or insolvency had not occurred.

Notice of general meeting

139. Notice of every general meeting shall be given in the manner herein before to:
- (a) Every member of the Company except those members who, having no registered address within Pakistan, have not supplied to the Company an address within Pakistan for the giving of notices to them;
 - (b) Every person entitled to a share in consequence of the death or insolvency of a member, who but for his death or insolvency would be entitled to receive notice of the meeting, and
 - (c) To the auditors of the Company for the time being.

WINDING UP

Division of assets in specie

140. Prior written approval of the Securities and Exchange Commission of Pakistan shall be required for proceeding with the winding up of the Company. If the Company is wound up, the liquidator may, with the sanction of a Special Resolution of the Company and any other sanction required by the Ordinance, divide amongst the members, in specie or kind, the whole or any part of the assets of the Company, whether they consist of property of the same kind or not.

Valuation by liquidator

141. For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members, if any.

Assets in trust

142. The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories as the liquidator, with the like sanction, thinks fit, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

INDEMNITY

Indemnity

143. Every Director, officer or agent for the time being of the Company may be indemnified out of the assets of the Company against any liability incurred by him in defending any proceedings, whether civil or criminal arising out of his dealings in relation to the affairs of the Company, except those brought by the Company against him, in which judgment is given in his favour or in which he is acquitted, or in connection with any application under Section 488 in which relief is granted to him by the Court.

ARBITRATION

Dispute Resolution

144. In the event that a dispute, claim or controversy arises between the Company, its management of its shareholders, or between the shareholders inter-se, or the directors inter-se, all steps may be taken to settle the dispute and resolve the issue through mediation by an accredited mediator before taking recourse to formal dispute resolution such as arbitration or litigation.

Arbitration:

Whenever any difference arises between the Company on the one hand and any of its members, their executors, administrators, successors or assigns on the other, touching the true intent or construction or consequences of these Articles or any statute, or touching anything done, executed, omitted or suffered in pursuance of these Articles or any statute, or relating to any alleged breach of these Articles or any statute, the difference shall be, in preference of any other remedy, referred to arbitration under the Arbitration Act, 1940 and be resolved by the decision of an arbitrator appointed by the parties, and where a single arbitrator cannot be agreed upon, by a decision of two arbitrators, one of whom will be appointed by each party, or in the event of the two arbitrators not agreeing, by the decision of an umpire to be appointed by the two arbitrators. The outcome of arbitration shall be final and binding on all parties.

MISCELLANEOUS

Miscellaneous

145. If the provisions of these Articles are in any way inconsistent with provisions of the Ordinance, or any other law for the time being in force, the provisions of the Ordinance or that other law shall prevail, and these Articles shall be read subject to the Ordinance or that other law.

No change in these Articles can be incorporated without prior approval of the Securities and Exchange Commission of Pakistan.

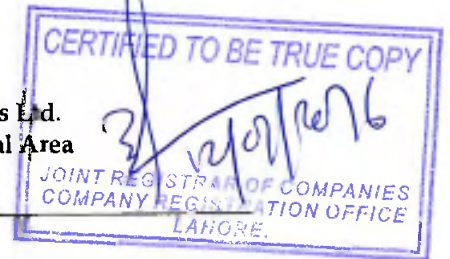
SECRECY

- 146.** Every Director, Chief Executive, Chairman, manager, auditor, trustee, member of committee, officer, servant, agent, accountant or other person employed in the business of the Company shall, if so required by the Board before entering upon his duties, sign a declaration in the form approved by the Board pledging himself to observe strict secrecy representing all transactions of the Company without the customers and the state of accounts with individuals and in matters relating thereto, and shall by declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when required to do so by the Board, or by any general meeting, or by a Court of law, and except so far as may be necessary in order to comply with any provisions in these presents contained.
- 147.** Every director shall be bound to place the public interest before his/her own interest in all matters.



We, the several persons whose names and addresses are subscribed hereunder are desirous of being formed into an Association in pursuance of these Articles of Association.

Names	Addresses
1. Mr. Naseer A. Shaikh	48 Shahrah-i-Quaid-i-Azam Lahore
2. Mian Rafique Saigol	6 Egerton Road Lahore
3. Mian Tajammal Hussain	23 E II, Gulberg III Lahore
4. Mr. Aslam Amin	30 Mall Mansion Shahrah-i-Quaid-i-Azam Lahore
5. Mr. Nisar Ahmad	Saleem Building 9 Maclagan Road Lahore
6. Mr. Pervez Ahmad	Mall Mansion Shahrah-i-Quaid-i-Azam Lahore
7. Syed Babar Ali	Packages Ltd., Amer Siddu Ferozepur Road Lahore
8. V-Adm. H.M. Siddique Choudhri	Beco Industries Ltd. Shahrah-i-Quaid-i-Azam Lahore
9. Mian Mohammad Bashir	45 The Mall Lahore
10. Ch. Nazar Muhammad	Service Industries Ltd. Gulberg Industrial Area Lahore



Dated the 5th day of October, 1970

Witness to the above signatures:

Razaq Ali
48 Shahrah-i-Quaid-i-Azam
Lahore