

The Companies Ordinance, 1984

(COMPANY LIMITED BY SHARES)

Memorandum

and

Articles of Association

ALI ASGHAR TEXTILE MILLS LTD.



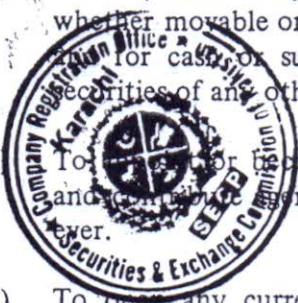


THE COMPANIES ORDINANCE, 1984
(COMPANY LIMITED BY SHARES)
MEMORANDUM OF ASSOCIATION OF
ALI ASGHAR TEXTILE MILLS LIMITED

- I. The Name of the company is "ALI ASGHAR TEXTILE MILLS LIMITED"
- II. The Registered Office of the Company will be situated in the province Sindh.
- III. The objects for which the Company is established are all or any of the following:-
 - (1A) To carry on business of logistics/warehouse construction/rental/and allied business. To enter into agreement/joint venture with companies parties to establish logistic hub/office building/warehouses/industrial park on land of the company, on land leased out from third party, to lease out land to third party for logistic related activities. To acquire purchase exchange or otherwise any movable or unmovable property any rights or privileges which the company may deem necessary for the purpose of it's business."
 - (2A) To carry on the business as manufactures, producers, importers, exporters, stockiest and otherwise dealers in Raw Cotton, natural and/or man made fibres, yarn, cloth and fabrics, hosiery, garments, towels and other made ups of all and every description and allied articles.
 - (2B) To own, establish manage and run textile mills, spinning and weaving mills, knitting mills, cotton ginning, pressing and baling factories, dyeing mills, bleaching mills, calendaring mills, finishing and mercerizing mills, printing mills, other works and factories for the manufacture of cotton, silk, art-silk, woolen, rayon, polyester, polyamide, polypropylene, acrylic, yarn and fabrics, other fibrous and synthetic material and their products and bye-products.
 - (3) To import, export, stock, manufacture or otherwise deal in all sorts of fibers, yarns and/or cloth and fabrics whether cotton, woolen, silken, art-silk, rayon, nylon, polyester, polyamide, acrylic, polypropylene, jute or any other fibrous or synthetic material and all sorts of handlooms products hosiery yarn and hosiery goods, tapestry, nettings and carpets of all varieties and descriptions.
 - (4) To erect, maintain, alter, extend, modernize, remodel or otherwise establish own, take on lease or by any other method of financing, manage and run various kinds of mills, factories and works and to undertake and execute any contract for works involving the supply or use of any machinery and to carry out any auxiliary or other works.
 - (5) To carry on the business of purchasing, selling, importing, exporting, stocking or otherwise dealing in raw cotton, jute, flax, wool, hemp, silk and art-silk, rayon, polyester, polyamide, polypropylene, acrylic and other fibrous or synthetic substances, and to process, comb, refine, press, gin, spin, weave, knit, loop, stitch, or otherwise manufacture and prepare products and bye-products thereof for marketing or internal use in the works of the Company.
 - (6) To deal in and carry on business as importers, exporters, agents, suppliers, or otherwise in all sorts of machinery, plant, apparatus, implements, spares, accessories, mill stores, engineering products, engineering stores, lubricants, chemicals, raw materials, and all other articles, goods and materials required in the mill and factories whether in the textile industry or otherwise.



- (7) To carry on the business as advisers, consultants, engineers and technical experts for any trade or industry and to render such advice and services as are usually rendered by technicians, engineers, commercial, economical, industrial and business consultants and to prepare, plan, explore, conduct tests and market research, collect data or otherwise assist in the executing of such schemes as may be thought desirable in conjunction with the business of the Company.
- (8) To carry on the business of manufacturers or otherwise dealers in spares, accessories and requirements and to establish workshops, shipyards and other works of convenience for the repairs, maintenance, servicing, lubrication, refuelling and other engineering services which may conveniently be rendered in relation to the said business.
- (9) To acquire by purchase or otherwise in any manner the whole or any part of the business, goodwill and assets, of any persons, firms or company carrying on or proposing to carry on any of the business which this Company is authorised to carry on, or any business or transaction capable of being conducted or which may conveniently be conducted so as directly or indirectly to benefit the Company and as part of the consideration of such acquisition to undertake all or any of the liabilities of such person, firm or company, or to acquire an interest in, amalgamate with or to enter into any arrangement for sharing profits or for co-operation or for mutual assistance with any such person, firm or company and to give or accept by way of consideration for any of the things aforesaid or for property acquired, any cash, debentures, PTC's or securities that may be agreed upon, and to hold, retain or to sell, mortgage or deal with any cash, shares, debentures, PTC's or securities so received.
- (10) To purchase, acquire by mortgage, lease or any royalty basis, exchange or otherwise, any mines, mills or factories, land, buildings, machinery or other property useful for the purpose of any of the Company's business and to establish factories and mills, construct, manage, improve, alter, extend, reconstruct any buildings, machinery, work for purposes of the Company and to carry on agricultural operations for the cultivation of cotton, jute, sugarcane or other crop, to contribute, subsidise or otherwise assist in planting and rearing trees and plants and any such operations as the Directors may think proper for the purposes of the Company.
- (11) To sell, let on royalty or hire, exchange or otherwise dispose off any property, whether movable or immovable, of the Company or any part thereof in such manner for cash or such consideration including shares, debentures, PTC's or other securities of any other company or corporation as the Directors may think fit.
- (12) To act as or become agents, distributors, representatives, stockists and managers and to appoint sub-agencies of the Company in Pakistan or any other country whatsoever.
- (13) To open any current, overdraft, cash credit account or fixed account with any bankers, shroff or merchants, including the Agents of the Company and to pay money into and draw money from any such account.
- (14) To borrow or raise money or receive money on deposit either without security or secured by liquid assets, debentures, PTC's, debenture-stock, perpetual or terminable payable or otherwise, issued at par or at premium or discount or by mortgage, hypothecation, pledge or other security charged on the undertaking or on all or any of the assets present or future of the Company including its uncalled capital.



- (15) To advance, deposit, or lend with or without security, money, securities, assets and property to or with such person, firms, companies or corporations and on such terms as may seem expedient, to negotiable loans, to discount, buy, sell and deal in bills, notes, warrants, coupons and other negotiable or transferable securities or documents.
- (16) To invest and deal with the moneys of the Company in any investments movable or immovable in such manner as may from time to time seem expedient and be determined.
- (17) To advance any sum or sums of money upon or in respect of the purchase of raw materials of any of the articles and the things hereinbefore mentioned and of any of the articles and things necessary or useful for the purpose of the Company and also to advance moneys on railway receipts and other mercantile investments upon such terms and conditions as the Directors may deem expedient.
- (18) To pay brokerage or commission to any person or persons on condition of his or their subscribing or agreeing to subscribe whether absolutely or conditionally for any shares or debentures, PTC's of the Company or procuring or agreeing to procure subscriptions whether absolute or conditional or render services for which commission or brokerage may be paid either in cash or debentures, PTC's or shares of the Company credited as fully or partly paid up.
- (19) To enter into partnership or into any arrangement for sharing profit, union of interest, co-operation, joint venture, reciprocal concession, or otherwise with any person or companies carrying on or engaged in, or about to carry on or engage in any business or transaction capable or being conducted so as directly or indirectly to benefit this Company.
- (20) To pay all or any costs, charges and expenses, preliminary and incidental to the promotion, formation, establishment and registration of the Company and to promote or form or assist in the promotion or for formation of any other company or companies with the same or any of the same objects as this Company or in which this Company is interested or the establishment of which may seem profitable to the Company or likely to advance its interests by providing whole or part of the capital thereof or by taking or subscribing or underwriting for the shares of such company or companies or by lending money upon debentures, PTC's or otherwise.
- (21) To invest in or upon, subscribe for, underwrite, purchase or otherwise acquire shares, stocks, debentures, PTC's, securities or other interest in any other company or corporation doing business which the Company is authorised to do, or doing any other business whatsoever and to hold, sell or otherwise dispose of the Company as the Directors may think proper and expedient.
- (22) To enter into any agreement with the Government, or any authority, municipal, local or otherwise that may seem conducive to the Company's objects or any of them, and to obtain from any such government or authority all rights, concessions and privileges which the Company may think it desirable to obtain and to carry out, exercise and comply with any such arrangements, rights, privileges and concessions.
- (23) To pay for special services rendered or to be rendered by Directors at any time.
- (24) To open and establish branches and agencies in any part of Pakistan, native states or



foreign countries for the expansion of business of the Company and to get the Company registered, incorporated or recognised in any country, states or places as may from time to time be determined by the Directors.

- (25) To acquire by purchase, lease, exchange or otherwise, lands, buildings and hereditaments of any tenure or description and any estate or interest therein and any rights over or connected with land, and either to retain the same for the purpose of the Company's business or to turn the same to account as may seem expedient.
- (26) To guarantee the payment of money unsecured, or secured by or payable under or in respect of promissory notes, bonds, debenture stock, PTC's contracts, mortgage, charges, obligation, instruments and securities of any company or of any authority, municipal, local or otherwise, or of any persons, firms or corporation whether incorporated or not and generally to guarantee or become sureties for the performance of any contracts and obligations.
- (27) To draw, make, accept, discount, execute and issue bills of exchange, promissory notes, bills of lading, warrants, debentures, PTC's and other negotiable or transferable instruments or securities.
- (28) To adopt such means of making known the products of the Company as may seem expedient and in particular by advertising in the press, by circulars, by films and on Television, by purchase and exhibition of work of art or interest, by publication of books and periodicals and by granting prizes, rewards and donations.
- (29) To dispose of or sell the undertaking of the Company or any part thereof for such consideration as the Company may think fit and in particular for shares, debentures, PTC's or securities of any other company having object altogether or in part similar to those of this Company.
- (30) To construct, maintain and alter any buildings or works necessary or convenient for the purpose of the Company.
- (31) To grant pension, allowances, gratuities and bonuses to employees or ex-employees of the Company or the dependant of such persons and to support charity or subscribe to any charitable or other institutions, clubs, societies, funds or objects or to open provident funds for employees.
- (32) To sell, improve, manage, develop, exchange, lease, mortgage, dispose of, turn to account or otherwise deal with all or any part of the property and rights of the Company.
- (33) To distribute all or any of the property of the Company amongst the members in specie or kind.
- (34) To do all or any of the above things, in any part of the world either as principals, agents, contractors, trustees or otherwise, by or through agents, subcontractors, trustees or otherwise, either alone or in conjunction with others and to do all such things as are incidental or conducive to the attainment of the above objects.

V. The capital of the Company is Rs. 200,000,000/- (Rupees Two Hundred Million) divided into 40,000,000 (Forty Million) Ordinary shares of Rs. 5/- each with the rights, privileges and conditions attaching thereto as are provided by regulations of the Company for the time being with power to increase and reduce the capital of the Company and to divide the shares in the capital for the time being into several classes and to attach thereto respectively such preferential, deferred, qualified or special rights, privileges or conditions as may be determined by or in accordance with the Articles of Association of the Company and to vary, modify or abrogate any such rights, privileges or conditions, in such manner as may for the time being be provided by the Articles of Association of the Company.

We, the several persons, whose name and addresses are subscribed desirous of being formed into a Company in pursuance of these Memorandum of Association, and we respectively agree to take the number of shares in the Capital of the Company set opposite our respective names:

Names & Surname, Father's/Husband's Name Present & Former (In Block Letters)	Nationality & with and Former Nationality	Occupation	Residential Address	No. of shares taken by each Subscriber	Signature

Karachi, Dated the _____ day of _____ 19 _____



THE COMPANIES ORDINANCE, 1984

(Company Limited by Shares)

ARTICLES OF ASSOCIATION

OF

ALI ASGHAR TEXTILE MILLS LTD.

1. The Regulations contained in Table 'A' in the First Schedule to the Companies Ordinance, 1984, shall not apply to the Company, except in so far as they are repeated or contained in these Articles.

Table 'A'
not to apply.

2. The Chapter headings or marginal notes shall not affect the construction hereof and in these Articles, unless there is something in the subject or context inconsistent therewith:-

Interpretation
and Definitions

"ORDINANCE" means the Companies Ordinance, 1984.

"ARTICLES" mean these Articles of Association, as originally framed or as altered from time to time by Special Resolution.

"BOARD" shall mean the Board of Directors of the Company acting at a meeting or through a Committee of Directors.

"CHAIRMAN" means the Chairman of the Board appointed from time to time pursuant to these Articles.

"COMPANY" means ALI ASGHAR TEXTILE MILLS LIMITED.

"DIRECTORS" mean the Directors of the Company appointed from time to time pursuant to these articles including alternate Directors.

"EXECUTIVE DIRECTOR" means the Executive Director of the Company appointed from time to time pursuant to these Articles.

"DIVIDEND" means the distribution of profits of the Company to its Members and includes Bonus.

"PTC" means Participation Term Certificate.

"SPECIAL RESOLUTION" has the meaning assigned thereto by Section 2(1) (36) of the Ordinance.

"MANAGING DIRECTOR" means the Chief Executive of the Company appointed from time to time pursuant to these Articles.

"MEMBER" Means a member of the Company within the meaning of Section 2(1)(21) of the Ordinance.



"MEMORANDUM" means the Memorandum of Association of the Company as originally framed or as altered from time to time in accordance with the provisions of the Ordinance.

"MONTH" means a calendar month according to the English Calendar.

"OFFICE" means the Registered Office of the Company.

"REGISTER" means the Register of Members to be kept pursuant to Section 147 of the Ordinance.

"SEAL" means the Common Seal and or Official Seal adopted by the Company.

"IN WRITING" and "WRITTEN" include printing, lithography and other modes of representing or reproducing words in a visible form.

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

Words importing the masculine gender also include the feminine gender and words or expressions contained in these Articles shall bear the same meaning as in the Ordinance.

Words importing persons include bodies corporate.

Public
Company.

3. The Company is a Public Company within meanings of clause (30) of sub-section (1) of Section 2 of the Ordinance.

4. (a) The Board shall have regard to the restrictions on the commencement of business imposed by Section 146.

(b) None of the funds of the Company shall be employed in the purchase of or in the loan upon the security of Company's shares, except to the extent and in the manner allowed by the Ordinance.



CAPITAL

5. The authorised capital of the Company is Rs.200,000,000/- (Rupees Two hundred Million) divided into 40,000,000 (Forty Million) Ordinary shares of Rs. 5/- each."

Power to
increase
authorised
Capital.

6. The Company may from time to time in General Meeting increase its authorised capital by the issue of new shares of such amount as it thinks expedient and necessary.

7. Except in 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 authorised capital and shall be subject to the same provisions as the original Capital.

8. The Company may in General Meeting by Special Resolution alter the conditions of its Memorandum as follows:-

- (a) Consolidate and divide all or any of its share capital into shares of larger amount than its existing shares.
- (b) Sub-divide shares or any of them into shares of smaller amounts than originally fixed by the Memorandum subject nevertheless to the provisions of the Ordinance in that behalf.
- (c) Cancel shares which at the date of such General Meeting have not been taken or agreed to be taken by any person, and diminish the amount of its share capital by the amount of the shares so cancelled.

9. Where at any time the Board decides to increase the issued capital of the Company by issuing any further shares, then subject to any direction to the Contrary that may be given by the Company in General Meeting, such shares shall be offered to the Members at par or at a premium in proportion to the existing shares held by each member, and such offer shall be made by notice specifying the number of shares to which the member is entitled and limiting a time within which the offer, if not accepted, will be deemed to be declined; and after the expiration of such time, or on receipt of information from the member to whom such notice is given that he declines to accept the shares offered, the Board may dispose off the same in such manner as it may consider beneficial for the Company.

Increase in
issued Capital

10. If and whenever as a result of an issue of new shares or any consolidation or sub-division of shares, any member becomes entitled to hold shares in fractions, the Board shall not be required to issue such fractional shares and shall be entitled to sell whole shares at a reasonable price, and pay and distribute to and amongst the members, entitled to such fractional shares in due proportion the net proceeds of the sale thereof. For the purpose of giving effect to any such sale, the Board may authorise any person to transfer the shares sold to the purchaser thereof, and the purchaser shall be registered as the holder of the shares comprised in such transfer but he shall not be entitled to see the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

Fractional
Shares.

11. Subject to the provisions of Article 9, of the Ordinance and the Capital Issues (Continuance of Control) Act, 1947, the shares shall be under the control of the Board who may allot or otherwise dispose off the same or any of them to such persons, on such terms and conditions, and at such time as the Board thinks fit and with full power to issue shares at a premium or at par, or subject to the provisions of the Ordinance, at a discount, and for such terms and for such consideration as the Board thinks fit. The Board shall, as regards any allotment of shares, duly comply with the provisions of Section 68 to 73 as may be applicable.



12. The Company may, from time to time by special resolution, reduce its capital by paying off capital or cancelling capital which has been lost or is unrepresented by available assets, or reducing the liability on the shares, or otherwise as may seem expedient, and capital may be paid off upon the footing that it may be called up again or otherwise.

Reduction
of Capital.

13. Subject to the provisions of the Ordinance and the Articles, the Board may allot and issue shares in the capital of the Company as payment or part

Shares in
payment of
purchases etc.

payment for any property sold, transferred, goods or machinery supplied, or for services rendered to the Company in the conduct of the business or affairs, and any shares which may be so allotted may be issued as fully paid up shares, and, if so issued, shall be deemed to be fully paid up shares.

UNDERWRITING AND COMMISSION

Underwriting
& Commission.

14. The Company may at any time pay a commission to any person, for subscribing or agreeing to subscribe (whether absolutely or conditionally) for any shares, PTCs, Debentures or Debenture-stocks, or procuring or agreeing to procure subscriptions, whether absolute or conditional, for any shares, PTCs, debentures or debenture stocks of the Company, but so that the amount or rate of commission shall not exceed five (5) per cent of the price at which the shares are issued or of the nominal value of the debentures or PTCs in each case subscribed or to be subscribed. The commission may be paid or satisfied in cash or in shares or debenture or PTC's of the Company. The Company may also pay brokerage not exceeding one (1) per cent in respect of any subscription for share or debentures.

CERTIFICATES

Member's
right to
certificate.

15. Every Member shall be entitled, without payment, to one certificate for all the shares registered in his name, or upon paying such fee as the Board may from time to time determine, to several Certificates, each for one or more shares. Every certificate of shares shall specify the number and denote the number of shares in respect of which it is issued, and the amount paid thereon, such certificate shall be issued under Seal and shall bear the signature of two Directors. The Directors may by resolution determine either generally or in any particular case, that the signature of any Director(s) may be affixed by some mechanical means in the mode and manner specified in such resolution. The share certificates shall be ready for delivery within ninety days after the allotment. The certificates of shares registered in the name of two or more persons shall be delivered to the person first named in register in respect thereof.

Issue of new
Certificate in
lieu of lost
or destroyed
certificate.



16. If any Certificate is worn-out, defaced or rendered useless, then upon production thereof to the Board, it may order the same to be cancelled and may issue a new certificate in lieu thereof, and if any certificate is lost or destroyed, then on proof thereof, to the satisfaction of the Board and on such indemnity as the Board deems adequate being given, a new Certificate in lieu thereof may be given to the party entitled to such lost or destroyed certificate.

17. Any application or subscription signed by or on behalf of an applicant or subscriber for shares in the Company, followed by an allotment of any shares therein, shall be an acceptance of shares within the meaning of the Articles, and every person who thus or otherwise accepts any shares, and whose name is entered on the Register, shall for the purpose of the Articles be a member.

Trusts not
to be
recognised.

18. Save as herein otherwise provided, the Company shall be entitled to treat the person whose name appears on the Register or Members, as the holder of any shares as the absolute owner thereof, and accordingly shall not (except as ordered by a Court of competent jurisdiction, or as by Law required) be bound to recognise any trust or equity or benami, equitable, contingent or other claim to or interest in such shares, on the part of any person whether or not it shall have express or implied notice thereof.

TRANSFER & TRANSMISSION

19. The instrument of transfer of any shares shall be in writing in the usual common form.

Form of transfer.

20. The instrument of transfer of any share shall specify the name and address both of the transferor and of the transferee and shall be signed both by the transferor and the transferee and the transferor shall be deemed to remain the holder of such share until the name of the transferee is entered in the register in respect thereof. Each signature to such transfer shall be duly attested by the signature of one credible witness who shall add his address and occupation.

Execution of transfer etc.

21. The Board may not refuse to register any transfer of fully paid up shares except in accordance with the provisions of sections 76, 77 and 78 of the Ordinance.

Restriction on transfer.

22. No transfer may be made to person of unsound mind. The Board may in their discretion refuse to transfer shares to a minor.

No transfer to infant etc.

23. Every instrument of transfer shall be left at the office for registration accompanied by the certificate of the shares to be transferred and such other evidence as the Company may require to prove the title of the transferor or his right to transfer the shares and upon payment of the proper fee the transfer shall (subject to the Board's right to decline to register as hereinbefore mentioned) be registered as a member in respect of such shares. The Board may waive the production of any certificate of shares upon evidence satisfactory to them of its loss or destruction.

Transfer to be left at office and evidence of title given.

24. All instruments of transfer, which are registered, shall be retained by the Company, but any instrument of transfer which the Board may decline to register shall be returned to the person depositing the same, within one month after the date on which the transfer was lodged with the Company, and the Company shall also send notice of such refusal to the transferor.

When transfer deed to be retained. Notice of refusal to register transfer.

25. A fee not exceeding Rs.5/- may be charged for each transfer and shall be paid before the registration thereof if so required by the Board.

Fee on transfer.

26. Subject to the provision of section 151 of the Ordinance the transfer books and the register may be closed during such times as the Board may think fit, not exceeding on the whole, forty five days in each year and not exceeding 30 days at a time.

When transfer books register closed.

27. The executors or administrators of a deceased member (not being one of the joint-holders) or holder of the succession certificate or survivor or survivors where the deceased was joint holder shall be the only person or persons recognized by the Company as having any title to or interest in the shares registered in the name of such member, but nothing herein contained shall be taken to release the estate of a deceased joint-holder from any liability on shares held by him executor or administrator or succession certificate holder, the Board may require him, if they think fit, to obtain a Grant of Probate or Letter of Administration or succession certificate, as the case may be from some competent court in Pakistan. Provided, nevertheless, that in any case where the Board in their absolute discretion think fit, it shall be lawful for the Board to

Transmission of registered shares



dispense with the production of Probate or Letters of Administration or such other legal representation upon such terms as to indemnity or otherwise as the Board, in their absolute discretion, may consider necessary.

Transmission
of registered
shares.

28. Any person becoming entitled to or to transfer shares in consequence of the death or bankruptcy or insolvency of any member upon producing such evidence that he sustains the character in respect of which he proposes to act under the clause, or of his title as the Board may think sufficient, may with the consent of the Board (which the Board shall not be under any obligation to give) be registered as a member in respect of such shares, or may, subject to the regulations as to transfer hereinbefore contained, transfer such shares. This clause is hereinafter referred to as the "Transmission Clause".

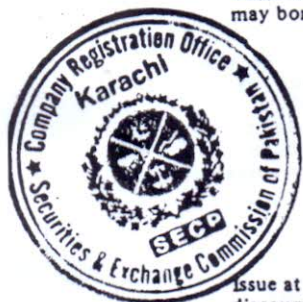
BORROWING POWERS

Power to
borrow.

29. Subject to the provisions of the Ordinance, the Board may, from time to time, at their discretion, borrow such sum or sums of money as they may think fit for the purpose of the Company including from any persons, firms, companies, corporations, bank, financial institution or syndicate of financial institutions (which includes NDFC, PICIC, IDBP, Bankers Equity, ICP, NIT and the like) or the Directors may themselves lend the money to the Company and secure the payment or repayment of such sum or sums in such manner and upon such terms and conditions as the Board may think fit and in particular by issue of participation term certificates, debentures, or debenture-stocks or by mortgage or charge upon the whole or any part of the property of the Company present and future including its uncalled or un-issued capital or any such other way as the Board may think expedient.

Conditions on
which money
may borrowed.

30. The Board may secure the payment or repayment of any sum or sums in such manner and upon such terms and conditions in all respects as the Board may think fit and in particular by creation of any mortgage or charge on the undertaking of the whole or any part of property, present or future, or uncalled capital of the Company or by the issue of bonds, perpetual or redeemable, debentures or debenture-stocks or participation term certificates of the Company, charge upon all or any part of the property of the Company, both present and future, including its uncalled capital for the time being.



Issue at
discount
or with special
privileges

31. Any PTCs, bonds, debentures or other securities may be issued at a discount, premium or otherwise and/or with any special privileges as to redemption, surrender, drawings, convertability into shares, attending or voting at General Meetings of the Company, appointment of Directors, and otherwise, provided that PTC's, bonds, securities or debentures with the right to vote or convertability into shares shall only be issued with the consent of the Company in General Meeting in accordance with Section 114 of the Ordinance.

Securities
may be assignable
free from
equities.

32. Debentures, Debenture-stock, bonds, PTC's and other securities may be made assignable between the Company and the person to whom the same may be issued.

Indemnity to
Directors.

33. If the Directors or any of them or any other person shall become personally liable for the payment of any sum primarily due from the Company, the Board may execute or cause to be executed any mortgage, charge or security over or affecting the whole or any part of the assets of the Company by way of

indemnity to secure the Directors or persons so becoming liable as aforesaid from any loss in respect of such liability.

34. The Board shall cause a proper register to be kept in accordance with the Ordinance, of all mortgages and charges specifically affecting the property of the Company and shall duly comply with the requirements of section 121 and 122 of the Ordinance in regard to registration of mortgages and charges herein specified and otherwise and shall also duly comply with the requirements of section 130 of the said Ordinance as to keeping a copy of every instrument creating any mortgage or charge by the Company at the office, and the requirements of section 132 of the Ordinance, as to giving intimation of the payment or satisfaction of any charge or mortgage created by the Company.

Register of mortgages to be kept.

35. Every register of holders of debentures or PTC's of the Company may be closed for any periods not exceeding on the whole fortyfive days in each year, subject as aforesaid every such register shall be open to the inspection of registered holder of any such debentures or PTC's and of any member but the Company may in General Meeting impose any reasonable restrictions, so that at least not less than two hours in each day on which register is open be allowed for inspection.

Register of holders of debentures.

36. The Company shall comply with the provisions of section 150 of the Ordinance as to supplying copies of any register of holders of debentures, PTC's or of any trust deed for securing any issue of debentures or PTC's on payment of statutory fee.

Supply of copies of Register of holders of debentures.

37. Holders of debentures or PTC's shall have the same right to receive and inspect the Balance Sheets of the Company and the reports of the Auditors and other reports as are possessed by the members of the Company.

Right of holders of debentures to Balance Sheet.

38. If any uncalled capital of the Company is included in or charged by any mortgage or other security, the Board may, by instrument under the Company's Seal, authorise the person in whose favour such mortgage or security is executed or any other person in trust for him to make calls on the members in respect of such uncalled capital and the provision hereinbefore contained in regard to calls shall mutatis mutandis, apply to calls made under such authority and such authority may be made exerciseable either conditionally or unconditionally, and either presently, or contingently and either to the exclusion of the Board's power or otherwise and shall be assignable if expressed so to be.

Mortgage uncalled capital.

GENERAL MEETINGS

39. Subject to the provisions of section 158, the Annual General Meeting of the Company shall be held once at least in every calendar year at such time and place as may be determined by the Board, provided that no greater interval than fifteen (15) months shall be allowed to elapse between two such General Meetings. Such General Meetings shall be called Annual General Meeting. The business of an Annual Meeting shall be to receive and consider the Profit and Loss Account and Balance Sheet, the reports of the Directors, and Auditors, to elect Directors, Auditors and other officers in place of those retiring, to fix remuneration of any Director, Auditor and/or any other officer, to declare dividends, and to transact any other business which under these presents, ought to be transacted at an Annual Meeting and any business which is brought under

General meeting when to be held

Business at General meeting



consideration by the report of the Directors issued with notice convening the Meeting. All other business transacted at Annual General Meeting and all business transacted at the Extra-Ordinary General Meeting shall be deemed special.

Who may call
extra-ordinary
General Meeting.

40. The Board may call an Extra-ordinary General Meeting whenever they shall think fit. An Extra-ordinary General Meeting shall also be convened on the requisition of the Members in accordance with the provisions of section 159 of the Ordinance.

Notice of
Meetings.

41. Twenty one (21) clear days notice at least of every General Meeting, specifying the date, place and hour of the Meeting and with a statement of the business to be transacted at the meeting, shall be given to the persons entitled under, and in the manner provided by the Ordinance, and these Articles.

Waiver of
Notice.

Provided, if all the members entitled to attend and vote at any such meeting so agree, a resolution may be proposed and passed or other business conducted at a meeting of which less than twentyone days notice has been given.

Special
Resolution.

42. Where it is proposed to pass a Special Resolution at least twenty one (21) days clear notice, specifying the intention to propose the resolution as a Special Resolution and specifying the date, place and hour of the meeting, and the nature of the business shall be given to the members.

Waiver of
Notice.

Provided that, if all the members entitled to attend and vote at any such meeting so agree, a resolution may be proposed and passed as a special resolution at a meeting of which less than twentyone days notice has been given.

Omission to
give notice.

43. In case in which notice of any Meeting is given to the share holders individually, the accidental omission to give notice to any of the shareholders or the accidental non-receipt thereof shall not invalidate any Resolution passed at any such meeting.

PROCEEDINGS AT GENERAL MEETINGS

44. Three members entitled to vote and present in person who represent not less than twenty five per cent of the total voting power, either their own or as proxies, shall be transacted at any General Meeting unless the quorum requisite is present at the time when the Meeting proceeds to business.

Chairman of
General Meeting.

45. The Chairman shall be entitled to take the Chair at every General Meeting, if there is no Chairman or if at any Meeting he shall not be present within thirty minutes after the time appointed for holding such Meeting or is unwilling to act, the Managing Director shall take the Chair and in the absence of the Managing Director, the members present shall choose one of the Directors at the Chairman, and if no Director present is willing to take the Chair, the members present shall choose one of the members to be the Chairman.

Adjournment of
Meeting for
lack of quorum.

46. If within half an hour after the time appointed for the holding of a General Meeting a quorum is not present, the Meeting, if convened on the requisition of the Members, shall be dissolved and in every other case shall stand adjourned to the same day in the week following at the same time and place, or to such other day, time and place as the Board may by notice to the share-



holders appoint. If at such adjourned Meeting a quorum is not present, the members present personally or by proxy being not less than two shall be the quorum and may transact the business for which the Meeting was called.

47. The Chairman, with the consent of any Meeting, at which a quorum is present, may adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than business left unfinished at the meeting from which the adjournment took place.

Adjournment
of Meeting.

48. Subject to the provisions of section 167 of the Ordinance, at any General Meeting a Resolution put to the vote of the Meeting shall be decided on show of hands, unless a poll is (before or on the declaration of the results of the show of hands) demanded by at least five members present in person or by the Chairman of the Meeting, or by any Member or Members present in person or by proxy and holding or representing not less than one-tenth of the issued capital carrying voting rights, and unless a poll is demanded, a declaration by the Chairman that a resolution has been carried or carried unanimously or by a particular majority or lost, and an entry to that effect in the books of the proceedings of the Company, shall be conclusive evidence of the fact without further proof of the number or proportion of the votes recorded in favour of or against such Resolution. In the case of an equality of votes, whether on a show of hands or on a poll, the Chairman of the Meeting shall be entitled to a casting vote in addition to the votes to which he may be entitled as a member.

Voting on
Resolutions by
shown of hands
and where
poll demanded

49. If a poll is demanded as aforesaid it shall be taken at such time, not more than 14 days from the day on which it is demanded; as the Chairman of the Meeting directs, and the results of the poll shall be the resolution passed at the Meeting at which the poll was demanded. The demand for a poll may be withdrawn.



50. Any poll demanded on the election of a Chairman of a Meeting or on any question of adjournment shall be taken at the Meeting without adjournment.

Poll on
election of
Chairman.

51. The demand for a poll shall not prevent the continuation of a Meeting for the transaction of any business, other than the question on which the poll was demanded.

Meeting may
proceed not-
withstanding
poll demanded

52. As required by section 173 of the Ordinance, the books containing Minutes of Proceedings of General Meetings of the Company shall be kept at the Office and shall during business hours (subject to reasonable restrictions as the Board may from time to time impose but so that no less than two hours each day is allowed for inspection) be open to the inspection of any Member without charge.

Minute Book

53. Except as provided in Article hereof, upon a show of hands every Member entitled to vote and present in person shall have one vote, and upon a poll, every Member entitled to vote and present in person or by proxy shall have one vote for every share conferring voting rights as aforesaid held by him. 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.

Right to
Vote.

54. Subject to the provisions of the Ordinance and to the last preceding Article, a Member shall be entitled to be present or to vote at any General Meeting either personally or by proxy for any other Member and be reckoned in quorum notwithstanding that any call or other sum shall be due and payable to the Company in respect of the shares of such member.

Representative
of Corporate
Members.

55. A Corporation or a Company being a Member of the Company may appoint as proxy or as its representative under section 162 of the Ordinance, any person to exercise the same powers on behalf of the Corporation or Company which he represents in General Meeting, as that Corporation or Company could exercise if it were an individual member of the Company.

Manner of
proxy.

56. Every proxy shall be appointed in writing under the hand of the appointer or by an agent duly authorised under a power of Attorney or if such appointer is a Company or Corporation, under the Common Seal or Official Seal of the Company or Corporation or the hand of its Attorney who may be appointer.

Proxy to be
deposited at
Registered Office.

57. No person shall act as proxy unless the instrument of his appointment and the Power of Attorney, if any, under which it is signed, shall be deposited at the office at least forty eight (48) hours before the time for holding the meeting at which he proposes to vote. No person shall be appointed a proxy who is not a member of the Company, qualified to vote, except that a Corporation being a member may appoint as proxy a member or an officer or a Director of its own.

Validity of
Proxy

58. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death of the principal or revocation of the proxy or of any power of attorney under which such proxy was signed provided that no intimation in writing of the death or revocation shall have been received at the office of the Company before the Meeting.

59. No objection shall be made as to the validity of any vote except at the Meeting or at the poll at which such vote shall be tendered, and every vote whether given personally or by proxy not disallowed at such Meeting or poll shall be deemed valid for all purposes of such Meeting or poll.

60. If any question is raised, the Chairman of the Meeting shall decide on the validity of every vote tendered at such Meeting.

BOARD OF DIRECTORS

61. The business of the Company shall be directed and supervised by the Board who may pay all expenses incurred in setting up and registering the Company, 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 required to be exercised by the Company in General Meeting, subject nevertheless, to such regulations not inconsistent with the aforesaid provisions, as may be prescribed by the Company in general meeting; but no such regulation shall invalidate any prior act of the Board which would have been valid if that regulation had not been made. The Board shall be able, subject to the aforesaid provision, to delegate any or all of their powers to any Managing Director or a Committee of Directors or Director or Directors or Manager of the Company or any other person.

Board of
Directors.



62. The number of Directors shall not be less than seven and unless determined at a General Meeting, not more than eleven.

Number of
Directors.

63. Until otherwise determined by a General Meeting, the qualification of every Director shall be his holding not less than 1000 shares of the nominal value of Rs.5,000.00 either in his own name or in the name of interests represented by him.

Share
qualification
of Director

64. A Director including a first Director may act before acquiring his qualification but he shall in any case acquire the same within two months from his appointment.

Director call
to act before
acquiring
share
qualification

65. During the subsistence of the loan to be advanced by any Financial Institution, Bank/Government or otherwise, it shall have the right to nominate a Director and to replace such person from time to time, subject to the approval of the Board and in accordance with the law, on the Board and the said Director shall be called Special Director, Articles 66, 67, 69 and 70 shall not apply to Special Director.

Special
Director.

66. All the Directors of the Company shall retire every three years and fresh election for the appointment and election of Directors shall be made by the Company every three years. Retiring Directors shall be eligible for re-election.

Retirement
of Director

67. The Directors shall be elected by the shareholders in accordance with section 178 of the Ordinance.

Election of
Directors

68. A shareholder, not being a retiring Director, shall not be eligible to be elected as a Director at any General Meeting unless he or some other member intending to propose him, has at least seven clear days before the meeting, left at the office of the Company, a notice in writing duly signed, signifying his candidature for the office of the intention of such member to propose him.

Board
Election.



69. A Director, including the Managing Director shall hold office for a period of three years unless he earlier resigns, becomes disqualified for being a Director or otherwise ceases to hold office.

Period of
Office.

70. The Company may, by Special Resolution, remove any Director, (other than a Director appointed under Article 65 hereof) in the manner provided in section 181 of the Ordinance.

Removal of
Directors.

71. If any casual vacancy occurs on the Board, it may be filled up by the Board. Any person so chosen shall retain his office so long only as the vacating Director would have retained the same if no vacancy had occurred in their body, but if their number falls below the minimum above fixed, the Board shall not, except for the purpose of filling vacancies, act so long as their number is below the minimum.

Casual
Vacancy
on Board.

72. A Director appointed in a casual vacancy shall be eligible for election as a Director at the next following election of Directors.

Re-election.

73. Subject to the provisions of section 178(1) of the Ordinance, the Board shall fix the number of elected Directors of the Company not later than thirty five days before the convening of the general meeting at which Directors

Election of
Directors.

are to be elected and the number so fixed shall not be changed except with the prior approval of a general meeting of the Company.

ALTERNATE DIRECTORS

Alternate Directors

74. Any Director not permanently resident in Pakistan or any Director so resident but intending to be absent from the Province/District/City wherein the office is situated and meeting of Board are ordinarily held for a period of not less than three months, may appoint any person acceptable to the Board to be an Alternate Director of the Company to act for him. Every such appointment shall be in writing under the hand of the Director making the appointment. An Alternate Director so appointed shall not be entitled to appoint another Director, but shall otherwise be subject to the provisions of the Articles with regard to Directors, except that he shall require no share qualification. An Alternate Director shall be entitled to receive notices of all meetings of the Board, and to attend and vote as a Director at any such meeting at which the Director appointing him is not personally present, and generally to perform all the functions of his appointer as Director in the absence of such appointer. An Alternate Director shall ipso facto cease to be an Alternate Director if and when his appointer returns to the Province/District/City wherein the office is situated and meetings of the Board are ordinarily held, or the appointee is removed from office by notice in writing under the hand of the appointer.

Technical Directors

75. The Board shall have powers at any time and from time to time to appoint any person or persons as Technical Director(s) and such persons need not hold the necessary share qualifications.

Any person or persons so appointed may, if so permitted, attend a meeting of the Board, however their presence shall not be counted for the purpose of quorum nor shall they have right to vote.

Vacation of Office by Director.

76. Every Director shall vacate his office on the happening of any of the events following, that is to say:-

- (1) on his becoming ineligible to be appointed a Director on any one or more of the grounds enumerated in clauses (a) to (h) of section 187 of the Ordinance.
- (2) on his becoming bankrupt, or insolvent, or suspending payment, or compounding with his creditors.
- (3) on his being found a lunatic, or on his becoming of unsound mind.
- (4) if he or any firm of which he is a partner or any private Company of which he is a Director, without the sanction of the Company in General Meeting, accepts or holds any office of profit under the Company other than that of Managing Director, Manager, Legal or Technical Advisor or a banker.
- (5) on his resigning office by notice in writing to the Company.



- (6) if he absents himself from three consecutive meetings of the Board for a continuous period of three months, whichever is the longer, without leave of absence from Board. The appointment of an Alternate Director will constitute leave of absence from the Board to the Director for whom such Alternate is appointed during such Director's absence.
- (7) if he or any firm of which he is a partner or any Private Company of which he is a Director accepts a loan or guarantee from the Company in contravention of section 195 of the Ordinance.
- (8) on his ceasing to hold his qualifying number of shares.

77. Subject to the provision of Capital Issues (Exemption) Order, 1967, every Director (including Alternate Director), other than regularly paid Managing Director and full time working Director, shall be entitled to be paid a fee of Rs.500.00 for every meeting of the Board or a Committee attended by him. Each Director (including Alternate Director) shall be entitled to be reimbursed reasonable expenses incurred for attending meeting of the Board and/or Committee.

Remuneration
Director

78. Any Director who serves on any Committee or who devotes special attention to the business of the Company or who otherwise performs services for which, in the opinion of the Board, be paid such extra remuneration by way of salary, allowances, facilities, prerequisites as the Board may determine. Such extra remuneration shall be subject to the approval of the shareholders in General Meeting, and if so required by law, Controller of Capital Issues.

Remuneration for
extra-service

PROCEEDINGS OF DIRECTORS

79. The Directors may meet together for the despatch of business, adjourn, and otherwise regulate meetings of the Board as they think fit. The Managing Director may at any time and shall on the written requisition of two Directors at any time, summon a meeting of the Board, whenever possible six clear days notice must be given to all Directors to summon a meeting of the Board, and such notice shall set forth the purpose for which such meeting is summoned. With consent of all the Directors entitled to receive notice of meeting, or to attend or vote at any such meeting of the Board may be convened by shorter notice than specified in this Article. In a year, at least two meetings of the Board shall be held. Any Director may waive notice of the time, place and purpose of any meeting either before or after such meeting.



80. Subject to the provisions of section 173 of the Ordinance, the Board shall cause the Secretary or some other officer of the Company to cause minutes to be made in books provided for the purpose:

Minutes of
Meetings.

- (a) of the names of Directors present at each meeting of the Board and of any Committee of Directors.
- (b) of all resolutions and proceedings at all meetings of the Company and of Directors.
- (c) of appointments of officers made by the Directors.

Any such minutes of any Meeting of the Board or of a Committee of Directors or of the Company, if signed or purporting to be signed by the Chairman of such Meeting, or of the next succeeding meeting shall be receivable as evidence of the matters stated in such minutes.

Quorum of
Directors
meetings and
powers.

81. A meeting of the Board for the time being at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretion by or under the Articles vested in or exerciseable by the Board generally. Unless otherwise determined by the Board, four Directors personally present shall constitute a quorum. Questions arising at any meeting shall be decided by a majority of votes. In the case of any equality of votes, the Chairman of the meeting shall have a second or casting vote.

Chairman
preside and
Directors
Meeting.

82. The Chairman shall, whenever present, preside as Chairman at each meeting of the Board, but if at any meeting the Chairman is present and not willing to act or is absent beyond thirty minutes after the time fixed for holding the same, the Managing Director shall preside and in his absence the Directors present shall, within thirty minutes of the time fixed for the meeting, choose one of their members to be Chairman of such meeting.

Meeting of
the Board Com-
mittee valid not-
withstanding
defective
appointment etc.

83. All acts done by any meeting of the Board or a Committee of Directors, or by any person acting as a Director or Alternate Director shall, notwithstanding that it be afterwards discovered that there was some defect in the appointment of any such Directors or persons acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such Director or person had been duly appointed and was qualified to act.

Resolution by
Circulation.

84. A resolution in writing signed by majority of the Directors, present in Pakistan, shall be effective as if such resolution had been passed at the meeting of the Directors. Any Director may waive notice of the time, place and purpose of any meeting either before or after such meeting.

85. A Director of the Company may be or become a Director of any Company, whether promoted by this Company or not, or in which it may be interested as vendor, shareholder or otherwise, and no such Director shall be accountable for any benefits received as Director or member of such Company.

86. Every Director of the Company shall be entitled to carry on and continue to carry on his personal business which may be undertaken by him at any time in connection with his aforesaid business; the Director or any of them shall not be in any way liable to account to the Company for any benefits or profits or gains recovered or receivable by him in respect of any such business.

87. Subject to the provisions of section 214 and 216 of the Ordinance, no Director shall be disqualified from his office by contracting with the Company either as vendor, purchaser, lessor, lessee, lender, distributor, exhibitor or otherwise, nor shall any such contract or arrangement entered into by or on behalf of the Company with any Company, or partnership in which any Director shall be concerned or be otherwise interested, be voided nor shall any Director so interested be liable to account to the Company for any profit realised by any such contract or arrangement, by reason only of such Director holding that office, or of the fiduciary relations thereby established.

Contracts by
Directors.



Provided that the nature of his i.e. Directors interest must be disclosed by him at the meeting of the Board at which the contract or arrangement is determined, if his interest then exists, in any other case at the first meeting of the Board after the acquisition of his interest. A General notice that a Director is a member of any specified firm or Company and is to be regarded as interested in any subsequent transaction with such firm or Company shall as regards any such transaction be sufficient disclosure under this clause; after such general notice it shall not be necessary to give any special notice relating to any particular transaction with such firm or Company.

COMMITTEE OF DIRECTORS

88. Subject to the provisions of section 196 of the Ordinance, the Board may from time to time delegate all or any of their powers to a Committee or Committees consisting of two or more Directors as they may think fit. Any Committee so formed shall conform to any regulations that may be imposed upon it by the Board and shall be governed, in the exercise of the powers so delegated, by the provisions herein contained for regulating meeting and proceedings applicable to the Directors.

Committee of
Directors.

CHAIRMAN

89. Upon each election of Directors, the Board shall appoint a Chairman from amongst themselves, who shall be the Chairman of the Company and determine the period for which he is to hold office.

Chairman

EXECUTIVE DIRECTOR

90. The Board may from time to time appoint one or more of their body to be the Executive Director on such terms as they think fit and subject to the terms of any agreement, entered into, and in any particular case, may revoke, such appointment.

Executive
Director

MANAGING DIRECTOR (CHIEF EXECUTIVE)

91. The business of the Company shall be managed under the control and supervision of the Board. The Board shall appoint a Chief Executive as required by sections 198 to 203, of the Ordinance. The Board may authorise and delegate, subject to section 196 of the Ordinance, all or such of their powers as they deem expedient to the Chief Executive of the Company who is styled as the Managing Director. The appointment of the Managing Director of the Company may be renewed from time to time.

Management.

92. The remuneration payable to the Managing Director shall be fixed by the Board, subject to approval of the shareholders in General Meetings and when required by law, be subject to the approval of the Controller of Capital Issues. The said remuneration shall be exclusive of and shall not include any remuneration, salaries and wages which shall be payable to the bankers, solicitors, engineers, commission agents, dealers, brokers, officers, clerks, servants, workmen and other employees who may be employed by the Managing Director for and on behalf of the Company, nor any rent, postage and telegram expenses, printing and stationery, or other office expenses, or any travelling charges and or any other costs or expenses incurred by the Managing Director in connection with business of the Company all of which wages, costs, charges and other expenses shall be borne and paid by the Company.

Remuneration
of the
Managing
Director.



Powers of the
Managing
Directors.

93. The Managing Director, subject to the supervision and control of the Directors, shall have the power of engagement and termination, dismissal of managers, secretaries, accountants, engineers, clerks, assistants and other employees of the Company and shall have power to do all acts, matters and things deemed necessary, proper or expedient for carrying on the business and concerns of the Company, and to make and sign all such contracts, loan documents, mortgages, pledge(s) or hypothecation, and to draw, accept, endorse, and negotiate on behalf of the Company all such bills of exchange, promissory notes and other government papers and other instruments as shall be necessary, proper or expedient for carrying on the business of the Company and to exercise all the powers, authorities, and discretions of the Company, except only such of them as by the Ordinance, for the time being in force, or these presents, are expressly directed to be exercised or done by the Board or the shareholders in General Meeting. All moneys belonging to the Company shall be paid to such bankers as the Board shall deem expedient, and all receipts for money paid to the Company shall be signed by the Managing Director whose receipts shall be an effectual discharge for the moneys therein stated to have been received. The Managing Director may, with the sanction of the Board, wherever required, delegate all or any of his powers to such managers, agents or other persons, as he may see fit, and shall have power to grant to such managers, agents and other delegates such powers of attorney as the Managing Director may, subject to the approval of the Board, wherever required, deem expedient and to revoke such powers at his pleasure. The Managing Director shall duly make, keep and file or cause to be made, kept and filed, all such registers, returns, statements, and accounts as under the provisions of the Ordinance, or any statutory modification thereof for the time being in force, are required to be made, kept and filed by the Company, or its officers.

THE SEALS

Common
Seal.

94. The Board shall provide a Common Seal for the purposes of the Company and for the safe custody of the Seal. The Common Seal shall never be used except by the authority of a resolution of the Board or by a Committee of Directors authorised in that behalf by the Board and in the presence of at least two Directors. The Board shall also have power to destroy the Common Seal, if necessary and to substitute another seal in its place.

Official Seal.

95. The Board may provide for the use in any territory, district or place not situated in Pakistan of an Official Seal which shall be a facsimile of the Common Seal of the Company, with the addition on its face of the name of every territory, district or place where it is to be used. The provisions of Ordinance shall apply relative to the use of the Official Seal.

DIVIDENDS AND RESERVES

Dividends and
restriction
thereon.

96. The Company in General Meeting may declare dividends, but no dividends shall exceed the amount recommended by the Board.

Interim
Dividend.

97. The Board may from time to time pay to the members such interim dividends as appear to be justified by the profits of the Company. The Board may also pay any fixed dividends which are payable on any shares of the Company quarterly or half yearly or otherwise on fixed dates, whenever such profits, in the opinion of the Board, justify that course.



98. No Dividends shall be paid otherwise than out of the profits of the year, or any other undistributed profits.

No. Dividends
except out of
profits.

99. Any General Meeting declaring a dividend may authorise payment of such dividend wholly or in part by the distribution of paid up shares, PTC's debentures or debenture-stocks of the Company, or paid up shares, PTC's, debenture or debenture-stock of any other Company, or in any one or more of such ways as may be recommended by the Board.

Dividend in kind

100. Subject to the rights of any person entitled to shares with special right as to dividends, the profits distributed as dividends shall be distributed among the shareholders, and all dividends shall be declared and paid according to the amounts paid on the shares. If any share is issued on the terms that it shall rank for dividend as from a particular date, such share shall rank for dividend accordingly.

Distribution
of Dividends.

101. The Board may, before recommending any dividend, set aside out of the Company's profits such sum as Board think proper as a reserve or reserves, which shall, at the discretion of the Board, be applicable for meeting contingencies, or for equalising dividends, or for any other purpose to which the profits of the Company may be properly applied, and pending such application may, in 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 Board may from time to time think fit. The Board may, at any time reallocate any reserve or reserves to any other purpose or purposes, than originally envisaged.

Board may
create reserves.

102. Unpaid or unclaimed dividends shall not be forfeited but such dividends shall never bear interest as against the Company.



103. If several persons are registered as joint holders of any share, any of them may give effectual receipts for any dividends payable on the shares.

Payment by post

104. (a) Subject to the provisions of the Ordinance, any dividend may be paid by cheque or warrant sent through the post to the registered address of the Member or person entitled thereto, or in the case of joint holders at his registered address, or to such person and at such address as the Member or person entitled or such joint holders, as the case may be, may direct, every such cheque or warrant shall be made payable to the order of the person to whom it is sent, or to order of such other person as the Member or person entitled or such joint holders as the case may be, may direct.

(b) Unclaimed dividends may be invested or otherwise used by the Board for the benefit of the Company until claimed.

ACCOUNTS

105. The Board shall cause to be kept proper books of account as required under section 230 of the Ordinance.

Books of
account to be kept.

106. The Books of account shall be kept at the Office or at such other place as the Board shall think fit, and shall be open to inspection by the Directors during business hours.

Where to be kept

Inspection by
Members.

107. The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulation the accounts and books of the Company or any of them shall be open to inspection of Members, and no Member shall have any right to inspect any account or book or documents of the Company except as conferred by law or authorised by the Board or by Special Resolution of the Company in General Meeting.

Balance Sheet.

108. Once at least in every year, the Board shall cause to be prepared and lay before the Company in General Meeting a balance sheet and profit and loss account, both made in accordance with the Ordinance and to a date not more than six months before the date of the Meeting. Every such balance sheet shall be accompanied by an Auditor's Certificate and the Director's Report in accordance with the provisions of the Ordinance in that behalf. The Board shall comply with the requirements of section 231 to 236.

Profit and
Loss Account

109. The profit and loss account shall, as required under the Ordinance, be so arranged under the most convenient heads, the amount of gross income, distinguishing the several sources from which it has been derived, and the amount of gross expenditure, distinguishing the expenses of the establishment, salaries and other like matters. Every item of expenditure fairly chargeable against the year's income shall be brought into account, so that a just balance of profit and loss may be in fairness be distributed over several years has been incurred in any one year, the whole amount of such item shall be stated, with the addition of the reasons why only a portion of such expenditure is charged against the income of the year.

Copies of
Directors report
and balance sheet
to be sent to
Members.

110. A copy of the report of the Directors and the balance sheet (including every document required by law to be annexed thereto) and of the profit and loss account shall be sent to all Members alongwith the notice convening the General Meeting before which the same are required to be laid.

Appointment
Auditors and
their duties.

111. Auditors shall be appointed and their duties regulated in accordance with section 252 of the Ordinance.

NOTICES



112. Subject to the provisions of the Ordinance:-

(i) A notice may be given by the Company to any Member or Director either personally or by sending it by post to him at his registered address or (if no registered address in Pakistan), to the address, if any, within Pakistan supplied to the Company for the giving of notices to him.

(ii) Where a notice is sent by post, service of the notice shall be deemed to be effective by properly addressing, prepaying and posting a letter containing notice, and unless the contrary is proved, to have been effected at time at which the letter would be delivered in the ordinary course of post.

Notice to
members abroad
advertising
in newspaper

113. If a member or Director has no registered address in Pakistan, and has not supplied to the Company an address within Pakistan for the giving of notice to him a notice addressed to him and advertised in 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.

114. 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
joint holder.

115. 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 representative 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 persons claiming to be so entitled, or until such an address has been supplied, by giving the notice in manner in which the same might have been given if the death or insolvency had not occurred.

Notice to
successors of
deceased or
insolvent
members.

SECURITY

116. No Member or the other person (not being a Director) shall be entitled to enter the property of the Company without permission of the Board or the Managing Director and to require disclosure of any information respecting any detail of the Company's trading, or any matter which is or may be in the nature of a trade secret, mystery of trade, or secret to the conduct of the business of the Company and which in the opinion of the Board or the Managing Director will be inexpedient in the interest of the Members to communicate.

No shareholder
to enter the
premises of the
Company without
permission.

WINDING UP

117. If the Company shall be wound up, (whether voluntarily or otherwise) the Liquidators may, with the sanction of a Special Resolution divide among the members, in specie or kind, the whole or any part of the assets of the Company and may, with the like sanction vest any part of the assets of the Company in trustees upon such trusts for the benefit of the Members as the Liquidators may think fit.

Winding up.

LIABILITY

118. No Chairman, Managing Director, Executive Director, Director or other Officer of the Company will be liable for the acts, receipts, neglects or defaults of any other Director or Officer or for joining any receipt or other act for conformity, or for any loss or expense happening to the Company through the sufficiency or deficiency of title to any property acquired by order of the Chairman, Managing Director, Executive Director, Director or other Officer for or on behalf of the Company, or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested, or for any loss or damage arising from the bankruptcy, insolvency or tortious act of any person with whom any money, securities or effects shall be deposited, or for any loss occasioned by any error of judgements or oversight on his part, or for any other loss, damage or misfortune whatever which shall happen in the execution of the duties of his office or in relation thereto, unless the same happens through his own wilful act, neglect, default or dishonesty.



INDEMNITY

119. Every Chairman, Managing Director, Executive Director, Director, Manager or Officer of the Company or any person (whether an Officer of the Company or not) employed by the Company as Auditor or Advisor, shall be indemnified out of the funds of the Company against any liability incurred by him as such Chairman, Managing Director, Executive Director, Director, Manager

Indemnity.

Officer, Auditor or Advisor, in defending any proceedings, whether civil or criminal, in which judgement is given in his favour or in which he is acquitted, or in connection with any application under section 488 of the Ordinance in which relief is granted to him by court.

We, the several persons, whose name and addresses are subscribed desirous of being formed into a Company in pursuance of these Articles of Association, and we respectively agree to take the number of shares in the Capital of the Company set opposite our respective names:

Names & Surname, Father's/Husband's Name Present & Former (In Block Letters)	Nationality & with and Former Nationality	Occupation	Residential Address .	No. of shares taken by each Subscriber	Signature



Karachi, Dated the _____ day of _____ 19____