

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

[THE COMPANIES ORDINANCE, 1984]

COMPANY LIMITED BY SHARES

Memorandum

AND

Articles of Association

OF

**NATIONAL FERTILIZER MARKETING
LIMITED**

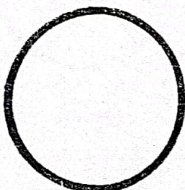
Certificate of Incorporation

No. C-192 LR of 1975 — 1976

I hereby certify that “ NATIONAL FERTILIZER
MARKETING LIMITED ”

/ /
is this day incorporated under the Companies Act VII
of 1913, and that the company is limited
as a Public company limited by shares.

Given under my hand at Lahore
this 30th day of June, 1976
One thousand, nine hundred and Seventy-six.
Fee : Rs. 6,850/- (Rupees Six thousand eight hundred
& fifty only).



SEAL

No.
Dated :

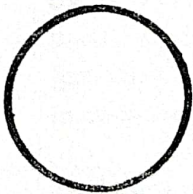
Sd/-
(KHALID MAHMOOD KHAN)
Assistant Registrar
Joint Stock Companies, Lahore

Certificate for Commencement of Business

(Pursuant to section 103 (2) of the Companies Act, 1913)

I hereby certify that the "*National Fertilizer Marketing Limited*" which was incorporated under the Companies Act, 1913, on the 30th day of June, 1976 and which has this day filed a duly verified declaration in the prescribed form that the conditions of section 103 (1) (a) to (d) of the said Act, have been complied with, is entitled to commence business.

Given under my hand at Lahore this 27th day of July, 1976,
one thousand nine hundred and seventy-six.



SEAL

Sd./ KHALID MAHMOOD KHAN
Assistant-Registrar Joint Stock Companies
Lahore

THE COMPANIES ORDINANCE, 1984 (XLVII OF 1984)

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COMPANY LIMITED BY SHARES

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MEMORANDUM OF ASSOCIATION

OF

NATIONAL FERTILIZER MARKETING LIMITED

- I. The name of the Company is "NATIONAL FERTILIZER MARKETING LIMITED.
- II. The registered office of the Company shall be situated in Punjab.
- III. The objects for which the Company is established, are :—
 1. To carry on the business of marketing, distributing, selling, exporting and acting as dealers and agents for all types of fertilizers, chemicals, chemical substances and chemical products including but not limited to chemical intermediates compounds groups, classes of chemicals and all items of a chemical nature which can be made, devised, invented, utilized, produced, released, compounded or manufacutred by themselves or in conjunction or composition with any other materials, substances or goods.
 2. To carry on the business of buyers, sellers, exporters, importers, dealers, agents, wholesalers, retailers, in all types of chemical fertilizers produced by or available from any source whatsoever and/or to prepare, finish, package, compound, devise, invent, utilize, cure or make available any such fertilizers, compounds of fertilizers or substitutes in the nature of fertilizers, in whatever form desired or devised or considered feasible by the Company.
 3. To buy and market, sell and distribute all kinds of goods and materials required for farming including insecticides, agricultural pesticides, fungicides and like agricultural chemicals or products in any shape or form and to devise, formulate, invent admix, finish package, compound, granulate or prepare any such products by themselves or in conjunction with any other materials whatsoever in any form considered appropriate or desirable by the company.
 4. To establish agencies or branches for the purchase and sale of goods of all description in Pakistan and elsewhere in the world, and to undertake the management of any company or companies, having objects altogether or in part similar to those of this Company.

5. To grow, plant, cultivate, acquire, agricultural produce of any variety or varieties on the company's own lands or on the lands of others, on such terms and conditions as the company may deem fit from time to time and advance moneys and/or loans to growers, farmers, land-owners, contractors and provide them with seeds, manure, tools, machinery and/or other facilities on such terms and conditions as the company may deem fit and to consume all or any such grown, owned or acquired agricultural produce or item in the company's own undertaking or to dispose of, supply, export or sell all or any of such commodities to any dealers, distributors, manufacturers, exporters and/or others on such terms and conditions as the company may deem fit.
6. To be appointed as principal agent or dealer for purposes of distributing chemicals or other fertilizers, pesticides, seeds and all other agricultural aids and implements.
7. To appoint principal agents, dealers, brokers, indentors, advertisers, stockists and distributors for the sale and marketing of all kinds of fertilizers, pesticides, insecticides, seeds and all other agricultural aids and implements.
8. To purchase, buy, sell, deal in or acquire interest in agricultural property, agricultural equipment or materials for the purpose of exploiting any land or area whatsoever to associate with, found, programme, execute, participate in or develop any research scheme or programmes for research stations, demonstration farms, granaries depots for agricultural products, and/or to associate with or be involved in any interest, scheme, plan or programme which has any such objects, if such association is considered desirable or conducive to the interest of the company.
9. To carry on the business of manufacturers and sellers of agricultural commodities, foodstuffs, products, preparations and like, and to prepare, finish, fashion, buy, sell or deal in all agricultural items including seeds, manures, soil conservants, chemicals and chemical substances as well as formulations/intermediates/by-products thereof and to procure, cultivate, utilise, test, conduct research on, buy, sell, deal in or act as agents for all such materials or to make them available in any form considered appropriate or desirable.
10. To carry on business as agents, selling agents, buying agents, managers, brokers, commission agents, indentors, indenting agents canvassers, advertisers, stockists and distributors for any persons, firms and companies (including without prejudice to the generality of the foregoing and in particular as importers, exporters, buyers, sellers, manufacturers, merchants, tradesmen, insurers, financiers, builders, property owners and others) and generally to undertake and carry out agency work of any kind whatsoever and transact all manner of agency, booking, commission, canvassing, distributing and advertising business.

11. To carry on the business of clearing agents, muccadums, customs agents, dubashes, stevedores, shipping agents, lighters etc., and to acquire by purchase or otherwise lands and buildings in Pakistan and elsewhere and to erect and maintain warehouses and other buildings and to carry on and undertake the storage, warehousing, packing, removal, carrying, forwarding delivery, purchase, sale, exchange, mortgaging, pledging goods and chattels of every description.
12. To carry on the business of importing, exporting, purchasing, selling, stocking, supplying, demonstrating, maintaining, hiring, manufacturing and distributing machinery, apparatus accessories and materials in connection with any of the undertaking of the Company.
13. To establish, provide, maintain and conduct, or otherwise subsidise research laboratories and experimental workshops for scientific and technical research and experiments and undertake and carry on all scientific and technical researches, experiments, and tests of all kinds so as to promote, studies and research, both scientific and technical investigation by providing, subsidising or assisting laboratories, workshops, libraries, lecturers, meetings, and conferences and by providing the remuneration of scientific or technical teachers and by providing for the award of scholarships, prizes, grants and bursaries to students or independent students or otherwise and generally to encourage, promote and reward studies, investigations, experiments, tests and inventions of any kind that may be considered likely to assist any of the business which the Company is authorised to carry on.
14. To purchase, charter, hire, build, or otherwise acquire vehicles of any or every sort or description for use on land or on water or in the air, ships, vessels, launches, flats, barges and river craft of all or any kind and to carry on the business of public carriers by land, water or air in Pakistan or elsewhere, and to take vessels, flutes, barges and other power driven craft in tow of its vessels; and the business of lighterman ; and to own trucks, lorries, bullock carts, camel carts, other carts and beats of burden, aircrafts, and use and employ the same for any business purpose, in all or any branches of the Company as the company may from time to time determine.
15. To carry on the business of warehousemen and wharfingers.
16. To sell, let, charter or otherwise dispose of the said vessels, vehicles or other property of the Company.
17. To carry on any other business whether manufacturing or otherwise which may seem to the Company capable of being conveniently carried on in connection with the above mentioned business or any of them, or calculated directly or indirectly to enhance the value of, or render profitable any of the Company's property or rights.

18. To purchase natural gas, coal, diesel oil, petrol timber, salt, kerosene oil, foodgrain and other cereal, edible oil, plant, machinery, stores, goods and merchandise, and to deal with and dispose of the same by sale or otherwise.
19. To purchase, import or otherwise deal with any raw material and machinery from any market whether in Pakistan or any part of the world.
20. To establish agencies or branches for the purchase and sale of goods of all description in Pakistan and elsewhere in the world ; and to undertake the management of any company or companies, having objects altogether or in part similar to those of this Company.
21. To purchase or otherwise acquire and undertake the whole or any part of the business, property, assets and liabilities of any person, firm, body or company carrying on any business which the company is authorised to carry on, or possessed of property suitable for the purposes of this Company.
22. To purchase, take on lease, or otherwise acquire any mines, mining rights and mateliferous land in Pakistan or elsewhere and any interest therein, and to explore, work, exercise, develop and turn to account the same.
23. To crush, win, get, quarry, smelt, calcine, amalgamate, manipulate, and prepare for market, ore, metal and mineral substances of all kinds, and to carry on any other metallurgical operations which may seem conducive to any of the objects of the Company.
24. To sell, exchange, mortgage, let on lease, royalty or tribute, grant licences, easements, opinions, and other rights over and in any other manner deal with or dispose of the undertaking, property, assets, rights and effects of the Company or any part thereof for such consideration as the Company may think fit, and in particular for stocks, shares, whether fully or partly paid-up, debentures or securities of any other company, and if thought fit to distribute the same among the members of this Company.
25. To improve, manage, develop, sell, exchange, lease, mortgage, dispose of, turn to account, or otherwise deal with the whole or any part of the property and rights of the Company.
26. To procure the Company to be registered or recognised in any foreign country or place and to take all steps which may be necessary or expedient to enable it to carry on business there.
27. To enter into partnership or into any arrangmenet for sharing profits, union of interest, co-operation, joint adventure, reciprocal concession or amalgamation with any person or Company carrying on or engaged in, or about to carry on or engaged in any business or transaction which this Company is authorised to carry on or engaged in, or any business or

transaction capable of being conducted which may, directly or indirectly, benefit this Company, and to lend money to, guarantee the contracts of, or otherwise assist, any such person or company and to take or otherwise acquire shares and securities of any such company, and to sell, hold, re-issue with or without guarantee, or otherwise deal with the same.

28. To apply for, purchase, or otherwise acquire, any patents, brevets d'invention, licence, concessions, and the like, conferring any exclusive or non-exclusive or limited right to use, or any secret or other information as to any invention which may seem capable of being used for any of the purposes of the Company, or the acquisition of which may seem calculated directly or indirectly to benefit the Company, and to use, exercise, develop or grant licences in respect of, or otherwise turn to account the property, rights or information so acquired.
29. To remunerate any person or company in any manner it shall think fit for services rendered, or to be rendered, in obtaining subscription for, or in placing or assisting to place or guarantee the placing of, or selling any of the shares in the Company's capital, or any bonds, debentures, debenture-stock, obligations or other securities of the Company, or in or about the formation of the Company or promotion of the Company or the acquisition of property by the Company or the conduct of its business.
30. To borrow or raise and secure the payment of money in particular by the issue of bonds, debentures, debenture-stock perpetual or otherwise, by mortgage or any other security, charged upon the undertaking of the Company or all or any of its property (both present and future), including its uncalled capital and the rights of the Company or without any such security and upon such terms as to priority or otherwise, and generally to borrow money in such manner as may be agreed upon between the lender and the Company, and to apply the same or any part thereof for all or any purposes of the Company.
31. To form and incorporate any company or companies, having amongst its or their objects the acquisition of all or any of the assets or control, management or development of the Company or any other object which in the opinion of the Company could or might directly or indirectly assist the Company in the management of its business or the development of its property or otherwise prove advantageous to the Company and to pay all or any of the costs and expenses incurred in connection with any such promotion or incorporation.
32. To receive money or deposit, at interest or otherwise and to lend and advance money or give credit to such persons, firms, associations or companies, and on such terms as may seem expedient, and in particular to customers and others having dealings with the Company and to guarantee the performance of contract by any such persons, firms, associations or

companies and the payment of any dividends, interest or premium payable in respect of any stock, shares or securities of any Company and to give all kinds of indemnities.

33. To invest, deposit or otherwise deal with the moneys of the Company, in such manner as may, from time to time, be determined.
34. To draw, make, accept, discount, execute or negotiate and issue cheques, promissory notes, hundies, bills, bills of lading, bills of exchange, warrants, debentures, and other negotiable or transferable instruments or securities.
35. To dispose of and deal with any shares and securities of the companies which may be acquired by this Company and in such manner as may, from time to time, be determined.
36. To establish at any place in and outside Pakistan such branch, agency and local board for managing any affairs of the Company as may be decided by the Directors, and to undertake the management supervision or control of the business affairs, or operation of any company, concern or corporation, having objects altogether or in part similar to those of this Company.
37. To create and issue different classes of shares, debentures, debenture-stock, and to redeem, cancel or accept surrender of any such shares, debentures and debenture-stock.
38. To adopt such means of making known the products and business of the Company as may seem expedient and in particular by advertising in the press, by circulars, by purchase and exhibition of works of art or interest, by publication of books and periodicals and by granting prizes, rewards and donations.
39. To establish, run and support, research institutions, laboratories, technical training centres and schools ; and grant stipends and scholarships for training abroad ; and to do all such other things which may be calculated to benefit the Company, in particular and the chemical fertilizer industry in general.
40. To establish and support or and in the establishment and support of associations, institutions, friendly cooperative and other societies, reading rooms, libraries, educational and charitable institutions, funds, trusts and conveniences calculated to benefit employees or ex-employees of the Company or the dependents or connections of such persons or connected with any town or place where the Company carries on business and to grant pensions, gratuities, bonus and allowances to such persons; and to pay towards insurance and to subscribe or contribute money to employees provident fund or for charitable or benevolent objects or otherwise, to open schools, clubs, hospitals, cooperative shops, make gardens,

parks and provide suitable quarters.

41. To aid pecuniarily or otherwise any association, body or movement having for an object the solution, settlement or the promotion of industry and trade.
42. To distribute all or any of the property of the Company among the members in specie or kind but so that no distribution amounting to a reduction in capital be made without the sanction of the Court if requisite.
43. To enter into any arrangement with the Government of Pakistan, or any local Government or any authorities, imperial, supreme, national, municipal, local or otherwise, or with any other persons, in any place where the Company may have interest that may seem conducive to the Company's objects, or any of them or to obtain from such Government authorities, or persons, any rights, privileges and concessions which the Company may think fit to obtain, and to carry out, exercise and comply with any arrangement, rights, privileges and concessions.
44. And generally to do all or any of the above things as principals, agents, contractors, trustees or otherwise, and by or through trustees, agents or otherwise and either alone or in conjunction with others, and to do and perform all such other acts and things as may, in the opinion of the Directors of the Company for the time being be incidental or conducive to the attainment of the above objects or any of them.
45. The objects set forth in any paragraph of this clause shall not, except when the context expressly so requires, be in anyway limited or restricted by reference to or inference, from the terms of any other paragraphs or the objects therein specified or the powers thereby conferred shall be deemed subsidiary or auxiliary merely to the objects mentioned in the first paragraph of this clause and the Company shall have full power to exercise all or any of the powers conferred by any part of the world and notwithstanding that the business, undertaking, property or acts proposed to be transacted, acquired, dealt with or performed do not fall within the objects of the first paragraph of this clause.

IV. The liability of the members is limited.

V. The capital of the Company is Rs. 10,000,000/- (Rupees ten million only) divided into 1,000,000 (one million) Ordinary Shares of Rs. 10/- each with the rights, privileges and conditions attaching thereto as are provided by the regulations of the Company for the time being, with power to increase and reduce the capital and to divide the shares in the capital for the time being into several classes. The rights as between various classes of Ordinary Shares, if any, as to profits, votes and other benefits shall be strictly proportionate to the paid-up value of shares.

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

Name, address and description of each Subscriber	No. of Shares taken by each Subscriber	Signature of Subscribers	Name, address and description of Witness
1. Syed Babar Ali Chairman National Fertilizer Corpn. of Pak. Ltd., Alfalah, Lahore	1		
2. Mr. Saiduddin Managing Director Pakarab Fertilizers Ltd., 15 - Dyal Singh Mansion, Shahrah-e-Quaid-e-Azam, Lahore	1		
3. Mr. I. A. K. Sherwani General Manager Pak-Saudi Fertilizers Ltd., Alfalah, Lahore	1		
4. Dr. M. Ishaque General Manager Lyallpur Chemicals and Fertilizers Ltd., Lyallpur	1		
5. Mr. S. Shahabuddin Ahmad General Manager Lyallpur Chemicals and Fertilizers Ltd., Jaranwala	1		
6. Mr. Abdul Majid Khan General Manager Hazara Urea Fertilizers Ltd. Rawalpindi	1		
7. Mr. Salahuddin Chaudhri General Manager Pak - American Fertilizers Limited, Daudkhel	1		
8. Mr. Aftab Ahmad General Manager (Technical) National Fertilizer Corp., of Pak. Ltd. Alfalah, Lahore	1		
9. Mr. F. S. Aijazuddin General Manager National Fertilizer Corp. of Pak. Ltd.	1		

Dated the _____ day of _____ 19

The Companies Ordinance, 1984 (XLVII of 1984)

Company Limited by Shares

ARTICLES OF ASSOCIATION

OF

NATIONAL FERTILIZER MARKETING LIMITED

1. The regulations contained in Table 'A' of the First Schedule to the Companies Ordinance, 1984, shall apply to this Company so far as these regulations are applicable to Public Companies, except as the same are modified, altered, replaced or added to by these Articles.

Table 'A'
to apply

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

Interpretation.

"The Ordinance" means the Companies Ordinance 1984, as amended and now in force in Pakistan, and any amendments or re-enactment thereof for the time being in force.

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

"The Board" shall mean the Directors from time to time of the Company acting at a meeting or through a Committee of Directors or pursuant to unanimous written consent.

"The Company" means National Fertilizer Marketing Limited.

"The Directors" mean the Directors of the Company appointed from time to time pursuant to these Articles including alternate Directors.

"Dividend" means the distribution of profit of the Company to its Members.

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

"The Managing Director" means the Chief Executive/Managing Director of the Company appointed from time to time pursuant to the Articles.

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

"The 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 and defined in Section 2(1)(22) of the Ordinance.

"Month" means a calendar month according to the English calendar.

"The Office" means the Registered Office of the Company.

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

"The Seal" means the Common 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 the 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 the meaning of section 2(1) (30) of the Ordinance. |
| Company not to purchase its own shares. | 4. None of the funds of the Company shall be employed in the purchase of, or lent on the security of the Company, and the Company shall not, except to the extent permitted by Section 95 of the Ordinance, give any financial assistance for the purpose of or in connection with any purchase of shares in the Company. |

CAPITAL

- | | |
|----------|--|
| Capital. | 5. The authorised capital of the Company is Rs. 10,000,000 (Rupees ten million) divided into 1,000,000 (one million) ordinary shares of Rs. 10/- each. |
|----------|--|

6. Subject to the provisions of the Ordinance, the shares shall be under the control of the Board who may allot or otherwise dispose of 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 give to any person the call of any shares and for such time and for such consideration as the Board thinks fit provided that only fully paid up shares shall be issued. Issue of shares.

7. 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 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, 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 of the same in such manner as it may consider beneficial to the Company. Increase in
Issued Capital.

8. 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 effected by any irregularity or invalidity in the proceedings in reference to the sale. Fractional shares.

9. 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 payment for any property sold or 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. Shares in part
payment.

10. 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. Evidence of
membership.

Trust not
recognised.

11. Save as herein otherwise provided, the Company shall be entitled to treat the person whose name appears on the Register of 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 other person whether or not it shall have express or implied notice thereof.

CERTIFICATES

Member's right
to certificates.

12. Every member shall be entitled without payment to receive within 2 months of allotment or 45 days of the application for registration of transfer a Certificate for all the shares registered in his name and 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 certificates shall be issued under Seal, and shall bear the signature of one director and shall be countersigned by the Secretary or by a second Director, or by some other person appointed for that purpose by the Board. 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.

Issue of New
Certificate in
place of defaced,
lost or destroyed
certificate.

13. 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 shall be given to the party entitled to such lost or destroyed Certificate.

TRANSFER AND TRANSMISSION

Register of
transfers.

14. The Company shall keep a book to be called the "Register of Transfers" and therein shall be fairly and distinctly entered the particulars of every transfer or transmission of any share.

Execution of
Transfer.

15. No transfer of shares shall be registered unless a proper instrument of transfer accompanied by the certificates of shares, is delivered to the Company. The instrument of transfer of any share shall be signed both by the transferor and the transferee and shall contain the name, address and occupation of both the transferor and the transferee and shall be duly stamped and the transferor shall be deemed to remain the holder of such shares until 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 witness who shall add his address and occupation.

16. The instrument of transfer of any share shall be in writing in the usual common form or in the following form or as near thereto as circumstances will admit:—

Form of
Transfer.

"I, of being a National of (hereinafter called the "Transferor") in consideration of the sum of Rs. (Rupees.) paid to me by S/o of a National of (hereinafter called "The Transferee") do hereby transfer to the Transferee. share(s) numbered in the undertaking called to hold the same upto the said Transferee, his (or her) executors, administrators and assigns subject to the several conditions on which I held the same immediately before the execution hereof, and I, the Transferee, do hereby agree to take the said share(s) subject to the conditions aforesaid.

Signature of the Transferor

As witness, etc".

Signature of Transferee

The Board may from time to time alter or vary the transfer form.

17. The Board shall have power on giving not less than seven day's prior notice to close the Register of Transfers for such period or periods of time not exceeding thirty days at a time nor fortyfive days in any year.
18. In the case of the death of a shareholder, the survivor, where the deceased was a joint holder, and (subject as hereinafter provided), where the deceased was a sole or only surviving holder, the executors or administrators of the deceased holding a Grant of Probate or Letters of Administration or such person or persons mentioned in any Succession Certificate effective in Pakistan, shall be the only persons recognised by the Company as having any title to the shares but nothing herein contained shall release the estate of a deceased holder (whether sole or joint) from any liabilities, (whether sole or joint), in respect of any share solely or jointly held by him. In any case in which such a Grant of Probate or Letters of Administration or Succession Certificate to the estate of a deceased sole or only surviving holder has not been obtained the Board may but shall not be bound to, recognise the title of any person claiming to be entitled to the deceased holder's share on production by such claimant of any other evidence of title as the Board may deem sufficient, and upon the claimant furnishing such indemnity, if any, as the Board may require.
19. 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 Board,

When Register
may be closed.

Transmission of
shares of deces-
ed member.

As to Survivor-
ship.

Rights of the survivo
registered as a
member or to
transfer shares.

have the right either to be a registered as a member in respect of a share or, instead of being registered himself, to make such transfer of the share as the deceased or insolvent person could have made.

Rights of survivor to receive dividends and other advantages

20. 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 advantages to which he would be entitled if he was 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 rights conferred by membership in relation to meetings of the Company.

Company not to be liable.

21. The Company shall incur no liability or responsibility whatever in consequence of its registering or giving effect to any transfer of shares made or purporting to be made by any apparent legal owner thereof (as shown or appearing in the Register) to the persons having or claiming any equitable right, title or interest to or in the same shares, notwithstanding that the Company may have had notice of such equitable right, title or interest or notice prohibiting registration of such transfer, and the Company shall not be bound or required to regard to attend or give effect to any notice which may be given to it of any equitable right, title or interest, or be under any liability whatsoever for refusing or neglecting so to do, but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto, if the Board shall so think fit.

ALTERATION OF CAPITAL

Power to increase authorised capital.

22. The Company may from time to time in General Meeting increase its authorised capital by the issue of new shares of such amount and of such designations, powers, and rights, as it thinks expedient.

Conditions of

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

Power to reduce share capital.

24. The Company may by Special Resolution reduce its share capital in any manner and with and subject to any incident authorised and consent required by law.

Power to subdivide or consolidate shares.

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

- (a) consolidate and divide all and 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.

Powers to cancel shares not taken.

BORROWING POWERS

- 26. The Board may from time to time borrow any monies for the purposes of the Company from the members or from any other persons, firms, companies, corporations, Government Agencies, institutions or banks, or the Directors may themselves lend monies to the Company and may also enter into any arrangement for obtaining loans, advances or credit as defined in the Banking Companies Ordinance, 1962 (LVII of 1962) and to issue other securities not based on interest for raising resources from a Scheduled Bank or a Financial Institution.
- 27. The Board may raise and secure payment of such sum or sums of money in such manner and upon such terms and conditions in all respects as it may think fit, and in particular by the issue of bonds, perpetual or redeemable debentures, or by mortgage or charge or other security on the whole or any part of the property assets and rights of the Company, (both present and future).
- 28. Any bonds, debentures or other securities issued or to be issued by the Company shall be under the control of the Board which may issue them upon such terms and conditions and in such manner and for such consideration as shall be considered by the Board to be for the benefit of the Company.
- 29. Any bonds, debentures or other securities may be issued at a discount premium or otherwise and with any special privileges as to redemption, surrender, drawings, convertability into shares, attending and voting at General Meetings of the Company, provided that allotment of or conversion into shares shall not be made without the consent of the Company in General Meeting.
- 30. If the Director 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.

Borrowing Powers and giving of securities.

Raising moneys.

Conditions of Bonds, etc.

Issue at discount.

Indemnity to Directors.

GENERAL MEETINGS

- 31. A General Meeting of the Company shall be held within eighteen

General Meet-

ings when to be held.

months from the date of incorporation of the Company and thereafter once at least in every calendar year with in a period of six months following the close of its financial year at such time and place as may be determined by the Board, provided that no greater interval than fifteen months shall be allowed to elapse between two such General Meetings. Such General Meetings shall be called Ordinary General Meetings and all other General Meetings of the Company shall be called Extraordinary Meetings.

Who may call Extraordinary General Meetings.

32. The Board may call an Extraordinary Meeting whenever it shall think fit. An Extraordinary Meeting may also be convened on the requisition of the Members in accordance with the provisions of Section 159 of the Ordinance.

Notice of Meetings.

33. Twenty-one clear days' notice at least of every Ordinary 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. With the notice for a meeting, the Company shall send to the members' copies of draft resolutions other than routine or procedural resolutions which are proposed for consideration in the meeting.

Special Resolutions.

34. Where it is proposed to pass a Special Resolution, at least twenty-one clear days' notice specifying the intention to propose the Resolution as a Special Resolution and specifying the date, place and hour of meeting, whether Ordinary or Extraordinary and the nature of the business, shall be given.

Waiver of notice.

35. With the consent of all Members entitled to receive notice of a Meeting, or to attend and vote at any such Meeting, a Meeting may be convened by shorter notice than specified in Article 34, in accordance with Section 2(1)36 of the Ordinance.

Omission to give notice.

36. In case in which notice of any Meeting called by the Board is given to the shareholders 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 MEETING

Quorum.

37. Three members entitled to vote and present in person or by proxy shall represent a quorum, provided they represent not less than 25% of the total voting power either of their own account or as proxies.

Who to preside at a General Meeting.

38. The Chairman of the Board 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 fifteen minutes after the time appointed for holding such Meeting or is unwilling to act,

the Directors present may choose a Chairman, and in default of their doing so, the members present shall choose one of the Directors to be 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.

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| <p>39. 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 shareholders appoint. If at such adjourned Meeting a quorum is not present, the members present personally or by proxy shall be the quorum and may transact the business for which the meeting was called.</p> | <p>Adjournment
meeting for lack
of Quorum.</p> |
| <p>40. The Chairman with the consent of the Meeting may adjourn any 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.</p> | <p>Adjournment
by Chairman.</p> |
| <p>41. 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 results of the show of hands) demanded by at least five members present in person or by proxy, 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 so 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 second or casting vote.</p> | <p>Voting on Reso-
lutions by
show of hands
and when Poll
demanded.</p> |
| <p>42. If a poll is demanded as aforesaid it shall be taken in such manner and at such time and place as the Chairman or the meeting directs, and either at once or after an interval or adjournment not exceeding 14 days 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.</p> | <p>Poll.</p> |
| <p>43. Any poll demanded on the election of a Chairman of a meeting or on any question of adjournment shall be taken at the meeting and without adjournment.</p> | <p>Poll on elec-
tion & of
Chairman
& adjournment.</p> |
| <p>44. The demand for a poll shall not prevent the continuation</p> | <p>Effect of Poll</p> |

of a Meeting for the transaction of any business, other than the question on which the poll was demanded.

Minutes. 45. Minutes shall be made in books provided for the purpose of all resolutions and proceedings at General Meeting, and any such Minutes if signed by any person purporting to have been the Chairman of the meeting or next following meeting shall be receivable as evidence of the facts therein stated without further proof.

Minute Books. 46. The Books containing Minutes of proceedings of General Meeting of the Company shall be kept at the Registered Office of the Company and shall during business hours (subject to reasonable restriction as the Board may from time to time impose but so that not less than two hours each day is allowed for inspection) be open to the inspection of any Member without charge.

VOTES OF MEMBERS

Vote of member 47. Except as provided in Article 54 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.

Representative of a corporate member. 48. 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 whether a member of the Company or not.

Manner of proxy. 49. The instrument of proxy shall be in writing under the hand of the appointer or of his Attorney duly authorised in writing, or, if the appointer is a company or corporation either under the common seal or under the hand of an officer or Attorney who may be so authorised. A person appointed as proxy need not be a member.

Irrevocable proxy. 50. Any proxy declared expressly on its face to be irrevocable shall not be revoked or be deemed revoked by the member giving such proxy without the consent of the proxy-holder, whether by attendance at any General Meeting held during the period of such proxy or by any other action on his part whatsoever or otherwise during the term of such proxy provided it is furnished to and filed with the records of the Company and the Company shall be bound to recognise and give effect to such proxy in accordance with the terms thereof.

Proxy to be deposited at registered office. 51. 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 of the Company not later than 48 hours before the time for holding the Meeting at which he proposes to vote.

52. An instrument of proxy may be in the following form, or in any other form which the Board shall approve :

Form of proxy.

I/Weofin the district of
being a Member(s) of.....
hereby appoint Mr.....of as my/our
proxy to vote for me/us and my/our behalf at the Ordinary/
Extra-ordinary (as the case may be) General Meeting of the
Company to be held on the... day of ... and at any
adjournment thereof.

As witness my/our hand this..... day of
signed by the said .. in the presence of

53. 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 before the commencement of the meeting or adjourned meeting at which the proxy is used.

Validity of proxy.

54. No objection shall be made 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 and not disallowed at such meeting or poll shall be deemed valid for all purposes of such meeting or poll.

Validity of vote

55. If any question is raised, the Chairman of the meeting shall decide on the validity of every vote tendered at such meeting in accordance with these Articles.

Chairman to decide.

DIRECTORS

56. Until otherwise determined by Special Resolution of the Company in General Meeting, the number of directors shall not be less than seven or more than nine, such number to be fixed from time to time by the Board.

Number of Directors.

57. The first Directors of the Company shall be appointed by the Subscribers to the Memorandum.

First Directors.

TERM OF OFFICE, REMOVAL AND CASUAL VACANCIES

58. On the date of the first annual general meeting of the Company, all directors of the Company for the time being who are subject to election shall stand retired from office and thereafter all such directors shall retire on the expiry of the term laid-down in Section 180 of the Ordinance; provided that the directors so retiring shall continue to perform their functions until their successors are elected. Provided further that the Directors so continuing to perform their functions shall take immediate steps to hold the election of directors and in case of any impediment report the circumstances of the case to the Registrar within fifteen days of the expiry of the term laid down in Section 180 of the Ordinance.

Election of
Directors.

59. The number of Directors determined by the Board under Article 56 shall be elected to office by the Members in General Meeting in the following manner, namely :

- a Member shall have such number of votes as is equal to the product of voting shares held by him and the number of Directors to be elected ;
- a Member may give all his votes to a single candidate, or divide them between more than one of the candidates in such manner as he may choose ;
- 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 has been so elected.
- any person who seeks to contest the election to the office of the director shall, whether he is a retiring director or otherwise file with the Company, not later than 14 days before the date of the meeting at which elections are to be held, a notice of his intention to offer himself for election as director.

Term of
Office.

60. A Director, including the Chief Executive/Managing Director, if any, shall hold office for a period of not more than three years, unless he ceases to be a Director earlier under the Articles. An election of Directors in the manner prescribed by the preceding Article, shall be held once in every three years.

Removal

61. The Company in General Meeting may, by Resolution, remove a Director from office or reduce the number of Directors, provided that any resolution to that effect shall not be deemed to have been passed if the number of votes cast against such resolution is equal to or exceeds the number of votes secured by the last

ADDITION OF CLAUSE 61-A IN THE ARTICLES
OF ASSOCIATION OF THE COMPANY

The Board considered the amendment required in the Articles of Association of the Company and resolved that Article 61-A be incorporated into the Articles of the Company as below:

Nothing in article 59, article 60 or article 61 shall apply to:

- (a) Directors nominated by a Corporation or a Company formed under any law in force and owned or controlled, whether directly or indirectly, by the Federal Government or a Provincial Government on the Board of Directors of the Company in or to which the said Corporation or Company has made investment or otherwise extended credit facilities:
- (b) Directors nominated by the Federal Government or a Provincial Government on the Board of Directors of the Company; provided that, where a Director referred to in clause (a) or (b) is nominated, such number of the votes computed in the manner laid-down in article 59 as is equal to the minimum number of votes which would have been sufficient to elect such Director if he had offered himself for election shall stand excluded from the total number of votes otherwise available at an election of the Directors to the Corporation, Company, the Federal or a Provincial Government nominating him.

Provided further that a Director nominated under this article shall hold office during the pleasure of the Corporation, Company, the Federal or a Provincial Government which nominates him.

Director declared elected at the immediately preceding election of Directors under Article 59 above.

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| 62. The continuing Directors may act notwithstanding any vacancy in their body, but if the minimum falls below the number fixed by Article 56 hereof, the Directors shall not, except for the purpose of filling a vacancy in their number or of convening a General Meeting, act so long as the number remains below the minimum. | Continuing
Director to act. |
| 63. The Directors may at any time appoint any person to be a Director to fill a casual vacancy in the Board. Any Director so appointed shall hold office for the remainder of the term of the Director he replaces. | Filling Casual
Vacancy. |

REMUNERATION

- | | |
|--|--|
| 64. Remuneration paid for attending meetings of the Board to persons other than the regularly paid Chief Executive/Managing Director and full time working directors shall not exceed Rs.1000/- per meeting. Each Director, (including each alternate Director), shall be entitled to be reimbursed his reasonable expenses incurred in consequence of his attendance at meetings of the Directors, or of Committees of Directors. | Remuneration
of Directors. |
| 65. 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 Board, are outside the scope of the statutory duties of a Director, may be paid such extra remuneration by way of salary, allowances, facilities, perquisites, etc; as the Company in General Meeting may determine. Such extra remuneration shall be subject to the restrictions, if any, imposed by the Controller of Capital Issues from time to time. | Extra remuneration may be paid to a Director. |
| 66. The qualification of a Director, (other than a person representing the Government or an institution or authority which is a member, a whole time director who is an employee of the Company, a Chief Executive or a person representing a creditor), shall be his holding at least one share of the value of Rs. 10/- in his own name. | Share qualification for Directors. |
| 67. The control of the Company shall be vested in the Board, which may pay all expenses incurred in forming and registering the Company, and may exercise all such powers of the Company as are not by the Ordinance or by these Articles required to be exercised by the Company in General Meeting, subject nevertheless to the regulations of these Articles, to the provisions of the Ordinance and such regulations, (not inconsistent with the aforesaid regulations or provisions), as may be prescribed by the Company in General Meeting shall invalidate any prior act of the Board which would have been valid if the regulation had not been made. | General Powers of Company vested in Directors. |

Borrowing
powers and
giving of
securities.

68. The Board may exercise all the powers of the Company to borrow and mortgage or charge its undertaking, property and assets, (both present and future), and unpaid capital, (whether, called up or not), and to issue debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company, or of any third party.

Minute Books.

69. The Board shall cause Minutes to be made in books provided for the purpose :—

- (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 the Board, and of Committee 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.

Powers to pay
Pension etc.

70. The Board may pay and agree to pay pensions or other retirement superannuation, death or disability benefits or allowances to any person in respect of any Director or former Director who may hold or may have held any executive office or employment under the Company, or any subsidiary company of the Company, or its holding company, (if any), and for the purpose of providing any such pensions or other benefits or allowances, may contribute to any scheme or fund and may make payments towards insurances or trusts in respect of such persons.

PROCEEDINGS OF DIRECTORS

Meeting of
Directors.

71. The Directors may meet together at least twice in a year for the despatch of business, adjourn, and otherwise regulate meetings of the Board as they think fit. The Chairman may at any time, and shall on the written requisition of two Directors at any time, summon a meeting of the Board. At least six clear day's notice must be given to all the Directors to summon a meeting of the Board, and such meeting shall set forth the purpose or purposes for which such meeting is summoned, with the consent of all the Directors entitled to receive notice of a meeting, or to attend to vote at any such meeting, a meeting of the Board may be convened by shorter notice than specified in this Article.

Quorum of
Directors
Meetings and
Powers.

72. 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 exercisable by the Board generally. Three Directors personally present shall constitute a quorum. Questions arising at any meet-

ing shall be decided by a majority of votes. In the case of an equality of votes, the Chairman of the meeting shall have a second or casting vote.

73. The Chairman of the Board 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 ten minutes after the time fixed for holding the same, the Directors present shall within fifteen minutes of the time fixed for the meeting choose one of their members to be Chairman of such meeting.

As to presiding
at Directors
Meetings.

74. All acts done by any meeting of the Board or of 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.

When acts of
meetings of the
Board or Com-
mittee valid
notwithstand-
ing defective
appointment
etc.

75. A Resolution in writing circulated to all the Directors and signed by the majority of them shall be effective as if such Resolution has been passed at a meeting of Directors duly convened and held.

Resolution by
Circulation.

76. Any Director not permanently resident in Pakistan or the Director so resident but intending to be absent from Pakistan 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 notice 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 his appointer for any reason ceases to be a Director or if and when his appointer returns to Pakistan, or if the appointee is removed from office by notice in writing under the hand of the appointer.

Power to
appoint alter-
nate Director.

COMMITTEE OF DIRECTORS

77. The Board may from time to time delegate all or any of their

Committee of
Directors.

powers to a committee or committee consisting of two or more Directors as they 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 meetings and proceedings applicable to the Directors.

CHAIRMAN AND CHIEF EXECUTIVE/MANAGING DIRECTOR

Appointment
of Chairman.

78. (a) Upon the appointment/election of Directors, the Directors shall appoint a Chairman from amongst themselves who shall be the Chairman of the Board; and determine the period for which he is to hold office.

Appointment of
Chief Executive/
Managing
Director Rem-
uneration of
Chief Executive/
Managing
Director.

- (b) The Directors may from time to time appoint one of their body to the office of Chief Executive/Managing Director for such period and on such terms as they think fit, and, subject to the terms of any agreement entered into in any particular case, may revoke such appointment. The terms of appointment of a Chief Executive/Managing Director shall be subject to the restrictions, if any, imposed by the Controller of Capital Issues from time to time. A Chief Executive/Managing Director shall receive such remuneration (whether by way of salary, commission participation in profits, allowances, perquisites etc; or partly in one way and partly in another), as the Directors may determine subject to the restrictions, if any, imposed by the Controller of Capital Issues from time to time.

Delegation to
Chief executive/
Managing
Director/Chair-
man.

79. The Directors may entrust to and confer upon the Chief Executive/Managing Director and/or the Chairman, any of the powers exercisable by them upon such terms and conditions and with such restrictions as they may think fit, and either collaterally with or to the exclusion of their own powers, and may from time to time revoke, withdraw, alter or vary all or any of such powers.

DISQUALIFICATION OF A DIRECTOR

Vacation of
Office of
Directors.

80. The office of a Director shall be vacated if :—

- (a) he is found to be of unsound mind by a Court of competent jurisdiction ; or
- (b) he has applied to be adjudged as an insolvent and his application is pending ; or
- (c) he is an undischarged insolvent ; or

- (d) he has been convicted by a court-of-law for any offence involving moral turpitude ; or
- (e) he has been debarred from holding such office under any provision of the Ordinance ; or
- (f) he has betrayed lack of fiduciary behaviour and a declaration to this effect has been made by the Court under Section 217 of the Ordinance at any time during the preceding five years; or
- (g) he or any firm of which he is a partner or any private company of which he is director, without the sanction of the Company in General Meeting, accepts or holds any office of profit under the Company other than that of a Chief Executive/Managing Director or a legal or technical adviser or a banker; or
- (h) he absents himself from three consecutive meetings of the Directors, or from all meetings of the Directors for a continuous period of three months, whichever is the longer, without leave of absence from the Directors; or
- (i) 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; or
- (j) he acts in contravention of Section 196(2) (g) of the Ordinance; or
- (k) he resigns his office by notice in writing to the Company; or
- (l) he ceases to hold, the share qualification, if any, necessary for his appointment; or
- (m) Not being an ex-officio director he is removed from office by resolution of the company in accordance with Section 181 of the Ordinance.

The appointment of an alternate Director will constitute leave of absence from the Board of Director for whom such alternate is appointed during such Director's absence.

81. Subject to the provisions of Section 214 of the Ordinance, the Directors shall not be disqualified from contracting with the Company as vendor, purchaser or otherwise, but in respect to 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 shall be a member or so interested, be liable to

Contracts with
interested
Directors

account to the Board for any profit realized by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relationship thereby established, and the nature of his interest must be disclosed by him at the meeting of the Directors at which the contract or arrangement is determined, if the interest then exists, or in any other case at the meeting of the Directors after the acquisition of the interest. No Director shall vote as a Director in respect of any contract or arrangement in which he is so interested as aforesaid and if he does so vote, his vote shall not be counted, but he shall be entitled to be present at the meeting during the transaction of the business in relation to which he is precluded from voting, although he shall not be reckoned for the purpose of ascertaining whether there is a quorum of Directors present. These provisions shall not apply to any contract by or on behalf of the Company to give to the Directors or any of them any security for advances or by way of indemnity against any loss which they or any of them may suffer by reason of becoming or being sureties for the Company. A general notice that any Director is a member of any specified company, or is a member of any specified firm, and is to be regarded as interested in any subsequent transaction with such firm or company shall be given for purposes of disclosure under this Article, but after such general notice it shall still be necessary to give special notice relating to any particular transaction with such firm or company.

Register of
Contracts.

82. A register in accordance with Section 219 of the Ordinance shall be kept by the Directors in which shall be entered particulars of all contracts, arrangements, or appointments in which the directors are interested.

Secretary.

83. The Board shall appoint a Secretary of the Company who shall perform such functions and duties as are required in these Articles or as may be directed by the Board.

THE SEAL

Custody of seal

84. The Board shall provide a Common Seal for the purposes of the Company and for the safe custody of the Seal, and Seal shall never be used except by the authority of the Board or a Committee of Directors previously given, and one Director at least shall sign (in the same manner as provided for in Article 12) every instrument to which the Seal is affixed; provided, nevertheless, that any instrument bearing the Seal of the Company and issued for valuable consideration shall be binding on the Company notwithstanding any irregularity touching any authority to issue the same. The Board shall also have power to destroy the Seal and substitute a new Seal thereof, if necessary.

DIVIDENDS AND RESERVES

Declaration of
dividends and
restrictions on
amount thereof.

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

86. The Board may from time to time pay to the members such interim dividends as appear to be justified to the profits of the Company. The Board may also pay any fixed dividends which are payable on any share of the Company half-yearly or otherwise on fixed dates, whenever such profits, in the opinion of the Board, justify that course. Interim Dividend
87. No dividends shall be paid otherwise than out of profits of the year, or any other undistributed profits from prior years. No dividend out of profits.
88. Subject to the rights of any persons entitled to share with special rights as to dividends, the profits distributed as dividends shall be distributed among the share-holders and all dividends shall be declared and paid accordingly 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. The dividend shall be distributed to the shareholders within thirty days from the date of declaration. Distribution of dividends.
89. The Board may before recommending any dividend, set aside out of the profits of the Company such sum as they 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 investment, (other than shares of the Company), as the Board may from time to time think fit. Powers of Board to create reserves.
90. If several persons are registered as joint holders of any share, any one of them may give effectual receipts for any dividends payable on the share. Receipts for dividends by joint holders.
91. No dividend shall bear interest against the Company.. No interest on dividends.
92. (a) Any dividend may be paid by cheque or warrant sent through the post to the registered address of the member or persons entitled thereto, or in the case of joint holders to any one of such 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. Payments by post.
- (b) Unclaimed dividends may be invested or otherwise used by the Board for the benefit of the Company until claimed.

CAPITALISATION

93. Any General Meeting may, upon recommendation of the Board, Capitalisation

of reserves.

resolve that any undistributed profits of the Company, (including profits carried and standing to the credit of any reserve or reserves or other special accounts or representing premiums received on the issue of shares and standing to the credit of the premium account and capital reserves arising from realised or unrealised appreciation of the assets or goodwill of the Company or from any acquisition/sale of interests in another undertaking) not required for paying the dividends of any shares issued with special rights or privileges in regard to dividend, be capitalised. Such capitalised undistributed profits and reserves shall be distributed amongst such of the shareholders as would be entitled to receive the same if distributed by way of dividend, and in the same proportions, on the footing that they become entitled thereto as capital. All or any part of such capitalised fund may be applied on behalf of such shareholders for payment in full or in part either at par or at such premium as the resolution may provide, for any unissued share or debentures of the Company which shall be distributed accordingly, and such distribution or payment shall be accepted by such shareholders in full satisfaction of their interest in the said capitalised sum.

ACCOUNTS

Books of
Account to be
kept.
Where to kept.

94. The Board shall cause to be kept proper books of Account.

95. The Books of Account shall be kept at the registered office or at such other place as the Board shall think fit and shall be open to inspection by the Directors during business hours.

Inspection by
members.

96. The Board shall from time to time determine whether and to what extent at what times and places and under what conditions or regulations 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 of inspecting any account or book or document of the Company except as conferred by law or authorised by the Board or by Special Resolution of the Company in General Meeting.

Profit and loss
account and
balance sheet.

97. Within eighteen months of the incorporation of the Company, and subsequently once at least in every year, the Directors shall cause to be prepared and lay before the Company in General Meeting a balance sheet and profit and loss account, both made up 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 Report and the Directors' report, in accordance with the provisions of the Ordinance in that behalf.

Copies of Dir-
ectors report
and balance
sheet to be
sent to members.

98. A copy of the audited balance sheet and profit & loss account or income and expenditure account together with a copy of the Auditors' Report and Director's Report shall be sent to every member of the Company at least 21 days before the meeting

at which it is to be laid before the members of the Company and shall keep a copy at the registered office of the Company during a period of at least 21 days before the meeting.

AUDIT

99. Auditors shall be appointed and their duties regulated in accordance with Sections 252 to 255 and 257 of the Ordinance.

Appointment
of Auditors
and their duties.

NOTICES

100. (1) 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 he has no registered address in Pakistan), to the address, if any, within Pakistan supplied to the Company for the giving of notices to him.

How notices to
be served on
members.

- (2) 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 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.

Service by post.

101. 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 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 mem-
bers abroad
advertising in
newspapers.

102. 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.

103. 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 any manner in which the same might have been given if the death or insolvency had not occurred.

Notice to per-
sons entitled
by transmis-
sion.

SECRECY

104. Every Director, Chief Executive, Managing Director, Manager, Auditor, Trustee, member of a 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

Secrecy.

duties, sign a declaration in the form approved by the Board pledging himself to observe strict secrecy representing all transactions of the Company with its customers and the state of accounts with individuals and in matter 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 so to do 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.

No share holders to enter the premises of the Company without permission.

105. No member or other person, (not being a Director) shall be entitled to enter the property of the Company, or to inspect or examine the Company's premises or properties of the Company, without permission of the Board or the Chief Executive/Managing Director, if any, 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 Chief Executive/Managing Director, if any, will be inexpedient in the interest of the members to communicate.

WINDING UP

Distribution of assets on winding up.

106. If the Company shall be wound up, whether voluntarily or otherwise, the Liquidators may, with the sanction of Special Resolution divide among the members in specie or kind, the whole or any part of the assets of the Company, and they, 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.

INDEMNITY

Indemnity.

107. Every Director, Chief Executive/Managing 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 Director, Chief Executive/Managing Director, Manager, Officer, Auditor, or Advisor, in defending any proceedings, whether civil or criminal, in which judgement is given in his application under Section 488 of the Ordinance in which relief is granted to him by a Court.

Individual responsibility of Directors.

108. No Director, Chief Executive, Managing 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 expenses happening to the Company through the insufficiency or deficiency of the title to any property acquired by order of the Director, Chief Executive, Managing 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 toruous act of any person with whom any money, securities or effects shall be deposited, or for any loss occasioned by any error of judgement 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.

We, the several persons, whose names and addresses are subscribed below, are 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 :

Name, address and description of each Subscriber	No. of Shares taken by each Subscriber	Signature of Subscribers	Name, address and description of Witness
1. Syed Babar Ali Chairman National Fertilizer Corpn. of Pak. Ltd., Alfalah, Lahore	1		
2. Mr. Saiduddin Managing Director Pakarab Fertilizers Ltd., 15 - Dyal Singh Mansion, Shahrah-e-Quaid-e-Azam, Lahore	1		
3. Mr. I. A. K. Sherwani General Manager Pak-Saudi Fertilizers Ltd., Alfalah, Lahore	1		
4. Dr. M. Ishaque General Manager Lyallpur Chemicals and Fertilizers Ltd., Lyallpur	1		
5. Mr. S. Shahabuddin Ahmad General Manager Lyallpur Chemicals and Fertilizers Ltd., Jaranwala	1		
6. Mr. Abdul Majid Khan General Manager Hazara Urea Fertilizers Ltd. Rawalpindi	1		
7. Mr. Salahuddin Chaudhri General Manager Pak - American Fertilizers Limited, Daudkhel	1		
8. Mr. Aftab Ahmad General Manager (Technical) National Fertilizer Corp., of Pak. Ltd. Alfalah, Lahore	1		
9. Mr. F. S. Aijazuddin General Manager National Fertilizer Corp. of Pak. Ltd.	1		

Dated the _____ day of _____ 19