LUCKY CEMENT

LCL/MFL/2015-16/

September 17, 2015

The General Manager
Karachi Stock Exchange Limited
**Karachi**

The Secretary
Lahore Stock Exchange Limited
**Lahore**

The Managing Director
Islamabad Stock Exchange Limited
**Islamabad**

Dear Sir,

**Amendments to the Articles of Association of Lucky Cement Limited**

The Board of Directors of Lucky Cement Limited at their meeting held on September 8, 2015, have resolved to recommend to the Members that a new set of articles of association be adopted by the Company in substitution for the existing articles of association. This matter will be placed before the Members at the Annual General Meeting convened for October 31, 2015.

The Board of Directors has recommended that the Company's Articles of Association be substituted for, and to the exclusion, of all the existing articles by a new set of articles of association. The new set of the articles of association updates the Company's existing Articles of Association by taking into account the several changes made in the Companies Ordinance, 1984 since the time that the Articles were last amended. These alterations, *inter alia*, enable the Company, with the approval of a special resolution to purchase its own shares, and to create a share premium account. The other alterations made are to reflect the changes in procedure incorporated into the Company Law, including submission of quarterly accounts and holding of Board Meetings through electronic communication.

A copy of the new set of articles of association is attached for your consideration.

We would appreciate it if your approval to the proposed new set of articles of association is granted as early as possible.

Yours truly,
**For: LUCKY CEMENT LIMITED**

**FAYYAZ ABDUL GHAFFAR**
**Company Secretary**

Enclosed: As stated

# THE COMPANIES ORDINANCE, 1984

# ARTICLES OF ASSOCIATION

# OF

# LUCKY CEMENT LIMITED

**A COMPANY LIMITED BY SHARES**

## PRELIMINARY

**Table 'A' not to apply.**

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.

**Interpretation.**

2. In these Articles unless there be something in the subject or context inconsistent therewith:

"the Commission" means the Securities and Exchange Commission of Pakistan.

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

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

"the Board" means the Directors for the time being of the Company

"the Company" means **LUCKY CEMENT LIMITED**.

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

“the Directors" mean the Directors of the Company appointed from time to time pursuant to these Articles and shall include alternate Directors.

“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.

"the Office" means the registered office of the Company.

"the Seal" means the Common Seal adopted by the Company.

"Chief Executive” shall mean the chief executive of the Company appointed from time to time.

“Central Depository” means a central depository as defined in clause (ca) of Section 2 of the Securities and Exchange Ordinance, 1969 (XVII of 1969), and registered with the Authority under Section 32A of that Ordinance.

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

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

"Month" and “Year” mean month and year according to English Calendar.

“Proxy” includes attorney duly constituted under a power of attorney.

“Record” includes, in addition to a written or printed form, any disc, tape, sound-track, film or other device in which sounds and/or other data are embodied so as to be capable (with or without the aid of some other instrument or machine) of being reproduced there from in audible, legible or visual form;

“Special Resolution” shall have the meaning assigned thereto by Section 2(1) (36) of the Ordinance.

"Sponsors" mean the sponsors of the Company.

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

“Redeemable Capital” and “Participatory Redeemable Capital” have the meaning assigned thereto respectively by Section 2(30A) and Section 2(25) of the Ordinance.

“in writing” and “written” includes printing, lithography writing, and other modes of representing or reproducing words in a visible form.

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

Words importing the masculine gender include the feminine gender.

Words imparting persons include any association, company, body corporate and corporations.

Words or expression contained in the Articles shall, unless inconsistent with the subject or context, have the same meanings as in the Ordinance.

The headings are inserted for convenience and shall not affect the construction of these Articles

Any reference to the superseded/rescinded statutes or regulatory authorities shall be construed to be reference to the modified/substitute statutes and regulatory authorities in place for the time being.

## REGISTERED OFFICE

**The Office.**

3. The Office shall be at such place as the Directors shall from time to time appoint.

## BUSINESS

**Directors may undertake or discontinue any business.**

4. Any branch or kind of business which the Company is either expressly or by implication authorised to undertake may be undertaken by the Directors at such time or times as they shall think fit, and further may be kept in abeyance whether such branch or kind of business may have been actually commenced or not, so long as the Directors may deem it expedient not to commence or proceed with such branch or kind of business.

## SHARES

**Power to issue shares to different classes.**

5. Subject to Section 90 of the Ordinance, and any rules in that regard made under the Ordinance, and without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares, any share in the Company may be issued with such rights and restrictions as may from time to time be determined by the Company in General Meeting.

**Redeemable shares and securities.**

6. Subject to Section 95(4)(a) of the Ordinance and any rules in that regard made under the Ordinance, the Company may issue shares which are to be redeemed or any other redeemable security, on such terms and in such manner as may be provided in the said section and rules.

**No partly paid hares to be issued.**

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

**Issue of shares at discount.**

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

**Issue of shares.**

9. Subject to any special rights or privileges for the time being attached to any issued shares the shares in the capital of the Company for the time being remaining unissued, including any new shares resulting from an increase in the authorized share capital, shall be at the disposal of the Directors who may allot or otherwise dispose of the same to such persons (subject to the provisions of Article 35), on such terms and conditions, and at such times, as they think fit with such rights and privileges annexed thereto as the resolution creating the same shall direct, and if no such direction be given, as the Directors shall determine either at par or at premium or subject to Article 8 at a discount, with power to the Directors to give any person the right to call for and be allotted shares of any class of the Company at par or at a premium or, subject as aforesaid at a discount such option being exercisable and at such times and in such manner and for such consideration, as they Directors think fit.

**Allotment of shares.**

10. As regards all allotments from time to time made, the Board shall duly comply with the directions of the Company in General Meeting and with the conditions, if any, specified in that behalf by the Commission and with such

provisions of Section 68 to 73 of the Ordinance as may be applicable to the Company.

**Shares may be issued for consideration other than.**

11. Subject to the provisions of the Ordinance the Board may allot and issue shares in the capital of the Company as payment or part of the payment for any property sold or transferred, goods or machinery supplied, or for services rendered to the Company in the ordinary course of its business, and shares so allotted shall be issued as and shall be deemed to be fully paid shares.

**Commission for placing shares etc.**

12. Subject to the provisions of Section 82 of the Ordinance, the Company may, at any time when shares or debentures or debenture-stock are offered for allotment or for sale pay a commission or brokerage to any person for subscribing or agreeing to subscribe (whether absolutely or conditionally) for any shares, debentures or debenture stock in the Company or procuring or agreeing to procure subscription (whether absolute or conditional) for any shares, debentures or debenture-stock in the Company, and the amount of commission and brokerage shall not in any event exceed such rate percent as may be prescribed by the Commission.

**Company may purchase its shares.**

13. Subject to Section 95A of the Ordinance and any rules in that regard made under the Ordinance, the Company if it is a listed company may purchase its own shares on such terms and in such manner as may be provided in the said section and rules. Except as aforesaid no part of the funds of the Company shall be employed in the purchase of its own shares.

**Trusts not recognized.**

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

**Who may be registered as shareholders.**

15. Shares may be registered in the name of any limited company or other corporate body but not in the name of a minor. Not more than four persons shall be registered as joint-holders of any shares.

**Joint shareholders.**

16. If any shares stand in the name of two or more persons, the person first named in the Register shall, as regards receipt of dividend or bonus or service of notices and all or any

other matters connected with the Company except voting at the meeting and the transfer of shares, be deemed the sole holder.

**Death of joint shareholders.**

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

**No purchase of or loan on Company's shares.**

18. Except as permitted in Section 95 and Section 95A of the Ordinance and any rules in that regard made under the Ordinance, the Company shall not purchase or otherwise acquire any of its shares or the shares of its holding company (if any), and the Company shall not, whether directly or indirectly, and whether by means of a loan, guarantee, the provision of security or otherwise, any financial assistance for the purpose of or in connection with a purchase or subscription made or to be made by any person of any shares of the Company or its holding company (if any) or give any loan upon the security of any shares of the Company or those of its holding company (if any).

## CERTIFICATES

**Members right to certificate.**

19. Every Member shall be entitled to one (1) certificate for all the shares in any particular class registered in his name and the joint holders of shares shall be entitled to one (1) certificate for all the shares in any particular class registered in their names provided that, if the Directors so approve several certificates may be issued each for one or more of such shares, but in respect of each certificate after the first, the Directors shall be entitled to charge a fee of such sum as they may determine. Every certificate of shares shall specify the number and denoting numbers of the shares in respect of which it is issued and the amount paid up thereon.

**Issue of Certificates.**

20. The certificate of title to shares shall be issued under the Seal of the Company.

**Certificates in the case of joint-holders.**

21. The Company shall not be bound to issue more than one certificate in respect of a share or shares held jointly by two or more persons and delivery of a certificate for a share to any one of joint holders shall be sufficient delivery to all.

**Evidence of Membership.**

22. (1) Any application for 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.

(2). 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 recognize any trust or benami, equitable, contingent or other claim to or interest in such shares, on the part of any other person.

**Time for issue of Certificates.**

23. Unless the conditions of issue of any shares, debentures, debentures stock or Redeemable Capital of the Company otherwise provide, the Company shall within ninety (90) days after the allotment and within forty-five (45) days (or where the transferee is a Central Depository within five (5) days) after receipt by the Company of the application for transfer of any such Shares, debentures, debenture stock or Redeemable Capital complete and have ready for delivery the certificate of all shares, the debentures and the certificate of all debenture stock allotted or transferred, or the certificate of all Redeemable Capital so issued and unless sent by post or delivered to the person entitled thereto within the period aforesaid the Company shall immediately, thereafter give notice to that person in the manner prescribed in these Articles for the giving of notices to the Members that the certificate is ready for delivery.

**Certificates lost, defaced etc.**

24. If a certificate of shares, debentures or debenture stock is proved to the satisfaction of the Company to have been lost or destroyed or, being defaced or mutilated or torn, is surrendered to the Company, and the Company is requested to issue a new certificate in replacement thereof, the Company shall, after making such enquiry as it may deem fit, advise the applicant within thirty days from the date of application the terms and conditions (as to indemnity and otherwise and as to payment of the actual expenses incurred on such enquiry and of a fee not exceeding ten rupees)[1] on which the Company is prepared to issue a new certificate and a time for compliance therewith or of the reasons why the Company is unable to issue a new certificate, as the case may be, and in the former case if the applicant shall within the time allowed comply with the terms and conditions specified by the Company shall issue a new certificate to the applicant within forty-five days from the date of application.

## TRANSFER OF SHARES

**Execution of Transfer.**

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

**Form of transfer.**

26. The instrument of transfer of any share shall be in writing in the following form appearing hereunder, or in any usual or common form which the Board may approve.

I ______________________________________________ ____________of ____________ being a_________________________National _________________ (hereinafter called the "Transferor") in consideration of the sum of Rs.___________ (Rupees______________________________ ) paid to me by __________________________ son of_____________________________ National of ________________(hereinafter called the "Transferee") do hereby transfer to the Transferee ______________________________________ share(s) numbered ________________________________________in the undertaking called **LUCKY CEMENT LIMITED** to hold unto the said Transferee, his 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 Transferor | Signature of the Transferee |
| _________________ | _________________ |

WITNESSES:

| | |
|---|---|
| _________________ | _________________ |
| (Signature) | (Signature) |
| CNIC | CNIC |
| Address | Address |

**When Directors may decline to register transfers.**

27. (1) The Board shall not refuse to register any transfer of fully paid shares unless the instrument of transfer is defective or invalid or is not accompanied by the certificate of the shares to which it relates. The Board may also decline to recognise any instrument of transfer unless the instrument of transfer is accompanied, in addition to the certificate of the shares to which it relates, by such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer.

(2) If the Board refuse to register a transfer of any shares they shall, within thirty (30) days (or where the transferee is a Central Depository within five (5) days) after the date on which the instrument of transfer was lodged with the Company, send to the transferee and the transferor notice of the refusal indicating the reason for such refusal; provided that if the Board refuse to register a transfer of shares on account of a defect in or the invalidity of the instrument of transfer, the transferee shall be entitled, after removal of such defect or invalidity

**Register May be Closed.**

28. On giving not less than seven days previous notice by advertisement in some newspaper circulating in the areas specified in Section 151 of the Ordinance the Register of Transfers may be suspended and the transfer books and the Register may be closed during such time as the Directors think fit, not exceeding in the whole forty-five days in each year but not exceeding thirty days at a time.

## TRANSMISSION OF SHARES

**Nomination.**

29. Any Member may make and deposit with the Company a nomination in writing specifying one or more eligible persons who or each of whom, in the event of the death of the Member, may be entered in the Register as the holder of such number of shares specified in the nomination for such nominee or each such nominee of which the Member remains the registered holder at the date of his death. A person shall be eligible for nomination for the purposes of this Article only if he is a spouse, parent, brother, sister or child of the Member nominating him and the applicable relationship shall be specified in the nomination in respect of each nominee. A Member may at any time by notice in writing cancel, or by making and depositing with the Company another nomination before his death vary, any nomination already made by him pursuant to this Article. In the event of the death of a Member any person nominated by him in accordance with this Article may, on written application accompanied by the relative share certificates and evidence establishing the death of the Member, request the Company to register himself in place of the deceased Member as the holder of the number of shares for which the nomination in his favour had been made and deposited with the Company, and if it shall appear to the Directors that it is proper so to do, the Directors may register the nominee as the holder of those shares in place of the deceased Member.

**Person entitled on death of Member.**

30. Subject to the provisions of Section 80 of the Ordinance, in the case of death of a Member, the survivor or survivors, where the deceased was a joint holder, and (subject as hereinafter provided), where the deceased was 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, or the nominee(s) of the Deceased Member appointed under Section 80 of the Ordinance, shall be the only persons recognized by the Company as having any title to the shares. In any case in which such a Grant of Probate or Letters of Administration or Succession Certificate to the estate of deceased sole or only surviving holder has not been obtained or a nomination was not made by the deceased as above mentioned, the Board may, but shall not be bound to, recognize 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.

**Right of survivor to receive dividends and other advantages.**

31. A person becoming entitled to share by reason of the death or insolvency of the Member shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not before being registered as 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.

**Right to survivor to be registered as a Member or to transfer shares.**

32. Any person becoming entitled to a share, in consequence of the insolvency of a member shall, upon such evidence being produced as may, from time to time be required by the Board, have the right either to be registered as a member in respect of the share or instead of being registered himself, to make such transfer of the shares as the deceased or insolvent person could have made, but the Board shall, in either case, have the same right to decline or suspend registration as they would have in the case of a transfer of the share by the deceased or insolvent person before the insolvency.

**Indemnity against wrongful transfer.**

33. The Company shall incur no liability or responsibility whatever in consequence of its registering or giving effect to a 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 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 or 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 alter capital, increase, consolidation, sub-division and cancellation.**

34. The Company may by Special Resolution and subject to compliance with the requirements of Section 92 of the Ordinance:

(a) increase the authorized share capital by such sum, to be divided into shares of such amount, as the resolution shall prescribe;

(b) consolidate and divide its share capital into shares of large amount than its existing shares;

(c) sub-divide its existing shares, or any of them, into shares of smaller amount than that fixed by the Memorandum of Association, subject nevertheless to the provisions of the Ordinance in this behalf;

(d) cancel any 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 canceled.

**When shares to be offered to existing Members.**

35. The Board may from time to time increase the issued share capital by such sum as they think fit. In respect of any intended issue of shares, the Board shall be entitled to seek the directions of the Company in General Meeting as to the persons or class of persons to whom the shares may be offered or as to any other matter relating to the issue and may offer the shares in accordance with those directions. Subject to any direction to the contrary that may be given by the Company in General Meeting, all shares intended to be issued by the Board shall, before issue, be offered to the Members strictly in proportion to the amount of the issued shares held by each Member (irrespective of class); provided that fractional shares shall not be offered and all fractions less than a share shall be consolidated and disposed of by the Company and the proceeds from such disposition shall be paid to such of the entitled Members as may have accepted such offer. Such offer shall be made by notice specifying the number of shares offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined, and after the expiration of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares offered, the Board may dispose of the same in such manner as they think fit. In respect of each such offer of shares the Directors shall comply

with the provisions of Section 86 of the Ordinance and in particular with the provisions of sub-sections (3), (4) and (5) thereof. Any difficulty in the apportionment of shares amongst the Members, shall, in the absence of any directions given by the Company in General Meeting, be determined by the Board.

**How far new shares to rank with shares in original capital.**

36. Any capital raised by the creation of new shares shall be considered part of the authorized capital and shall be subject to the provisions herein contained with reference to transfer and transmission, voting, dividend and otherwise.

**Power to reduce share capital.**

37. The Company may, by Special Resolution, reduce the share capital in any manner, but subject to any incident authorized and consent required by law.

**Share Premium Account.**

38. The share premium account maintained pursuant to Section 83(1) may, be applied by the Company:

(a) in writing off the preliminary expenses of the Company;

(b) in writing off the expenses of, or the commission paid or discount allowed on, any issue of shares or debentures of the Company;

(c) in providing for the premium payable on the redemption of any redeemable preference shares or debentures of the Company; or

(d) in paying up un-issued shares of the Company to be issued as fully paid bonus shares

## GENERAL MEETING

**Annual General Meeting.**

39. A General Meeting shall be held in accordance with the provisions of section 158 of the Ordinance, once at least in every year within a period of four (4) months following the close of its financial year and not more than fifteen (15) months after holding of its last preceding Annual General Meeting as may be determined by the Board, provided that the Company may, for any special reason and with permission of the Commission, extend the time within which such Annual General Meeting, not being the first such meeting, shall be held.

**Other Meetings.**

40. All other General Meetings of the Company, other than the Annual General Meeting, shall be called Extraordinary General Meetings.

**Extraordinary General Meeting.**

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

## NOTICE OF GENERAL MEETINGS

**Notice of Meetings.**

42. (1) Notice of a General Meeting shall be sent in the manner hereinafter mentioned at least twenty-one (21) days' (exclusive of the day on which the notice is served or deemed to be served, but inclusive of the day for which notice is given) before the date on which the meeting is to be convened, specifying the place, the day and the hour of meeting and, in case of special business, the general nature of that business, shall be given in the manner provided by the Ordinance for the general meeting to such persons as are, under these Articles or the Ordinance, entitled to receive such notices from the Company,

(2) In addition a notice of a General Meeting shall be published in at least one issue each of a daily newspaper in the English language and a daily newspaper in the Urdu language having circulation in the Province in which each stock exchange listing the shares of the Company is situated.

(3) Where any special business, that is to say business other than consideration of the accounts, balance sheet and reports of the directors and auditors, the declaration of dividend, the appointment and fixation of the remuneration of Auditors and the election of directors (all such matters being herein referred to as ordinary business) is to be transacted at a General Meeting, there shall be annexed to the notice of such meeting a statement setting out all such facts as may be material for the consideration of such business including the nature and extent of the interest, if any therein, (whether direct or indirect) of any Director, and where the item of business involves approval of any document, the time and place appointed for inspection thereof, and to the extent applicable such a statement shall be annexed to the notice also in the case of ordinary business to be transacted at the meeting.

(4) Where a resolution is intended to be proposed for consideration at a General Meeting in some special or particular form a copy thereof shall be annexed to the notice, to be dispatched to the Members and other entitled persons, convening such meeting.

(5) The notice of every General Meeting shall prominently specify that a proxy may be appointed who shall have the right to attend, demand and join in demanding a poll and vote on a poll and speak at the meeting in the place of the Member appointing him and shall be accompanied by a form of proxy acceptable to the Company.

**Conditions as to notice when Special Resolution proposed to be passed.**

43. Where it is proposed to pass a Special Resolution, at least twenty-one (21) clear days' notice specifying the intention to propose the Resolution as a Special Resolution and specifying the date, place and hour of meeting whether Annual or Extraordinary and the nature of the business, shall be given. 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 twenty-one (21) days' notice has been given.

**Shorter notice.**

44. In the event of an emergency affecting the business of the Company, an Extraordinary General Meeting may be convened by shorter notice than specified in the Article 43 with the authorization of the Registrar of Companies under the provisions of Section 159(7) of the Ordinance.

**Omission to give Notice.**

45. The accidental omission to give a notice to or non-receipt of any such notice by any Member shall not invalidate the proceedings at a meeting.

## PROCEEDINGS AT GENERAL MEETINGS

**Quorum at General Meetings.**

46. No business shall be transacted at any General Meeting unless the quorum requisite shall be present at the commencement of the business. Save for the purposes hereinafter mentioned the quorum for a General Meeting shall be ten (10) Members present in person or Proxy and entitled to vote and holding not less than twenty five percent (25%) of the voting power. A company being a Member of the Company and present by a representative duly appointed in pursuance of section 162 of the Ordinance shall be deemed to be a Member present personally for the purpose of this Article.

**Adjournment of Meeting for lack of quorum.**

47. If within half an hour from the time appointed for the meeting a quorum is not present, the meeting, if convened upon the requisition of Members shall be dissolved; in any other

case, it shall stand adjourned to the same day in the following week and at the same time and place, and if at such adjourned meeting quorum is not present within half an hour from the time appointed for the meeting, the members present, being not less than two (2), shall be the quorum.

**Chairperson of Meeting.**

48. The Chairman of the Board of Directors shall be entitled to take the Chair at every General Meeting. If there is no Chairman or at any Meeting he shall not be present within fifteen (15) minutes after the time appointed for holding such meeting or is unwilling to act, then the Directors present may elect one (1) Director of the present attendees as a Chairman, and if no Director is present or 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.**

49. The Chairman may, with the consent of any meeting at which a quorum is present (and shall, if so directed by the meeting), adjourn the meeting from time to time, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a meeting is adjourned for ten (10) days or more, notice of the adjourned meeting shall be given as in the case of an original meeting, but it shall not be necessary to specify in such notice the nature of the business to be transacted at the adjourned meeting. Save as aforesaid, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

**Voting on Resolution by show of hands and when poll demanded.**

50. (1) At any General Meeting, a resolution put to vote of the Meeting shall be decided by a show of hands, unless a poll is (before or on the declaration of the show of hands) is demanded by at least five (5) 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 having not less than one-tenth of the total voting power in respect of the resolution, or by any Member or Members present in person or by proxy and holding shares in the Company conferring a right to vote on the resolution being shares on which an aggregate sum has been paid up, which is not less than one-tenth of the total sum paid upon all shares conferring that right, and unless a poll is so demanded, a declaration by the Chairman that a Resolution has been carried 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 favor of or against such Resolution.

(2) No resolution shall be carried as being passed unless the said resolution receives the affirmative vote of a majority on a show of hands, or if a poll is demanded, a majority vote of shares outstanding and entitled to vote on the resolution at the time it is taken.

**Casting of Votes.**

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

**Poll.**

52. If a poll is demanded as aforesaid it shall be taken (subject to Section 168 of the Ordinance) in such manner and at such time and place as the Chairman of the Meeting directs, and either at once or after an interval or adjournment of not more than fourteen (14) days from the day on which the poll is demanded, and the results of the poll shall be deemed to be the resolution of the Meeting at which the poll was held. The demand for a poll may be withdrawn at any time by the person or persons who made the demand.

**Poll on election of Chairman and Adjournment.**

53. 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.

**Effect of demand for poll.**

54. 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.

**Minutes.**

55. The Directors shall cause minutes to be duly entered in a book or books provided for the purposes. Any such minutes of any meeting of the Directors or the Company, if purporting to be signed by the Chairman of such meeting or by Chairman of the next succeeding meeting, shall be received as prima facie evidence of the matters stated in such minutes.

**Inspection of the Minutes Books.**

56. The books containing Minutes of proceedings of General Meetings of the Company shall be kept at the Office of the Company and shall, during business hours (subject to reasonable restrictions as the Board may from time to time impose but so that not less than two (2) hours each day is allowed for inspection), be open to the inspection of any Member without charge.

## VOTES OF MEMBERS

**Right to vote.**

57. Except as to voting for the election of Directors as provided in Article 70, every Member entitled to vote and be present in person or by proxy shall have only one (1) vote, and upon a poll every Member entitled to vote and be present in person or by proxy shall have one (1) vote for every share conferring voting rights as aforesaid held by him.

**Corporation acting by representative.**

58. Any company or other corporation which is a Member of the Company may by resolution of its directors or other governing body authorise such person as it thinks fit to act as its representative at any meeting of the Company or of any class of Members of the company, and the person so authorised shall be entitled to exercise the same powers on behalf of the company or corporation which he represents as that company or corporation could exercise if it were an individual Member of the Company, present in person. The production before or at the meeting of a copy of such resolution purporting to be signed by a director or the secretary of such company or corporation and certified by him as being a true copy of the resolution shall be accepted by the Company as sufficient evidence of the validity of the appointment of such representative. A company or corporation which is a Member of the Company but which is not resident in Pakistan may appoint a representative as aforesaid by cable, telex message, facsimile transmission or electronic mail which, if purporting to be sent by such company or corporation, need not be certified as a true copy as aforesaid.

**Person entitled to vote by Transmission.**

59. Any person entitled under Article 29 to transfer any shares may vote at any General Meeting in respect thereof in the same manner as if he were the registered holder of such shares, provided that forty-eight hours at least before the time of holding the meeting or adjourned meeting as the case may be at which he proposes to vote he shall satisfy the Board of his right to transfer such shares, or the Board shall have previously admitted his right to vote at such meeting in respect thereof.

**Joint Holders.**

60. Where there are joint registered holders of any share any one of such persons may vote at any meeting either personally or by proxy in respect of such share as if he were solely entitled thereto; and if more than one of such joint-holders be present at any meeting either personally or by proxy, that one of the said persons so present whose name stands first on the Register in respect of such share shall alone be entitled to vote in respect thereof. Several executors or administrators of a deceased member in whose name any share stands shall for the purposes of this Article be deemed joint-holders thereof

**Member of unsound mind.**

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

**Objections to votes.**

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

**Poll by proxy.**

63. On a poll, votes may be given either personally or by proxy; provided that no body corporate shall vote by proxy as long as a resolution of its directors in accordance with the provisions of Article 58 is in force.

**Proxy to be in writing.**

64. Every proxy shall be appointed in writing under the hand of the appointer or by an agent duly authorized under Power of Attorney or if such appointer is a company, corporation, or foundation under the common seal of the company, corporation or foundation or the hand of its attorney who may be appointer. A proxy need not be a Member of the Company.

**Filing of instrument of Proxy.**

65. The instrument appointing a Proxy and the power of attorney or other authority (if any), under which it is signed or a notarized certified copy of that power or authority, shall be deposited or received at the Office not less than forty-eight (48) hours before the time for holding or adjourning (as the case may be) the meeting at which the person named in the instrument proposes to vote, but no instrument appointing a Proxy shall be valid after the expiration of twelve (12) months from the date of its execution unless specifically so stated on the Proxy itself. An instrument appointing a Proxy may be cancelled at any time by the appointer or by his attorney duly authorised in writing and a new Proxy may be issued in the name of the same appointee or a new appointee; otherwise the Proxy shall be valid until cancelled or modified by the appointer, subject to the above expiration period of twelve (12) months.

**Form of Proxy.**

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

I/We ________________________________________ of ________________ in the district of ______________ being a Member(s) of LUCKY CEMENT LIMITED hereby appoint Mr. ___________________________ of______________ as my/our proxy to vote for __________________________ me/us and on my/our behalf at the Annual/Extraordinary (as the case may be) General Meeting 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 ___________________.

As witness my hand this [•] day of 20[•].

__________________

[•]

**Validity of Proxy.**

67. 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 or the adjourned Meeting at which the proxy is used.

**Validity of Vote.**

68. No objection shall be made to 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 dis-allowed at such Meeting or poll shall be deemed valid for all purposes of such Meeting or poll.

## DIRECTORS

**Number of Directors.**

69. The number of Directors shall not be less than seven (7). Subject to the said minimum, the Board shall fix the number of elected Directors of the Company not later than thirty-five (35) days before the convening of the General Meeting at which directors are to be elected, and the number so fixed shall not be changed except with the prior approval of the General Meeting of the Company.

## ELECTION, TERM OF OFFICE, REMOVAL AND CASUAL VACANCIES

**Election of Directors.**

70. (1) After the first appointment of Directors, the number of elected Directors fixed by the Board under Article 69 shall be elected to office by the members in General Meeting, unless the number of candidates is not more than the number of Directors to be elected, in the following manner, namely:

a) 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;

b) 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; and

c) the candidate who gets the highest number of votes shall be declared elected 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 selected.

(2) No person, whether a retiring Director or otherwise, shall be eligible for election as a Director unless notice of his candidature for election has been lodged in writing at the Office not less than fourteen (14) days before the date of the meeting at which an election of Directors is to take place.

(3) Where the number of candidates is equal to or less than the number of Directors to be elected, it will not be necessary to hold an election as laid down in paragraph (i) above of this Article and all candidates shall be deemed to have been elected under this Article.

**Term of Office.**

71. A Director elected under Article 70 shall hold office for a period of three (3) years, unless he resigns, becomes disqualified from being a Director or otherwise ceases to hold office earlier under these Articles. An election of Directors in the manner prescribed by the preceding Article shall be held once in every three years. A retiring Director shall be eligible for re-election.

**Removal of Directors.**

72. The Company may by resolution in General Meeting remove a Director appointed under Article 73 or elected in the manner provided for in Article 70, provided that a resolution for removing a Director shall not be deemed to have been passed unless the number of votes cast in favour of such a resolution is not less than:

(a) the minimum number of votes that were cast for the election of a Director at the immediately preceding election of Director, if the resolution relates to removal of a Director elected in the manner provided in or under Article 70; or

(b) the total number of votes for the time being computed in the manner laid down in Article 70 divided by the number of Directors for the time being if the resolution relates to removal of a

Director appointed under Article 70 and 73.

**Filling casual vacancy.**

73. 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 in whose place he is appointed.

**Remuneration of Directors.**

74. The remuneration of the Directors (other than Chief Executive Officer and whole time working Directors) shall from time to time be determined by the Board in accordance with the applicable regulations and laws for the time being in force. Further, the remuneration of a Director for attending meetings of the Directors shall from time to time be determined by the Directors. A Director may also be paid all travelling, hotel and other expenses properly incurred by him in attending and returning from meetings of the Directors or any committee of Directors or General Meetings of the Company or in connection with the business of the Company.

**Remuneration of extra/special-services.**

75. (1) Any Director who serves on any committee of directors 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 Board of Directors of the company may determine.

(2) 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, 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 insurance or trusts in respect of such person.

## POWERS OF DIRECTORS

**General Powers.**

76. The control of the Company shall be vested in the Board and the business of the Company shall be managed by 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 but no regulation made by the Company in General Meeting shall

invalidate any prior act of the Board which would have been valid if these regulations had not been made.

**Specific Powers.**

77. Without prejudice to the general powers conferred above to any other powers or authorities conferred by these presents on the Directors, and subject to the provisions of Section 196 of the Ordinance, it is hereby expressly declared that the Directors shall have the following powers, that is to say, power:

(a) To pay the costs, charges and expenses preliminary and incidental to the promotion, formation, establishment and registration of the Company and also to pay to the Sponsors all costs and charges they may have incurred in acquiring properties, machinery or other rights which the Company may take over from them;

(b) To establish the main policies of the Company and for defining and establishing the areas of authority and responsibility of the Chief Executive and any Director empowered to oversee project of the Company in the performance of their respective duties;

(c) To purchase or otherwise acquire for the Company any property, rights or privileges which the Company is authorized to acquire at such price and generally on such terms and conditions, as they think fit; and subject to the provisions of Section 196(3) of the Ordinance to sell, let, exchange or otherwise dispose of, absolutely or conditionally, and for such consideration as the Directors may think fit;

(d) At their discretion to pay for any property, rights or privileges acquired by or services rendered to the Company either wholly or partially in cash or shares, (subject to Section 86 of the Ordinance) bonds, debentures or other securities of the Company, and any such shares may be issued as fully paid up and any such debentures or other securities may be either specifically charged upon all or any part of the property of the Company or not so charged;

(e) To secure the fulfillment of any contract, agreements entered into by the Company by mortgage or charge on all or any of the property of the Company for the time being or in such manner as they think fit;

(f) To appoint and at their discretion, remove or suspend such agents, managers, secretaries, officers, legal advisers, clerks and services as the Directors may from time to time think fit and to determine their powers and duties and fix their salaries or emoluments and to require security in such instances and for such amount as Directors think fit; and to send any such persons to foreign countries, for technical, education or otherwise for the purpose of the Company's business and pay all expenses thereof on such terms as the Directors may think fit;

(g) To appoint any person or persons (whether incorporated or not) to accept and hold in trust for the Company any property belonging to the Company or in which it is interested or for any other purposes and to execute and do all such acts and also all such deeds, documents and things as may be required in relation to any such trust and to provide for the remuneration of such trustee or trustees;

(h) To from time to time and at any time by power of attorney appoint any company, firm or person or body of persons, whether nominated directly or indirectly by the Directors, to be the attorney or attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Directors under these Articles) and for such period and subject to such conditions as they may think fit, and any such powers of attorney may contain such provisions for the protection and convenience of persons dealing with any such attorney as the Directors may think fit and may also authorise any such attorney to delegate all or any of the powers, authorities and discretions vested in him; and without prejudice to the generality of the foregoing any such power of attorney may authorise the attorney to institute, conduct, defend, compromise, settle or abandon any legal proceedings by or against the Company, whether generally or in any particular case.

(i) To refer any claims or demands by or against the Company to arbitration and observe and perform or resist the awards;

(j) To appoint agents and Attorneys and grant powers of attorneys to the Chief Executive or any other Officer of the Company;

(k) To establish the organizational set up of the Company and powers, authorities and functions of its departments;

(l) From time to time, to provide for the management of the affairs of the Company either in different parts of Pakistan or elsewhere in such manner as the Directors think fit, and in particular to establish branch offices and to appoint any person to be the attorneys or agents of the Company with such power (including power to sub-delegate) and upon such terms as may be thought fit;

(m) Subject to the provisions of the Ordinance to invest any of the surplus moneys of the Company upon such securities (not being shares in the Company) and in such manner as the directors think fit, and from time to time vary or realize such investments;

(n) To execute in the name and on behalf of the Company in favour of any Director or other person who may incur or be about to incur personal liability for the benefit of the Company such mortgages of the Company's property (present or future) as the Directors think fit, and any such mortgage may contain a power of sale and such other powers, covenants and provisions as shall be agreed upon;

(o) To give to any person employed by the Company, as remuneration for their services a commission on the profit of any particular business or transaction. Such commission shall be treated as part of the working expenses of the Company;

(p) From time to time, vary and repeal by laws for the regulation of the business of the Company, its officers and servants;

(q) To enter into all such negotiations and contracts and rescind and vary all such contracts and execute and do all such acts, deeds and things in the name and on behalf of the Company as such may consider expedient for or in relation to any of the matters aforesaid or otherwise for the purposes of the Company;

(r) To establish, maintain, support and subscribe to any charitable or public objects, and any institution, society, or club which may be for the benefit of the company or its employees or may be connected with any town or place where the Company carries on business, to give pensions, gratuities, bonuses or charitable aid to any person or persons who have served the Company, or to the wives, children or dependents of such person or persons that may appear to the Directors just or proper, whether any person, his widow, children or dependents have or have not a legal claim upon the Company;

(s) Subject to the provisions of Section 227 of the Ordinance, before recommending any dividends, to set aside portions of the profits of the Company to form a fund to provide for such pensions, gratuities, compensation, or to create any Provident or Benefit Fund in such manner as the directors may deem fit; and

(t) To make and alter rules and regulations concerning the time and manner of payment of the contribution of the employees and the Company respectively to such fund and the accrual, employment, suspension and forfeiture of the benefits of the said fund and the application and disposal thereof, and otherwise in relation to the working and management of the said fund as the Directors shall from time to time think fit.

## MINUTES

**Minutes.**

78. (1) The Board shall cause minutes to be made in books provided for the purposes or as an Electronic Record, of:

(a) of the names of Directors present at each meeting of the Board or any committee of the Directors.

(b) of all resolutions and proceedings at all meetings of the Company, and the Board, and of the Committee of Directors.

(c) of appointments of officers made by the Directors.

(2) Any such minutes of any meeting of Board or of a Committee of Directors or of the Company, if signed by the Chairman of such Meeting or of the next succeeding Meeting, shall be receivable as evidence of the matters started in such Minutes.

(3) Every Director present at any Meeting of Directors shall sign his name in a Book or Electronic Record to be kept for that purpose.

## PROCEEDINGS OF DIRECTORS

**Meetings of Directors.**

79. The Directors may meet together once in each quarter of a year, for the dispatch 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 requisitions of the Chief Executive, or of any two (2) Directors summon a meeting of the Board. At least seven (7) days' notice must be given to all directors of a meeting of the Board, and such notice shall set forth the purpose or purposes for which such meeting is summoned, and such notice shall be sent by first class postage to those Directors resident in Pakistan and by registered air mail to those not so resident. In all cases such notices must be confirmed by telex or facsimile to each Director. With the consent in writing of all the Directors entitled to receive notice of a meeting or to attend or vote at any such meeting, a meeting of the Board may be convened by shorter notice than specified in this Article. Any Director may waive notice in writing of the time, place and purpose of any meeting before, at or after such meeting. Board meetings shall be held as frequently as the Board shall determine but not less than four (4) meetings shall be held in each year.

**Quorum of Director's meetings.**

80. A meeting of 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 or by or under any law vested in or exercisable by the Board generally. Except as hereinafter provided, one third of the total number of Directors or four (4), whichever is greater, shall constitute a quorum. If there is no quorum at a meeting properly called the meeting of the Board will be adjourned for fourteen (14) days. Questions arising at any meeting shall be decided by a majority of votes cast by Directors at such meetings either in person or by their alternates, save for resolutions passed pursuant to Article 86.

**Directors may act notwithstanding vacancy.**

81. The continuing Directors may act notwithstanding any vacancy in their body so long as their number is not reduced below the number fixed by or pursuant to these Articles as the necessary quorum of Directors. If a Director or Alternate Director present at a meeting is also an Alternate for one or more other Directors all the Directors whom he represents shall be deemed to be present at such meeting and the Director or Alternate Director personally present shall be entitled to exercise all the votes of the other Directors whom he represents.

**Who to preside Over Directors' meetings.**

82. 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, then the Directors present shall within fifteen minutes of the time fixed for the meeting choose one (1) of their members to be Chairman of such meeting.

**When acts of meetings of the Board or Committee valid notwithstanding defective appointment.**

83. All acts done by any meetings 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 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: Provided that as soon as any such defect has come to notice, the Director or other person concerned shall not exercise the right of the office till the defect has been rectified.

**Resolution by Circular.**

84. Subject to Section 196 of the Ordinance, a resolution in writing, signed by a majority of the Directors or by all the members of a committee shall be as valid and effectual as if it had been passed at a meeting of the Directors, or as the case may be of such committee, duly called and constituted. Such resolution may be contained in one document or in several documents in like form each signed by one or more of the Directors or members of the committee concerned. A cable or telex message or facsimile transmission or electronic mail sent by a Director or a member of the committee shall be deemed to be a document signed by him for the purposes of this Article.

**Meetings by way of electronic communication.**

85. Subject to any rules framed under or any regulations or directives issued pursuant to the Ordinance, Directors or Members of a Committee may participate in a meeting of the Directors or a Committee of Directors by means of any communication equipment whereby all persons participating in the meeting can speak to and hear each other. Participation in a meeting in this manner shall be deemed to constitute presence of such Director at such meetings for the purposes of constituting a quorum. Meetings will be treated as taking place where the largest group of the Directors are or, if there is no such group, where the Chairman of the meeting is.

## ALTERNATE DIRECTORS

**Power to appoint alternate Directors.**

86. A Director who is about to leave or is absent for a period of three months or more from Pakistan may with the approval of the Directors appoint any person who is eligible under Section 187 of the Ordinance for appointment as a Director to be an Alternate Director during his absence from Pakistan and such appointment shall have effect and such appointee, whilst he holds office as an Alternate Director, shall be entitled to exercise in place of his appointer all the functions of his appointer as a Director of the Company but he shall ipso facto vacate office as and when his appointer returns to Pakistan or vacates office as a Director or removes the appointee from office. Any appointment or removal under this Article shall be effected by notice in writing under the hand of the Director making the same. Such Alternate Director may be one of the Directors of the Company. In such case he shall be entitled to act in both capacities including the right to vote on

behalf of his appointer in addition to his own right to vote. An Alternate Director need not hold any share qualification.

## BORROWING POWERS

**Borrowing Powers.**

87. (1) Subject to the provisions of Section 196(2) of the Ordinance, the Board may, from time to time, obtain any finance (as defined under the Banking Companies Ordinance, 1962 (LVII of 1962) or borrow any moneys for the purposes of the Company from banks and financial institutions and from other persons under any permitted system of financing,, whether providing for payment of interest or some other form of return, and in particular the Directors may raise money on the basis of mark-up on price, musharika, mudaraba or any other permitted mode of financing, and without prejudice to the generality of the foregoing the Directors may exercise all or any of the powers of the Company arising under Section 19(2) of the Ordinance, provided however, that the above power of the Board shall not entitle the Company to carry on the business of a banking/finance/investment company.

(2) The Directors may exercise all the powers of the Company to raise money otherwise than by the issue of shares and to mortgage or charge its undertaking or property or any part thereof and to issue debentures and other securities whether outright or as security for any obligation or liability or debt of the Company or of any third party;

(3) Subject to the provisions of Article 87(2) in regard to the issue of securities the Directors may exercise all or any of the powers of the Company arising under Sections 19(2), 87 and 120 of the Ordinance and in particular the Directors may issue any security as defined in Section 2(1)(34) of the Ordinance or may issue any instrument or certificate representing redeemable capital as defined in Section 2(1)(30A) of the Ordinance or participatory redeemable capital as defined in Section 2(1)(25) of the Ordinance

## COMMITTEES OF DIRECTORS

**Committees of Directors.**

88. The Board may from time to time delegate such of its powers as are not required to be exercisable at a Meeting, to a Committee or Committees consisting of one (1) or more Directors, as it thinks fit. Any Committee so formed shall conform to any regulations that may be imposed upon it by the Board and shall have such quorum as may be prescribed by the Board.

# CHIEF EXECUTIVE

**Appointment of the Chief Executive.**

89. The Company shall have an office of Chief Executive which shall be filled from time to time by the Directors who may appoint a Director or (subject to Section 201 of the Ordinance) any other person to be the Chief Executive of the Company for a period not exceeding three years and on such terms and conditions as the Directors may think fit, and such appointment shall be made within fourteen days from the date on which the office of Chief Executive falls vacant. Prior to each such appointment the Company shall secure as required by Section 184 of the Ordinance in the form prescribed for this purpose, the consent and certificate of the person concerned to act as the Chief Executive of the Company and if appointed within fourteen days of such appointment file such consent with the Registrar of Companies. If the Chief Executive at any time is not already a Director he shall be deemed to be a Director of the Company notwithstanding that the number of Directors for the time being fixed in accordance with Article 69 shall thereby be increased. The Chief Executive may be removed from office in accordance with the provisions of Section 202 of the Ordinance.

**Remuneration of Chief Executive**

90. A Chief Executive shall be appointed on such terms, and shall receive such remuneration (whether by way of salary, commission, participation in profits, allowances perquisites etc., as the Board may determine

**Powers of Chief Executive.**

91. The Board shall delegate to the Chief Executive such of its powers, authorities and discretion as are necessary for and consistent with the effective management of the Company by the Chief Executive including:

(i) within the parameters of the annual financing plan and budget as agreed to by the Board to exercise the overall control, discretion, administration and supervision of all the activities and day to day affairs of the Company including the conduct of its business, and the custody and maintenance of its properties, assets, records and accounts.

(ii) within the parameters of the annual financing plan and budget as agreed to by the Board, to manage, conduct, transact and carry on the business of the Company and in connection therewith negotiate, execute, and effect all such agreements, contracts and instruments as may be necessary or desirable for the management of the affairs of the Company.

(iii) within the overall parameters approved by the Board, to appoint and dismiss officers and employees of the Company, and engage and appoint from time to time persons, consultants, firms and companies for such purposes in connection with the business and affairs of the Company as deemed necessary and at such remuneration and with such powers as considered fit and to revoke such appointments and appoint others as deemed fit.

(iv) subject to the provisions of the Ordinance, to demand, sue for, enforce payment of and receive and give effectual receipts and discharges for all monies, securities, debts, goods and chattels of or to which the Company is now or may hereafter become possessed or entitle or which are or may become due owing payable or transferable to the Company in or by any right, title or means, however, from any person or corporation.

(v) within the ceiling laid down by the Board, to borrow from time to time any monies for the purposes of the Company from the Members or Directors or from any other person, firms, companies, corporations, Government agencies, institutions or banks.

(vi) to enter into arrangements with any Government, whether Federal or Provincial or any authority whether local or municipal or otherwise and to obtain from any such Government or authority any rights, privileges, licenses or concessions and to carry out exercise or comply with the same.

(vii) to open, maintain, draw upon, and close such banking accounts with any bank in the name of the Company and on behalf of the Company in connection with the affairs of the Company in Pakistan as may be necessary.

(viii) to authorize a Director or officer or any person to appear before the appropriate registration authorities under the Registration Act, 1908 and the Companies Ordinance, 1984 and present and complete for registration any deeds, notices, contracts, instruments, returns or forms or documents, and to admit execution thereof, and pay registration fees and other charges and give and obtain receipts and receive the said deeds, notice, contracts, instruments or documents, which may have been deemed necessary or expedient to register.

(ix) to make and give receipts, releases and other discharges for monies payable to the Company and for the claims and demands of the Company.

(x) to determine from time to time who shall be entitled to sign on the Company's behalf, bills, notes, receipts, acceptances, endorsements, cheques, dividend warrants, releases, contracts and documents and to give the necessary authority for such purpose.

(xi) to do all such other acts, matters and things in connection with and incidental to any of the aforesaid purposes.

## DISQUALIFICATION OF DIRECTORS

**Vacation of Office of Directors.**

92. The office of a Director shall ipso facto be vacated if:-

(a) he becomes ineligible to be appointed as a Director on any one or more of the grounds specified in Section 187 of the Ordinance, or

(b) he absents himself from three (3) consecutive meetings of the Directors or from all the meetings of the Directors for a continuous period of three (3) months whichever is the longer without leave of absence from the Directors;

(c) he or any firm for which he is partner or any private company of which he is a director;

(i) without the sanction of the Company in General Meeting accepts or holds any office of profit under the Company other than that of chief executive or a legal or technical adviser or a banker; or

(ii) accepts a loan or guarantee from the company in contravention of Section 195 (if applicable in terms of that Section).

(d) he resigns his office by notice in writing to the Company;

(e) being an employee of the company, he ceases to be employed by the Company.

(f) he fails to obtain within two months from the effective date of his appointment or at any time thereafter ceases to hold, the share qualification necessary for his appointment

## SECRETARY

**Secretary**

93. The Secretary shall be appointed by the Directors for such term, at such remuneration and upon such conditions as they may think fit; and any Secretary so appointed may be removed by them.

## THE SEAL

**The Seal.**

94. The Directors shall provide for the safe custody of the seal which shall only be used by the authority previously given of the Directors or of a committee of the Directors authorized by the Directors in that behalf; and every instrument, to which the Seal shall be affixed shall either be signed by one Director and countersigned by the Secretary or by a second Director or by some other person appointed by the Directors for the purpose or be signed by the Chief Executive alone, but so that the Directors may by resolution determine, either generally or in any particular case, that the signature of the Chief Executive, any Director and/or Secretary may be affixed by some mechanical means to be specified in such resolution including without limitation by printing, lithography or stamping or, in the case of certificates of shares, stock, debentures or debenture stock, without any signature. The provisions of Section 213 of the Ordinance shall apply to the use of the official seal.

## DIVIDENDS AND RESERVES

**Declaration of Dividends.**

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

**Interim dividends.**

96. 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.

**Dividends payable out of profits.**

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

**Period for payment of dividend.**

98. All dividends shall be paid within the periods specified in Section 251 of the Ordinance or as the Commission may, from time to time, specify.

**Powers of Board to create reserve.**

99. The Board before recommending any dividend, may 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 debt obligations, or contingencies, or for equalizing dividends, or for any other purpose to which the profits of the Company may properly be 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.

**Right to dividends and appointment.**

100. All dividends shall be declared and paid according to the amounts paid on the shares. All dividends shall be apportioned and paid proportionally to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.

**Effect of transfer.**

101. A transfer of shares shall not pass the right to any dividend declared thereon after such transfer and before the registration of the transfer.

**Receipts for dividends by joint holders.**

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

**No interest on dividends.**

103. No dividend shall bear interest against the Company.

**Carrying forward of profits.**

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

**Payment by post.**

105. Unless otherwise directed, dividend shall be paid by the Company by cheque or warrant sent through the post or through courier or through such other means as may generally or specially be permitted by the Commission, at the registered address of the Member or person entitled thereto, or in the case of joint holders to any one (1) 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 or to such banker or financial institution, 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. Any one of two or more joint-holders may give effectual receipts for any dividends payable in respect of the shares held by them as joint-holders.

**Unclaimed dividends.**

106. All dividends unclaimed for one year after having been declared may be invested or otherwise made use of by the Directors for the benefit of the Company until claimed and the Company shall not be constituted a trustee in respect thereof.

**Payment of dividends in specie.**

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

## CAPITALIZATION OF PROFITS

**Capitalization of reserves.**

108. The Company in General Meeting may, upon recommendation of the Board, resolve that any undistributed profits of the Company, (including profits carried and standing to the credit of any reserves or other special accounts or representing premiums received on the issue of shares and standing to the credit of the share premium account and capital reserves arising from realized or unrealized appreciation of the assets or goodwill of the Company or from any acquisition/sale of interest in other undertakings) be capitalized and accordingly such sum be set free for distribution amongst the Members who would be entitled thereto if distributed by way of dividend and in the same proportions on condition that the same be not paid in cash but be applied either in or towards paying up any amounts for the time being unpaid on any shares held by such Members respectively or paying up in full unissued shares or debentures of the Company to be allotted and distributed credited as fully paid up to and amongst such Members in the proportion aforesaid, or partly in the one way and partly in the other, and the Directors shall give effect to such resolution.

**Effect of Resolution to capitalize.**

109. Whenever such a resolution as aforesaid shall have been passed the Board shall make all appropriations and applications of the undivided profits resolved to be capitalized thereby, and all allotments and issues of fully paid shares or debentures if any and generally shall do all acts and things required to give effect thereto, with full power to the Board to make such provision as they think fit for the case of shares or debentures becoming distributable in fractions and also to authorize any person to enter on behalf of all the Members entitled thereto into an agreement with the Company providing for the allotment to them respectively, credited as fully paid up, of any further shares or debentures to which they may be entitled upon such capitalization, or (as the case may require) for the payment up by the Company on their behalf, by the application thereto of their respective proportions of the profits resolved to be capitalized, of the amounts or any part of the amounts remaining unpaid on their existing shares, and any agreement made under such authority shall be effective and

binding on all such Members. The Directors may, if they think fit, make provision for the registration of any or all of such shares as aforesaid in the names of such persons as the Members entitled thereto may in writing request.

## ACCOUNTS

**Board to keep accounts.**

110. The Board shall cause to be kept proper books of account with respect to:-

(a) all sums of money received and expended by the Company and the matters in respect of which the receipts and expenditures take place;

(b) all sales and purchases of goods by the Company;

(c) all assets of the Company;

(d) all liabilities of the Company; and

(e) where the provisions of Section 230(1) (e) of the Ordinance are applicable, such particulars relating to utilisation of material or labour or to other inputs or items of cost as may be prescribed.

**Where accounts to be kept.**

111. The books of account shall be kept at the Office or at such other place in Pakistan as the Board may decide and shall be open to inspection by the Directors during business hours. If the Directors decide to keep the books of account at a place other than the Office they shall comply with the directions contained in the proviso to Section 230 (1) of the Ordinance.

**Inspection by members.**

112. The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the accounts and books or papers of the Company or any of them shall be open to inspection of Members not being Directors, and no member (not being a Director) shall have any right of inspection of any account and books or papers of the Company except as conferred by law or authorized by the Board or by the Company in General Meeting.

**Annual Accounts and Reports.**

113. (1) Subject to the provisions of Section 233 of the Ordinance the Directors shall arrange to place before the Annual General Meeting of the Company in every year a duly audited balance sheet and profit and loss account, conforming to the requirements of Sections 234, 237, 238 and 240 of the Ordinance and made upto a date not more than four months before the date of such meeting and having the auditor's report attached thereto, and a report of the Directors, conforming to the requirements of Section 236 of the Ordinance.

(2) Every such balance sheet shall be accompanied by a report of the Directors as to the state and condition of the Company and as to the amount (if any) which has been paid or which they recommend to be paid out of the profits by way of Dividend to the Members, and the amount (if any) which they have carried or propose to carry to reserve according to the provisions in that behalf hereinbefore contained, and the report and balance sheet shall be Signed by the Chairman and Chief Executive Officer. When the Chief Executive Officer is for the time being not in Pakistan, the report and balance sheet shall be signed by not less than two (2) Directors in accordance with section 241 of the Ordinance. The balance sheets and the profit and loss accounts which are to be laid before the Company in a General Meeting shall contain the particulars prescribed by the Ordinance.

(3) In accordance with section 233 of the Ordinance, the auditor's report shall be attached to the balance sheet and profit and loss account or there shall be inserted at the foot thereof a reference to the report and the report shall be read before the Company in a General Meeting and shall be open to inspection by any Member before the Company in a General Meeting and shall be open to inspection by any Member.

**Copies of Annual Accounts and Report to be provided.**

114. (1) A copy of the balance sheet, profit and loss account and the reports of the Directors and auditors shall be sent not less than twenty-one days before the date of the Annual General Meeting to the Members and other persons entitled to receive notices of General Meetings in the manner in which notices are to be given hereunder and a copy thereof shall be kept for a period of at least twenty-one days before the meeting at the Office for inspection by Members. The Company shall also send to the Commission, each stock exchange listing the shares of the Company and the Registrar of Companies five copies each of the balance sheet, profit and loss account and the reports of the Directors and auditors at the same time as they are despatched to the Members and other persons in accordance with this Article.

(2) After the balance sheet, profit and loss account and the reports of the Directors and auditors have been laid before the Annual General Meeting of the Company, five copies thereof (or such larger number as may be prescribed

under Section 242(1) of the Ordinance) signed by the signatories thereto shall be filed with the Registrar of Companies within thirty days from the date of the meeting and the Company shall also comply with the provisions of Section 242(2) of the Ordinance where applicable.

**Quarterly Accounts.**

115. Within such times as may be prescribed by the Ordinance or any rules framed thereunder or any regulations or directives issued pursuant thereto from the close of the first, second and third quarter of each year of account of the Company, the Directors shall send to the Members and each stock exchange listing the shares of the Company a copy of the profit and loss account for that quarter and of the balance sheet as at the end of that quarter. Such quarterly profit and loss accounts and balance sheets need not be audited but must be signed in the same manner as the annual profit and loss accounts and balance sheets are required to be signed. The Directors shall also send to the Commission and Registrar of Companies three copies each (or such larger number as may be prescribed for the time being under Section 245(1)(b) of the Ordinance) of such quarterly profit and loss accounts and balance sheets at the same time as they are sent to the Member in accordance with this Article.

**Board to comply with the Ordinance.**

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

## AUDIT

**Appointment of auditors and their duties.**

117. (1) The Auditor(s) of the Company shall be appointed at each Annual General Meeting and hold office from the conclusion of the meeting until the conclusion of the next Annual General Meeting. The duly appointed Auditor(s) of the Company shall, in accordance with sections 252 to 255 of the Ordinance, hold office and perform their duties until another appointment or other appointments to the office shall be made in accordance with the Ordinance, the provisions whereof shall apply to and be complied within connection with any appointment proposed to be made or made of an Auditors or Auditors of the Company.

(2) Any casual vacancy occurring in the office of Auditor may be filled up by the Board, and any person so appointed shall continue in office until the Annual General Meeting next after his appointment, but while any such vacancy continues, the surviving and continuing Auditor(s) (if any) may continue to act.

# NOTICE

**How notice to be served on Members.**

118. (1) The Company shall comply with such provisions of the Ordinance and, where possible, the Electronic Transactions Ordinance, 2002, as may apply to the manner in which certain notices are to be issued, served and/or received by the Company.

(2) A notice may be given by the Company to any Member including director either personally or by sending it to him by First Class mail, postage prepaid, or by telegram, telex, cable or radiogram as specified below, at his registered address, or if he has no registered address in Pakistan, to the address supplied to the Company for the giving of notices to him.

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

**Personal delivery of notice.**

119. Where a notice is delivered personally, the recipient shall sign a receipt in such form as the Board shall determine.

**Service by post.**

120. Where a notice is sent by post, service of the notice shall be deemed to be made 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. If a Member or Director has no registered address in Pakistan, and has not supplied to the Company an address within Pakistan for giving of notice to him, a notice addressed to him or to the shareholders generally and advertised in a newspaper circulation in the Province in which the Office is situated, shall be deemed to be duly given to him on the day on which the advertisement appears, unless a notice shall be sent to him by registered or certified Air Mail and confirmed by telex or cable

**Notice to joint holders.**

121. 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.

**Persons entitled to notice of General Meetings.**

122. Notice of every General Meeting shall be given in the same manner herein authorized to:

(a) every Member of the Company, and also to

(b) every person entitled to a share in consequence of the death or insolvency of a Member, who but for his death or insolvency would be entitled to receive notice of the meeting, and

(c) to the auditors of the Company for the time being.

**Transferees, etc., bound by prior notices.**

123. Every person who, by operation of law, transfer, or other means whatsoever shall become entitled to any shares shall be bound by every notice in respect of such shares which previously to his name and address being entered on the Register shall have been duly given to the person from whom he derived his title to such shares.

## SECRECY

**Secrecy.**

124. Every Director, Chairman, Chief Executive, General 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 duties, sign a declaration in the form approved by the Board pledging himself to observe strict secrecy representing all transaction of the Company with customers and the state of accounts with individuals and in matters relating thereto, and shall by declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when required so to do by the Board, or by any General Meeting, or by a court of law, and except so for as may be necessary in order to comply with any provision in these Articles.

**Restrictions on inspection of books of account of Company or on entering into property of company.**

125. No Member or other person (not being a Director) shall be entitled to enter the property of the Company or to inspect any account or books of account or document of the Company or properties of the Company, without permission of the Board 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 or secret to the conduct of the business of the Company and which in the opinion of the Board will be in expedient in the Company to communicate.

## WINDING UP

**Notice of resolution in winding up voluntarily.**

126. Notice of any resolution for winding up a Company voluntarily shall be given by the Company within ten days of the passing of the same by advertisement in the official Gazette, and also in a newspaper circulating in the Province where the Office of the Company is situate and such notice shall also be published at least in one issue of a daily newspaper in the English language and a daily newspaper in the Urdu language having circulation in the Province in which the stock exchange on which it is listed is situated and a copy thereof shall be sent to the registrar immediately thereafter.

**Distribution of assets on winding up.**

127. (1) If the Company shall be wound up (whether voluntarily or otherwise), the liquidators may, with the sanction of a Special Resolution and any other sanction required by the Ordinance, divide amongst the Members in specie or kind, the whole or any part of the assets of the Company, whether they consist of property of the same kind or not.

(2) For the purposes aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the Members or different classes of Members.

(3) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trust for the benefit of the contributors as the liquidator, with the like sanction, think fit, but so that no Member shall be compelled to accept any shares or securities whereupon there is any liability.

## INDEMNITY

**Indemnity of Directors, etc.**

128. Every Director, Chairman, Chief Executive, Manager or Officer of the Company or any person (whether an Officer of the Company or not) employed by the Company as Auditor or Adviser, shall be indemnified out of the funds of the Company against any liability incurred by him as such Director, Chairman, Chief Executive, Manager, Officer, Auditor or Adviser, in defending any proceedings whether civil or criminal 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.

**Individual responsibility of Director, etc.**

129. No Director, Chairman, Chief Executive, Secretary, Legal Adviser, Attorney or other officer of the Company will be liable for the acts, receipts, neglects or for any

loss or expenses happening to the Company through the insufficiency or deficiency of title to any property acquired by order of the Board, 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 tortuous acts of any person with whom any money, securities or effects shall be deposited, or for any loss occasioned by any error of judgment or oversight on his part, or for any other loss, damage or misfortune whatever, which may happen in the execution of the duties of his office or in relation thereto, unless the same happens through his own neglect, default or dishonesty.