

A Company set up Under Section 42 of the Companies Act, 2017

Having Share Capital

-.0.-

ARTICLES OF ASSOCIATION
OF
PAKISTAN STONE DEVELOPMENT COMPANY



PRELIMINARY

1. In these Articles, unless the context or the subject matter otherwise requires.-
- i. **"Attorney"** includes an attorney duly constituted or appointed under power of attorney or any other authority in writing.
 - ii. **"The Act"** means the Companies Act, 2017 as amended from time to time.
 - iii. **"authorized intermediary"** shall have the same meaning as assigned to it under the Intermediaries (Registration) Regulations, 2017.
 - iv. **"authorized officer"** for the purpose of these Articles shall include a chief executive officer, director, secretary and chief financial officer of the company authorized by the board of directors of the company to sign a document or proceeding requiring authentication by the company.
 - v. **"BOD"** or **"Directors"** means Board of Directors for the time being of the Company.
 - vi. **"benefits"** means all monetary and non-monetary favors of any kind received from the company directly or indirectly including but not limited to company maintained car, medical plan, house rent, loans and advances but does not include official travelling reimbursements, boarding and lodging expenses incurred on attending official meetings or expenses incurred in attending office as per entitlement.
 - vii. **"Chief Executive Officer"** (CEO) means the Chief Executive Officer within the meaning of Section 2(14) of the Act. He/She will be from the private sector and hold office as provided in the Act and Public Sector Companies (Corporate Governance) Rules, 2013.
 - viii. **"close relative"** means spouse(s), siblings and their children, lineal ascendants and descendants;
 - ix. **"Company"** or "PASDEC" means "Pakistan Stone Development Company".
 - x. **"Company Secretary"** means any individual appointed to perform secretarial and other duties customarily performed by a company secretary and declared as such, having such qualifications and experience, as may be specified.
 - xi. **"Concerned Ministry"** Ministry of Industries and Production [MoIP] of Government of Pakistan.
 - xii. **"donation"** means contribution whether in cash or in kind, in the form of charity, grant, aid, contribution, gift, assistance, subsidy or any other form, received directly or indirectly, from any source whether local or foreign, for the purpose of achieving the objects of the company;

- xiii. **"e-service"** means any service or means provided by the Commission for the lodging or filing of electronic documents.
- xiv. **"electronic document"** includes documents in any electronic form and scanned images of physical documents.
- xv. **"financial institution"** includes—
- a. any company whether incorporated within or outside Pakistan which transacts the business of banking or any associated or ancillary business in Pakistan through its branches within or outside Pakistan and includes a government savings bank, but excludes the State Bank of Pakistan; a modaraba or modaraba management company, leasing company, investment bank, venture capital company, financing company, asset management company and credit or investment institution, corporation or company; and
 - c. any company authorised by law to carry on any similar business, as the concerned Minister In charge of the concerned Ministry may by notification in the official Gazette, specify.
- xvi. **"Government"** includes Federal Government or, as the case may be, Provincial governments unless otherwise expressly provided in this Act.
- xvii. **"Independent Director"** means a Non-Executive Director who is not in the service of Pakistan or of any statutory body or anybody or institution owned or controlled by the Government and who is not connected or does not have any other relationship, whether pecuniary or otherwise, with the Public Sector Company, its associated companies, subsidiaries, holding company or directors. Test of independence will constitute as contained in the Public Sector Companies Corporate Governance Rules, 2013.
- xviii. **"Legal Advisor"** means and an Advocate entitled to appear before any of the High Courts or the Supreme Court of Pakistan who shall be appointed by the CEO and approval by the BOD and includes a law firm.
- xix. **"Member"** means member of the company whose name appears and / or is borne on the register of members.
- xx. **"Month"** means English calendar month.
- xxi. **"Non-Executive Director"** means a director of a Public Sector Company who is not entrusted with responsibilities of an administrative or managerial nature.
- xxii. **"Postal ballot"** means voting by post or through any electronic mode. Provided that voting through postal ballot shall be subject to the provision in the articles of association of a company, save as otherwise provided in this Act.
- xxiii. **"Office"** means Registered Office of the Company
- xxiv. **"Person"** includes an individual, a company, a corporation and body corporate.



- xxv. **"PIDC"** means "Pakistan Industrial Development Corporation (Pvt.) Limited".
- xxvi. **"Prescribed"** means as prescribed by BOD in bye-laws through resolution from time to time.
- xxvii. **"Promoter or Subscriber"** means a person named as subscriber to the Memorandum of Association or member of Association who has applied for the grant of a license under section 42 of the Act
- xxviii. **"Register"** means register of members to be kept pursuant to the Act.
- xxix. **"Regulations"** means Association with Charitable and Not for Profit Objects Regulations, 2018
- xxx. **"Remuneration"** means reward or compensation for employment in the form of pay, salary or wage including all other perquisites and non-cash incentives but does not include reimbursement for boarding or lodging for attending board meetings.
- xxxi. **"Rules"** mean Public Sector Companies (Corporate Governance) Rules, 2013 *as amended from time to time*.
- xxxii. **"Seal"** means common seal of the Company.
- xxxiii. **"Special Resolution"** and **"Ordinary Resolution"** have the same meaning as assigned thereto respectively by the Act.
- xxxiv. **"These presents"** means and include Articles of Association and any modification or alteration thereof.
- xxxv. Written and in writing includes printing, lithography, type-writing, telex, tele-facsimile (fax) and other modes of representing or reproducing words in a visible form, in physical or electronic form.
- xxxvi. Words importing masculine gender include the feminine gender.
- xxxvii. Words importing persons include the bodies corporate and otherwise, firms, registered or un-registered associations, and governmental, non-governmental, semi-governmental organizations.
- xxxviii. Words importing plural number include the singular number.
- xxxix. Words importing singular number include the plural number.
- xl. Words of expressions in these presents shall, except where it is repugnant to the subject or context, bear the same meaning as in a Standard English dictionary.

BUSINESS

2. The business of the company, its affairs and / or functions shall comprise of achieving objects given in the memorandum and includes undertaking of all or any of the several objects, and any act, deed or thing done in pursuance thereof, ancillary and /or incidental thereto as expressed in, and authorized by the Memorandum of Association hereto annexed.



3. No business of the Company shall be commenced unless the requirements of Section 19 of the Act are fulfilled and certificate of commencement of business in this regard is obtained. The minimum subscription for the purpose of commencement of business shall be Rupees One Million (Rs. 1,000,000/-).

SHARE CAPITAL

4. The authorized share capital of the Company shall be Rs. 1,100,000,000/- (Rupees One Billion and One Hundred Million, Only) divided into 110,000,000/- (One Hundred and Ten Million) Ordinary shares of Rs. 10/- (Rupees Ten, Only each with powers to increase and reduce the capital of the Company and to divide the shares in the capital for the time being into several classes and kinds in accordance with the provisions of the Companies Act, 2017.

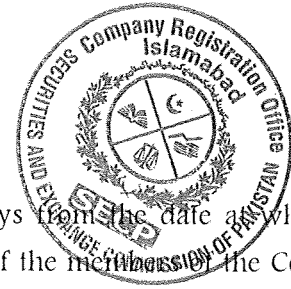
MEMBERSHIP

5. The subscribers to these presents and the Memorandum of Association hereunto annexed shall be admitted to membership of the Company and subsequently to whom shares are allotted/transferred and whose names appear in the register, shall be members of the Company.
6. The Company, at its registered office, shall maintain Register of members clearly indicating their full names, addresses and occupations and every member shall sign the same. If a member changes his address, he shall forthwith notify his new address to the secretary who shall thereupon cause new address to be noted down in the register. However, where such member does not notify any change of address, the address appearing therein shall deemed to be the correct address.
7. Subject to the foregoing and/ or other provisions, membership of the Company shall be open to all persons / organizations(s) /institution(s).
8. Every person, upon applying for admission to membership, shall submit to the Company an undertaking on the stamp paper of appropriate value that.
- I have not been associated with any money laundering or terrorist financing activities and neither have approved receipt of nor received such monies and likewise neither have approved disbursement of nor disbursed such monies in any manner for money laundering or terrorist financing purposes; and
 - I have not been associated with any illegal banking business, deposit taking or financial dealings or any other illegal activities.



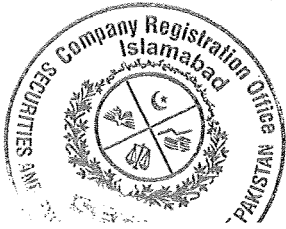
9. The Company shall function notwithstanding any vacancy occurring in its BOD and no act, direction or proceeding thereof shall be rendered invalid merely by reason of such vacancy or any defect in appointment of any of its officers.
10. The Chief Executive Officer (CEO) and the directors, if they are Members shall not be paid any remuneration. Provided that the prohibition shall not be applicable on payment of fee for attending of the meeting by the directors and reimbursement of expenditure. The remuneration to be paid to directors for attending meetings of the Board and Committees thereof shall be in accordance with the rate and provisions decided in the Board meeting.
11. The members shall not be paid any remuneration or dividend.

MEETINGS



12. The Company shall, within a period of one hundred and eighty days from the date at which the Company is entitled to commence business, hold a General Meeting of the members of the Company which shall be called "the statutory meeting". The statutory report of such meeting shall be forwarded to every member at least twenty one days before the date on which the meeting is held, in the manner laid down under Section 131 of the Act.
13. The first Annual General Meeting shall be held within such period from the date of incorporation of the Company, at such time and place as may be determined by BOD, as prescribed by Section 132 of the Act and thereafter once at least in every calendar year within a period of one hundred and twenty days following the close of its financial year at such time and place as may be determined by BOD as specified in section 132 of the Act.
14. All Extra Ordinary General Meeting will be held as prescribed by Section 133 of the Act.
15. All meetings of the Company will be governed by the provision of Section 134 of the Act.
16. Subject to provisions of the Act relating to special resolutions, at least twenty one days prior notice (exclusive of day on which the notice is given), specifying the place, day and hour of the meeting, and in case of special business, the general nature of such business, shall be given of every General meeting whether annual or Extraordinary to members in the manner in which notices are required to be served in accordance with the provisions contained herein below.
17. Any accidental omission to given notice or its non-receipt by any of the members shall not invalidate proceedings of meeting.

18. The quorum of General Meetings shall be not less than two members present personally or through video-link who represent not less than twenty five percent (25%) of the total voting power whichever is greater, either on their own account or as proxies. No business shall be transacted at any General Meeting unless the Quorum is present at the commencement of business. Provided that, if within half an hour from the time appointed for the meeting a quorum is not present, the meeting, if called upon the requisition of members, shall be dissolved; in any other case, it shall stand adjourned to the same day in the next week at the same time and place, and, if at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting, the members present personally or through video-link being not less than two shall be a quorum.
19. If within half an hour of the time appointed, the quorum is not present, the meeting if called on requisition of members shall be dissolved. In any other case, it shall stand adjourned to same day in the next week at the same time and place, and if at the adjourned meeting, the quorum is not present within half an hour from the time appointed the meeting.
20. The meeting will be chaired by the Chairman appointed by the BoD for that meeting. The chairman of the BoD, if any, shall preside as chairman at every general meeting of the company, but if there is no such chairman, or if at any meeting he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as chairman, any one of the directors present may be elected to be chairman, and if none of the directors is present or is unwilling to act as chairman the members present shall choose one of their member to be the chairman.
21. The chairman of the meeting may, with consent of members of any meeting at which quorum is present (and shall if so directed by meeting), adjourn the same 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 adjournment took place. When a meeting is adjourned form ten days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid, it shall not be necessary to given any notice of an adjournment or the business to be transacted at an adjourned meeting.
22. At any General Meeting, a resolution put to vote of the meeting shall be decided on show of hands unless a poll (before or on declaration of result of show of hands) demanded in accordance with provisions of the Act and unless a poll is demanded, a declaration by chairman of the meeting that a resolution has, on a show of hands, been carried or carried unanimously or by a particular majority



and an entry to that effect in minutes book shall be conclusive evidence of the fact, without proof of the number or proportion of votes recorded in favor of or against such resolution.

23. If a poll is duly demanded, it shall be taken in such manner as the BoD shall direct in accordance with Section 145 of the Act and the result of such poll shall be deemed to be resolution of the meeting at which it was demanded.
24. In the case of an equality of votes, whether on show of hands or on poll, the Chairman of the meeting at which show of hands takes place, or at which the poll is demanded, as the case may be, shall be entitled to a casting vote.
25. The demand of a poll shall not prevent continuance of a meeting for the transaction of any business other than the question on which a poll has been demanded.

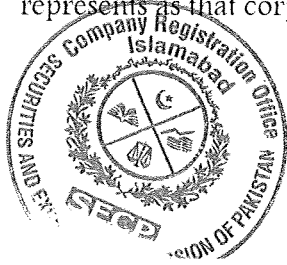
VOTES OF MEMBERS

26. On show of hands and on poll, every member present in person or through video-link or by proxy or by means of postal ballot shall have a vote according to shareholding. Voting by proxy is allowed as envisaged under Section 137 of the Act. At any general meeting, the Company shall comply with the provisions notified by the Commission for holding of business through postal ballot, if any.

Notwithstanding anything contained in this Act, when a poll is demanded on any resolution, it may be ordered to be taken by the chairman of the meeting by secret ballot of his own motion, and shall be ordered to be taken by him on a demand made in that behalf by the members present in person, through video-link or by proxy, where allowed, and having not less than one-tenth of the total voting power.

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 and 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.

27. Any corporation or a body corporate which is member may by resolution of its Directors or other governing body, authorize such person as it thinks fit, to act as its representative at any meeting. The persons so authorized shall be entitled to exercise similar powers on behalf of corporation which he represents as that corporation could exercise if it were an individual present in person. A corporation



or the body corporate, as the case may be, attending a meeting through such representative shall be deemed to the present at the meeting in person.

28. All business that is transacted at an extra ordinary general meeting and that is transacted at an annual general meeting with the exception of the consideration of the financial statements and the reports of the director and auditors, the election of directors, the appointment of and the fixing of remuneration of the auditors shall be deemed special business.

BOD OF DIRECTORS (BOD)

29. The subscribers of Memorandum of Association shall be the first Directors of the Company whose names are given below and hold office until election of Directors in the first annual General Meeting subject to the provisions of Section 154 and 157 of the Act.

1. MR. KAMRAN RASOOL
2. MR. SHAHAB ANWAR KHAWAJA
3. MR. IHSAN ULLAH KHAN

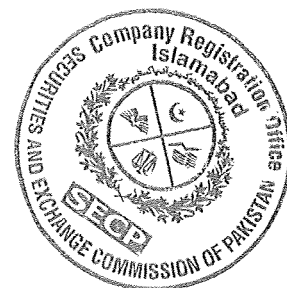
30. (a) Subject to the provisions of Sections 159 (5) and 165 of the Act and the Rules the subsequent BoD of Directors shall comprise of (9) members including CEO of the Company. Ministry of Industries & Production (MOIP) Government of Pakistan, shall nominate the Directors on the BoD as per the Rules.

- i. The BoD shall have at least one-third of its total members as Independent Directors or as prescribed under the Rules.
- ii. Ex officio directors, as nominated by the Ministry of Industries & Production (MOIP) Government of Pakistan in accordance with the provision of the Rules.

Provided that the Directors of the Company shall, subject to Section 154 and 159 of the Act, fix the number of Directors of the Company.

Provided further that the company shall have one female representation on their BoD as may be specified by the Commission.

(b) Any person, who is a loan defaulter, or is a sponsor of the company which is in loan default, or otherwise ineligible, to hold any such post under or by any law cannot be member of BOD. The competent authority shall appoint directors and chief executive officer who meet the fit and proper criteria as specified under these regulations with the prior approval of the Commission. Provided that this condition shall not be applicable on nominees of Government or an institution or authority or other statutory body of the Federal or Provincial Government.



FIT AND PROPER CRITERIA FOR PROMOTERS, MEMBERS, DIRECTORS AND CHIEF EXECUTIVE OFFICER

31. Each of the promoters, directors, chief executive officer and members of an association shall meet the fit and proper criteria as provided in the regulations.

32. Provided further that the fit and proper criteria shall remain applicable at all times and in case of any non-compliance at any point of time, the company shall be responsible for replacement of above referred persons for which necessary approval of the Commission shall be obtained. The competent authority shall appoint directors and chief executive officer who meet the fit and proper criteria as specified under the regulations with the prior approval of the commission;

1. The fitness and propriety shall be assessed by taking into account all the relevant facts including but not limited to the following;

I. Integrity and track record.-A person shall fulfil the following requirements in order to act as promoter, member, director or chief executive officer of the company,-

- a. he has not been found associated with any money laundering or terrorist financing activities, illegal banking business, illegal deposit taking or financial dealings, and also understand the company's unique risks including the money laundering and terrorism financing risks in the locations where the company operates;
- b. he or the companies in which he is a director or major shareholder have not been declared by tax authorities as a tax defaulter;
- c. he or the companies in which he was a promoter or is a director or major shareholder have not been found involved in any fraudulent activities or illegal activities;
- d. he has not been found convicted of fraud or breach of trust or of an offence involving moral turpitude by a court of law;
- e. he has not been actively involved in the management of a company whose registration or license has been revoked or cancelled or which has gone into liquidation or other similar proceedings due to financial irregularities or malpractices;
- f. he is not ineligible, under the Act and company law or any other legislation;
- g. he has not been found involved in any undesirable or anti-state activities;
- h. he has not been found involved in multi-level marketing (MLM), Pyramid and Ponzi Schemes, or other related activities/businesses or any lottery business.

II. Solvency and financial soundness.- A person must fulfil the requirement, in order to act as promoter, director or chief executive officer of the company that there is no instance



of overdue or past due payment to a financial institution, irrespective of amount, appearing in the latest Consumer Credit Information Report (CCIR) of the person and of the companies, firms, sole proprietorship etc. where the person is a chief executive, director (other than nominee director), owner or partner, etc.

- III. Qualification and experience.— A person shall possess adequate qualification and experience in order to act as promoter, director or chief executive officer of the company.

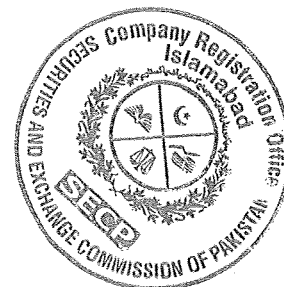
The fit and proper criteria shall also apply to directors being elected or appointed or opted on the board of directors including chief executive officer of the company, prior approval of which shall be sought from the Commission on an application made in the manner as provided in NFP Form 3 by an authorized officer of the company.

Provided that this condition shall not be applicable on nominees of the Government or an institution or authority or other statutory body of the Federal or Provincial Government.

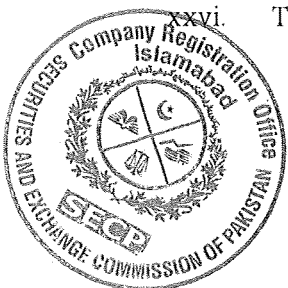
33. The fit and proper criteria shall also apply to directors being elected or appointed or opted on the board of directors including chief executive officer of the company, prior approval of which shall be sought from the Commission on an application made in the manner as provided in NFP Form 3 by an authorized officer or authorized intermediary of the company.

34. The business of the Company shall be managed by BOD, which shall determine direction and scope of activities thereof in accordance with the objects specified in memorandum of Association. In particular and without prejudice to the foregoing, BOD shall perform the following functions and exercise powers.

- i. To issue shares
- ii. To borrow moneys otherwise than on debentures.
- iii. To invest the surplus funds of the Company.
- iv. To make loans for promotion of objects of the Company, however the company shall not act as a banking company or financial institution.
- v. To authorize any of its Directors or any other officer of the Company to enter into any contract on behalf of the Company.
- vi. To approve financial statements.
- vii. To approve and grant increment / bonus to employees.
- viii. To incur capital expenditure or dispose of fixed assets.

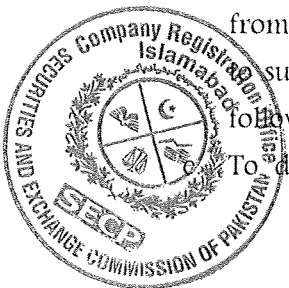


- ix. To undertake obligations under leasing contracts exceeding such amount as may be notified.
- x. To determine terms of and the circumstances in which a law suit may be compromised and a claim or right in favor of the Company may be released, extinguished or relinquished to institute, conduct, defend or abandon any legal proceedings by or against the company in consultation with legal advisor and in pursuance thereof, to compound and / or allow time for payment or satisfaction of any debt due and/ or any claim or demand by or against the Company.
- xi. To refer any claims or demands or any other dispute by or against the Company to arbitration and observe and perform the awards, in consultation with legal advisor.
- xii. To approve projects and assignments as well as providing technical assistance as may be mutually agreed upon.
- xiii. To establish by law and service rules.
- xiv. To prepare and execute detailed plans and programs for the furtherance of objects of the Company.
- xv. To consider annual and supplementary budgets placed before it and pass them with such modification as may be deemed necessary.
- xvi. To prepare annual report and cause preparation of accounts.
- xvii. To create posts and appoint such staff as may be required for efficient management and regulate recruitment and terms and conditions of their services.
- xviii. To receive and to have custody of funds and resources, operate and manage properties of the Company.
- xix. To incur expenditure subject to provisions of the approval budget.
- xx. To enter for and on behalf of the Company into agreements including those containing arbitration clauses.
- xxi. To establish, maintain, amalgamate and / or close down offices of the Company.
- xxii. To appoint committees, sub committees and panels, consisting of persons who may or may not be members or employees in order to deal with any specific tasks as may be determined from time to time and to confirm appointment of legal advisor.
- xxiii. To oversee and inquire into the matters / functions and utilization of powers of the officers / employees / staff of the Company and hold him / them accountable.
- xxiv. To impose and recover fees and charges for the services rendered.
- xxv. To create a reserve and or/sinking fund, and
- xxvi. To take over a company or acquire a controlling or substantial stake in another company.



DUTIES AND POWERS OF THE BOD

35. The business of the Company shall be managed by Board, which shall determine direction and scope of activities thereof in accordance with the objects specified in Memorandum of Association. In particular and without prejudice to the forgoing, Board shall perform the functions and exercise powers as may be specified by the Commission including provisions of Public Sector Companies Corporate Governance Rules, 2013.
36. The Board shall define the level of materiality, keeping in view the specific context of the Company and the recommendations of any committee of the Board that may be set up for the purpose. The Board shall ensure compliance with policy directions received from Government from time to time.
37. The Board shall ensure compliance with the reporting requirements received from the Government within the specified time-frame, related to, including but not limited to, audit, finance, parliamentary business, performance and ancillary matters. Provided that the Board shall nominate the company secretary or any other official at appropriate level as focal person for maintaining liaison with the Government regarding the aforesaid matters.
38. The Board shall conduct and manage all the business affairs of the company, exercise all the powers, authorities and discretion of the company, obtain or oppose the application by others for all concessions, grants, charters and legislative acts and authorization from any government or authority, enter into such contracts and do all such other things as may be necessary for carrying on the business of the company, except only such of them as under the statutes and Articles are expressly directed to be exercised by general meetings and (without in any way prejudicing or limiting the extent of such general powers) shall have the following special powers and duties.
- To present to the general meeting of the company any matters which the directors feel are material to the company, its objects or interests or affecting the interests of members and make suitable recommendations regarding such matters.
 - To regulate, through articles, the admission of members.
 - To appoint, remove or suspend the legal advisors, bankers, or other officers on such terms and conditions as they shall think fit and as may be agreed upon.
 - To determine the remuneration, terms and conditions and powers of such appointees and from time to time, revoke such appointments and name another person of similar status
- such office except for the auditor in which case the relevant provisions of the Act shall be followed.
- To delegate, from time to time, to any such appointee all or any of the powers and



authority of the Board and to reconstitute, restrict or vary such delegations.

- f. To appoint any qualified person as a first auditor(s) subject to provisions of the Act;
- g. To agree upon and pay any expenses in connection with the company's objects and undertakings and pay all the expenses incidental to the formation and regulation of the company.
- h. To constitute from time to time committee(s) from among themselves or co-opt other persons for the purpose and delegate to them such functions and powers as the Board may deem fit to carry out the objects of the company.

Subject to the provisions of section 183 of the Act, the directors may exercise all the powers of the company to borrow and mortgage or charge its undertaking, property and assets (both present and future) or issue securities, whether outright security for any debt, liability or obligation of the company.

39. The term of office of a member of BOD shall be three 03 years, unless he resigns earlier or becomes disqualified from being Director or otherwise ceases to hold office. No member of BOD shall serve for more than two 02 consecutive terms except ex officio members.

40. No action or decision by BOD shall be rendered invalid or inoperative on account of any vacancy or vacancies in its composition.

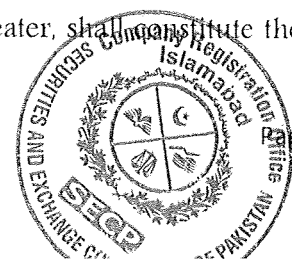
41. The meeting of BOD shall be held in the following manner.

- a. Once in each quarter of year to be called by notice under signature of Company Secretary.
- b. All meetings shall be presided by Chairman and in his absence; any one of the Directors present may be elected to be the Chairman of that meeting.
- c. Minutes of meetings shall be recorded by Company Secretary or in his/her absence by member of BOD, appointed by the presiding officer. The minutes shall be duly approved or corrected at the following regular meeting and filed in the permanent record.

42. Every notice calling for meeting of BOD shall state in writing the date, time and place of meeting and be sent to every member ordinarily seven clear days before the day appointed for the meeting.

43. Any inadvertent omission to given notice or non-receipt or late receipt thereof by any member shall not invalidate the proceedings of meeting.

44. At least 1/3rd of the total members of BOD or four, whichever is greater, shall constitute the quorum provided that out of which at least two shall be from private sector.



45. Each member of BOD shall have one vote. All questions at meetings of BOD shall be determined by votes, the presiding officer shall have the casting vote.
46. Any business which BOD may consider necessary to perform except such as may be required to be placed before General Meeting, may be performed by resolution, in writing, circulated among all members, and any such resolution so circulated and approved by majority of members and signed by all shall be as effectual and binding as if a resolution has been passed at a meeting of BOD.
47. The proceeding of meeting of BOD and resolution passed by circulation shall be recorded in the book maintained for this purpose.
48. BOD may, by resolution delegate such administrative, financial and other powers to the CEO, committees, sub-committees and panels or any other officer of the Company as it may consider necessary and proper, subject to the condition that action taken by them under powers so delegated, shall have to be confirmed and /or ratified at the next meeting of BOD.

THE CHIEF EXECUTIVE OFFICER (CEO)

49. The CEO shall be appointed as such by the majority of the BOD in its first meeting. He shall be from private sector and hold office for a period of three (03) years. The procedure for subsequent appointments shall be regulated in accordance with Sections 186 and 187 of the Act and the rules.
50. On expiry of his term of office under Section 186 or Section 187 (1) of the Act the CEO shall be eligible for reappointment. The retiring CEO shall continue to perform functions until his successor is appointed.
51. The CEO shall exercise general control over the Company and shall exercise inter alia, the following powers, in accordance with the rules enacted by BOD.-
- i. To appoint and to remove or suspend manager (s) officer (s) / officer (s) or any other employee (s) as deemed necessary, to determine their powers, duties and fix salaries or emoluments and to require security in such instances and to such amount as deemed necessary;



- ii. To contract out operational and management functions as and when required to reputable firms or companies;
- iii. To execute contracts and enter into transactions on behalf of the Company ;
- iv. To implement directions / instructions of the BoD;
- v. To properly administer the affairs, funds and resources of the Company;
- vi. To make, draw, endorse, sign, accept, negotiate and given cheques, bills of lading, drafts, orders, bills of exchange, promissory notes and other negotiable instruments above Rupees One Million jointly with any other officer as nominated by BOD for the said purpose;
- vii. To take any other decisions (s) deemed expedient for achieving objects of the Company;
- viii. To institute, conduct, defend or abandon any legal proceedings by or against the company and /or to refer any claim (s) / demand (s) / Dispute (s) for arbitration thereon under instructions and in accordance with terms and conditions set out by the BoD;
- ix. To coordinate and exercise general supervision over all activities of the Company and keep the BoD informed thereof ; and
- x. Any other task as may be delegated by the BoD.

REMOVAL OF CEO

52. The BOD of the Company by resolution passed by not less than three fourth of the total number of Directors for the time being, or the company by a special resolution may remove a CEO before the expiration of his term of office notwithstanding anything contained in the articles or in any agreement between the Company and such CEO.

THE CHAIRMAN

53.

- i. The Directors shall elect the Chairman in their first meeting who shall hold office till the holding of the first Annual General Meeting. The subsequent chairman shall be elected by the Directors who shall hold office for a period of 3 years unless he earlier resigns, becomes disqualified, is removed by the Directors or otherwise cases to hold office. He shall be from private sector. The Chairman shall be eligible for re-appointment.
- ii. Every meeting of the Company shall be presided by the Chairman.
- iii. If at any meeting he is not present within fifteen minutes after the time appointed for holding the meeting, any one of the Directors present may be elected to be Chairman shall be Chairman of that meeting.



- iv. The office of the chairman shall be separate and his responsibilities distinct from those of the Chief Executive.
- v. The Chairman shall be from amongst independent directors.

COMPANY SECRETARY

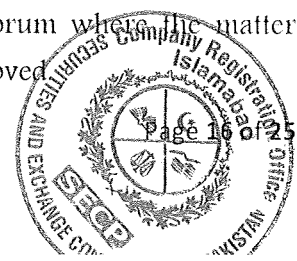
54. The Company Secretary shall be appointed on such terms and conditions as approved by BOD.
55. The Company Secretary shall be responsible for all secretarial functions customarily performed and shall ensure compliance with respect to requirements of the Act concerning the meetings and record of proceedings of the BoD, committees and the general meeting of members, review the applications for admission to membership and the recommendations accompanying the same to ensure that they are in the form prescribed, ensure that all notices required by these Articles or under the Act are duly sent and that all returns required under the Act are duly filed with concerned Company Registration Office.

COMMITTEES

56. The directors may delegate any of their powers to committees consisting of such member or members of their body as they think fit and they may from time to time revoke such delegation in addition to the Power delegated under the Rules. Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may from time to time be imposed on it by the directors.
57. The BoD shall set up the committees to support it in performing its functions efficiently, and for seeking assistance in the decision making process as prescribed in the Rules.

DISCLOSURE OF INTRESTS BY DIRECTORS AND OFFICERS

58. Every director of the Company, if he or his relative is in any way, directly or indirectly, concerned or interested in any contract or arrangement entered into, or to be entered into, by or on behalf of the Public Sector Company shall disclose the nature of his concern or interest at a meeting of the director.
59. Any other officer (including the Chief Executive and other Executives) of the Company, if he or his relative, is in any way, directly or indirectly, concerned or interested in any proposed contract or arrangement by the company shall disclose to the Company through a communication to the company secretary, the nature and extent of his interest in the transaction. Such officer and the company shall ensure that such information is properly placed and considered by any forum where the matter relating to such proposed contract or arrangement is to be discussed and approved.



60. If a director or officer has an existing interest, before joining the BoD, he shall disclose such interest to the BoD, which shall take such facts into consideration for any current and future decision making.

CHAIRMAN OF COMMITTEE MEETINGS

61. A committee may elect a chairman of its meetings, but, if no such chairman is elected, or if at any meeting the chairman is not present within fifteen (15) minutes after the time appointed for holding the same or is unwilling to act as chairman, the members present may choose one of them to be the chairman of the meeting.

PROCEEDINGS OF COMMITTEE MEMBERS

62. A committee may meet and adjourn as it thinks proper. Questions arising at any meeting shall be determined by a majority of votes of the members present. In case of an equality of votes, the chairman shall have and exercise a second or casting vote.

VALIDITY OF DIRECTORS' ACTS

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

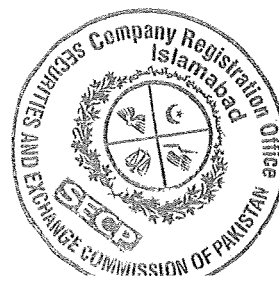
RESOURCES OF THE COMPANY

64. The resources of the company shall consist of the following.

- i. Funds, /grants provided by the Government and PIDC.
- ii. Money (s) received through sale and / or short or long-term lease of plots.
- iii. Fees, charges and / or royalty (ies) imposed for the services rendered, and products provided.
- iv. Income and receipt from other sources.

65. All properties of the Company, moveable or immovable, shall vest in the Company and administered on its behalf, by the CEO within parameters sets in General Meeting or otherwise as directed by BOD.

66. The Company may purchase, hire, lease, exchange or otherwise acquire property, inmoveable or immovable, tangible or intangible (including copyrights, patents and intellectual properties(s) which may be necessary or convenient for the purposes thereof and construct, alter and / or maintain such assets, buildings and works as may be deemed necessary.



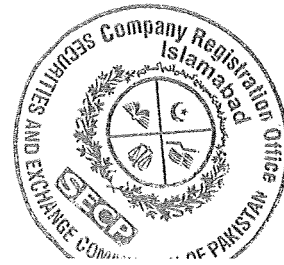
67. The income and property (ies), however derived, shall be applied towards promotion and furtherance of the objects as set forth in the Memorandum of Association hereto annexed. Save as otherwise provided, no portion of the income and property shall be paid or transferred directly or indirectly by way of dividend, or by way of profits to persons who at any time are or have been members or to any person claiming through them provided that nothing herein shall prevent payment in good faith any remuneration to any employee or other person, not being member, in return for services rendered to the Company or for traveling allowance, and other similar out of pocket expenses.
- 68.
- a. All funds shall be paid into the company's account (s) within banks of the Company and shall not be withdrawn except by cheque signed by authorized representatives in accordance with the prescribed procedure.
 - b. Unless otherwise authorized by BOD, no new account in name of the Company's shall be opened.

THE SEAL

69. The seal shall not be affixed to any instrument except by authority of a resolution of BOD and in presence of at least two members or such other persons as BOD may appoint for the purpose who shall sign every instrument to which the seal is affixed in their presence. The seal of the Company shall remain under the custody and control of CEO.

ACCOUNTS

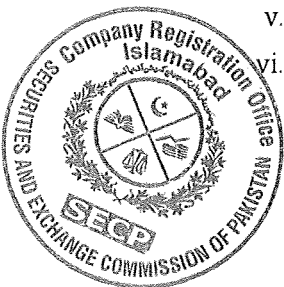
70. The company shall cause to be kept proper books of account with respect to the following.
- i. All sums of money received and expended and the matters in respect of which the receipt and expenditure takes place.
 - ii. All sales and purchases of goods by the Company.
 - iii. All assets and liabilities of the Company.
71. The books of account shall be kept at the registered office or such other place the BOD shall think fit and open to inspection by members of BOD during business hours.
72. BOD shall, from time to time, determine whether and to what extent and at what time and places and under what conditions or regulations the accounts and books or papers or any of them shall be open to inspection of members not being members of BOD and no members (to being a member of BOD) shall have any right of inspecting any such accounts and books or papers except as conferred by law or authorized by BOD or the Company in General Meeting.



73. BOD shall cause to be prepared and laid before General Meeting such profit and loss accounts or income and expenditure accounts and balance sheets duly audited and reports as are required by Sections 223 and 227 of the Act.
74. A balance sheet, profit and loss account, income and expenditure account and other reports referred to supra shall be made out every year and presented before AGM, made up to date not more than four months before such meeting. The financial statements and other reports shall be accompanied by a report of auditors and that of BOD as required under the Act and the Rules.
75. A copy of the financial statements and reports of BOD and auditors shall, at least twenty one days prior to AGM be sent to members of the Company.
76. The company shall close its accounts on 30th of June each year.

AUDIT

77. The company at each AGM shall appoint auditors being Chartered Accountants to hold office until next AGM, provided that auditors appointed in the General Meeting may be removed before conclusion of the next AGM through special resolution.
78. Auditors shall be appointed and their duties regulated in accordance with Sections 246 to 249 of the Act.
79. Following person / firm (s) shall not be appointed as auditors(s)
- i. A person who is, or at any time during the preceding three years was, a Director, other officer or employee of the Company
 - ii. The spouse and / or child of a Director.
 - iii. Any member of the BOD and officer of the company or a partner or a person in the employment of such member of BoD or officer or any person, indebted to the company.
 - iv. Any member of BOD or an officer.
 - v. A body corporate.
 - vi. A person or his spouse or minor children, or in case of a firm, all partners of such firm who holds any shares of an audit client or any of its associated companies.



- vii. Any person who holds shares prior to his appointment, whether as an individual or a partner in a firm
- viii. Any person / firm being disqualified for appointed of any other company which is subsidiary or holding or subsidiary of that holding company.
- ix. If any person after already appointed as an auditor becomes indebted to the Company, his appointment shall thereupon be terminated.
- x. The first auditors may be removed prior to holding of first AGM by a special resolution.

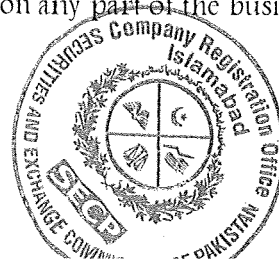
80. If after his appointment, an auditor becomes subject to any of the disqualifications specified supra, he / it (as the case may be) shall be deemed to have vacated his office as auditor with effect from the date on which he becomes so disqualified.

81. The remuneration of the auditors shall be fixed in General Meeting except that the remuneration of any auditors appointed before the first AGM or to fill any casual vacancy may be fixed by BOD.

82. Every auditor (s) of the Company shall have right of access at all times to the books, assets and accounts and vouchers and shall be entitled to require from BOD and officers, such information and explanation as may be necessary for performance of his / their duties.

83. The auditor (s) shall make a report to members, on the accounts examined by them, and on every balance-sheet, income and expenditure account laid before the company in AGM, during their tenure office and the report shall state whether or not they have obtained required information and explanation and whether or not in their opinion the balance-sheet is in conformity with the law and whether or not such balance-sheet, and income and expenditure account, exhibit true and correct view of the state of the Company's affairs according to the best of their information and explanation given to them as shown by the books and whether or not in their opinion, the books of accounts have been kept as required by the ordinance ; where any of the matters referred to herein above and answered in the negative or with a qualification, the report shall state the reasons for such answers and the report shall be attached to the balance-sheet, income and expenditure account and such report shall be read in AGM and shall be open to inspection by any member.

84. The auditor (s) shall be entitled to attend any General Meeting and to receive all notices of, and any communications relating to General Meeting which any member of the Company is entitled to receive, and to be heard at any General Meeting which he attends on any part of the business which concerns him as an auditor.



85. The auditor's report shall be read in General Meeting and open to inspection by member.
86. Every account when audited and approved by General meeting shall be conclusive except as regards any error discovered within that period, the account shall forthwith be corrected and henceforth shall be conclusive.

NOTICE

87. The Company secretary may give a notice to any member sending it by registered post to him at his address.
88. Where a notice is sent by registered post, service of the notice shall be effected by properly addressing, pre paying and posting a letter containing the notice and unless the contrary is proved, service of notice shall be deemed to have been effected at the time at which the letter would be delivered in the ordinary course of post.
89. Notice of every General Meeting shall be given in the manner described supra to every member.

IDEMNTTY

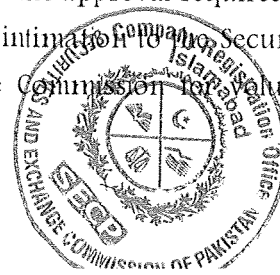
90. Every member of the Company and BOD, the CEO, or any other officer or employee shall be indemnified by the company against all costs, losses which they may incur or become liable to pay by reason of any contract entered into or act or deed done by them in discharge of their duties in good faith and any loss occasioned by any error of judgment, damage or misfortune which may happen in execution of their duties in connection with affairs of the company.

SECRECY

91. Every Director, Secretary, Auditor, Trustee, member of a committee, officer, servant, agent, accountant, or other person employed in the business of the company and the state of account with individuals and in matters relating thereto and shall not reveal any of the matters which may come to his knowledge in discharge of his duties except when required so to do by the Directors or the Company in General Meeting or by a court of a Law, and except so far as may be necessary in order to comply with any of the provisions herein contained.

WINDING UP

92. In the case of winding up or dissolution of the company, any surplus assets or property, after the satisfaction of all debts and liabilities, shall not be paid or disbursed among the members, but shall be given or transferred to some other company established under section 42 of the Act, preferably having similar or identical objects to those of the company and with the approval required under the relevant provisions of the Income Tax Ordinance, 2001 and under intimation to the Securities and Exchange Commission of Pakistan. The Company may apply to the Commission for voluntary surrender of



license along with reasons for the same and the Commission may revoke the license if it deems it expedient. Upon revocation of license, the company shall follow the procedure specified in sub-regulation (4), (5), (6) and (7) of regulation 11 and provisions of section 43 of the Act.

93. With regard to winding up, the company shall comply with the relevant provisions of the Act and the conditions of licence granted under section 42 of the Act or any directions contained in a revocation order passed by the Commission under the said section 42.

SUPPLEMENTARY PROVISIONS RELATING TO TAX

94. The Company shall abide by and adhere to the following rules :-

- i. The company shall get its annual accounts audited from a firm of Chartered Accountants.
- ii. The Company shall, in the event of its dissolution, after meeting all liabilities, transfer all its assets to an Institution, fund, trust, society or organization, which is an approved non-profit organization, and intimation of such transfer will be given to commissioner, Central BoD of Revenue, within three months of the dissolution.
- iii. The Company shall utilize its money, property or income or any part thereof solely for promoting its objects.
- iv. The Company shall not pay or transfer any portion of its money, property or income, directly by way of dividend bonus or profit, to any of its member[s] or the relative or relatives of member or members.
- v. The Company shall maintain its banks accounts with a scheduled bank or in a post office or national saving organization, National Bank of Pakistan or national commercialized banks.
- vi. The Company shall regularly maintain its books of accounts in accordance with generally accepted accounting principles and permit their inspection to the interested members of the public, without any hindrance, at all reasonable time.

95. The Company shall restrict the surpluses or monies validly set a part, excluding restricted funds, up to twenty five percent (25%) of the total income of the year. Provided that such surpluses or monies set apart are invested in Government Securities, a collective investment scheme authorized or registered under the non-banking finance companies [establishment and regulation] Rules, 2003, mutual funds, a real estate investment, trust approved and authorized under the real estate investment Trust Rules, 2006, or schedule banks.

AMENDMENT

96. Subject to the provisions of this Act and to the conditions contained in its memorandum, a company may, by special resolution alter or add to its articles, and any alteration or addition so made shall be as



valid as if originally contained in the articles, and be subject in like manner to alteration by special resolution.

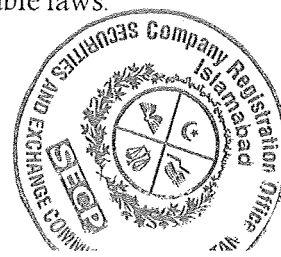
Provided that, where such alteration effects the substantive rights or liabilities of members or of a class of members, it shall be carried out only if a majority of at least three-fourth of the members or of the class of members affected by such alteration, as the case may be personally or through proxy vote for such alteration.

MISCELLANEOUS

97. Financial Statements.- The Company shall ensure that its income and expenditure accounts clearly exhibits a statement of all funds, grants, contributions, donations received from local and foreign sources separately.
98. Monthly Reporting.-The Company shall submit to the Commission in the manner as provided in NFP Form 5, a monthly statement of amount received from local and foreign sources equivalent to or in excess of five million rupees.
99. Security Clearance.- The Commission shall obtain prior security clearance in accordance with policy announced by the Government in respect of foreign funding or foreign promoters, directors, or chief executive officer of applicant seeking license under these Regulations whereas the company shall also obtain prior security clearance of its foreign members through the Commission.
100. The company shall utilize all its money, property, donations or income or any part thereof solely for promoting its objects.
101. The income and any profits of the company, shall be applied solely towards the promotion of objects of the company and no portion thereof shall be distributed, paid or transferred directly or indirectly by way of dividend, bonus or otherwise by way of profit to the members of the company or their close relatives.
102. Notwithstanding anything stated in any object clause, the company shall obtain such other licenses, permissions, or approvals of the relevant public authorities as may be required under any relevant statutory regulations and laws for the time being in force, to carry out any specific object.
103. The company shall not appeal, solicit, receive or accept donations from foreign sources except with the prior permission, clearance or approval from the relevant authority which may be required under any law or specified by the Government.



104. The company shall receive all funds, grants, contribution and donations through proper banking channels. Provided that amounts equivalent to or less than twenty thousand rupees can be received in cash for which proper entries in the books and records of donor shall be maintained and such amount shall be immediately deposited in the bank account of the company.
105. The company shall ensure that the donations received and the charitable assets are utilized exclusively for charitable purposes and are not utilized or diverted to the benefit of the entities and individuals designated under the United Nations Security Council's (UNSC) sanctions list as maintained and periodically updated on UNSC's website.
106. The company shall ensure that a system of sound internal control is established, which is effectively implemented and maintained at all levels within the company to ensure safeguarding of its charitable assets. Such a system of sound internal control is characterized, *inter-alia*, by
- a. the issuance and implementation of policies, procedures, delegation of decision making powers, record management systems, financial management systems and tools, etc.;
 - b. having appropriate controls in place to ensure that donors, beneficiaries, promoters, members, directors, stakeholders, employees, volunteers or other people associated with the company or its associated company are not listed as a designated individual or entity which is subject to targeted financial sanctions.
107. The company shall separately maintain the following registers in addition to the books of account as required under the Act;
- a. Register of donors and donations including information about donor's names, addresses, type of donation received *i.e* in cash or in kind, amount/value of donation received, date of receipt of donation, mode of payment, particulars of payment instrument and the purpose of donation.
 - b. Register of donees and beneficiaries of the funds disbursed including information about their names, addresses, type of disbursement *i.e* in cash or in kind, amount/value of disbursement, date of disbursement and the purpose and other details of disbursement.
108. The company shall ensure compliance with the conditions prescribed in relations to anti-money laundering and counter financing of terrorism under the applicable laws.



109. The company shall comply with any other condition(s) as may be imposed by the Commission at the time of grant of license or renewal thereof or from time to time subsequent to such grant or renewal of license.

We, the several, persons whose names and addresses are subscribed below are desirous of being formed into a Company in pursuance of this Articles of Association.-

Name and Surname (Present and Former) in Full (in Block Letters) and CNIC #	Father's Name (in Full)	Nationality with any former Nationality	Occupation	Residential Address (in Full)	Name of Shares taken by each Sub-criber	Signature
Mr. KAMRAN RASOOL CNIC#35202-2686165-3	Qazi Ghulam Rasool	Pakistani	Secretary, Ministry of Industries and Production and Special Initiatives, Government of Pakistan	129-A. Street no 3, Cavalry Ground Lahore	1 (One)	SD
Mr. SHAHAB ANWAR KHAWAJA CNIC#35202-3988191-5	Kabir Ali Khuwaja	Pakistani	Chief Executive Officer Small Medium Enterprise Development Authority	14- Golf Road GOR-1 Lahore	1 (One)	
Mr. IHSAN ULLAH KHAN CNIC#17301-7902082-9	Habibur-Rahman	Pakistani	Business (Trichmir Marble & Granite (Pvt) Limited Peshawer	Trichmir Marble and Granite, Plot no E-126, Industrial Estate, Hayatabad Peshawer	1 (One)	
Total Number of Shares Taken					3 (Three)	

No. ADI 299
Dated 3/1/20

Dated this 22nd day of June 2006

Witness to the above signatures.

Full Name: Muhammad Azeem Khan

CNIC: 35201-9703247-5

Father's/Husband's Full Name: Saeed Ullah Khan

Full Address: 50-A, Street 27, F-6/2 Islamabad

Signature: SD

Nationality: Pakistani

Occupation: Employee

