

**THE COMPANIES ORDINANCE, 1984  
(COMPANY LIMITED BY SHARES)**

**MEMORANDUM OF ASSOCIATION**

**OF**

**STEDEC TECHNOLOGY COMMERCIALIZATION CORPORATION OF  
PAKISTAN (PRIVATE) LIMITED (STCC)**

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| Name              | I. The name of the Company is STEDEC Technology Commercialization Corporation of Pakistan (Private) Limited (STCC).  |
| Registered Office | II The Registered Office of the Company will be situated at STEDEC House, Lahore.  |
| Objects           | III The objects for which the Company is established are: <ol style="list-style-type: none"><li>1. To function and assume corporate responsibility as a National Technology Commercialization Organization to assist all Public Sector R&amp;D Institutions towards the commercialization of their indigenously researched products, processes and technologies.</li><li>2. To assist the Public Sector R&amp;D Organizations in developing market driven research programs based on market research focusing on the long term needs of Pakistan for industrialization based on indigenous research at the International competitive level.</li><li>3. To assist the Public Sector R&amp;D Organizations to move away from a supply push approach to research towards a more involved strategy of market driven commercially oriented activities, and as a result of which, contributing to efficient industrialization an generation of revenues for greater financial strength and independence.</li><li>4. To assist Public Sector R&amp;D Institutions for a greater commercialization effort to manifest through market studies, investment in pilot plants, management of pilot plant production, marketing of such products, and through these sub-activities, the eventual preparation of techno-economic studies.</li><li>5. To transfer the relevant technology to the private sector in a manner to benefit the Entrepreneur, the R&amp;D Organization and STCC. On completion of product or process or technology evaluation through pilot plant investment and production.</li><li>6. To establish a Technology Resource Data Base in collaboration with an internationally reputed organization for effective transfer of technologies, either in their entirety or components, and primarily oriented towards the small and medium enterprise sector.</li><li>7. To assist the Ministry of Science and Technology in the management of projects or funds specifically related to the promotion of indigenously researched products,</li></ol> |

processes and technologies.

8. To adapt and adopt foreign technologies for enhancing technological and industrial development.
9. To reduce dependence on foreign technologies enhance import substitution. increase exports and increase general self sufficiency.
- Partnership. Joint ventures and collaborations  
To promote other companies  
10. To establish participate in or promote commercial, and industrial enterprises and operations and to enter into joint ventures, partnerships or other collaborations and arrangements for the achievement of the Company's objects and business.
11. To promote and form other companies for all or any of the objects mentioned in this Memorandum or any extension thereof or otherwise to transfer to any such company all or any of the property of the Company, to take or otherwise acquire and hold property shares, debentures or other securities of any such company and to subsidize the same and to perform any services or undertake any duties for or on behalf of the same and in any other manner to assist any such company on such terms as may be agreed either with or without remuneration.
- To promote finance undertake and run business and operations  
12. To carry on and undertake any business, transaction or operation commonly carried on or undertaken by promoters of companies, entrepreneurs, financiers, concessionaires, contractors, for public and other works, merchants or traders, and to carry on any other business which may seem to the Company to be capable of being conveniently carried on in connection with the objects herein set forth or calculated directly to enhance the value of or render profitable any of the Company's properties rights or activities and to acquire purchase or sell or gift technical know-how related to Company's objectives and business.
- To manage operate business properties and to acquire, deal and develop the same  
13. To direct the management operation and maintenance of the business, properties and estates belonging to the Company and to acquire by purchase or otherwise own, possess, hold manage, buy, sell, convey, lease, mortgage or encumber real estate or other property, to convey, sub-divide, improve and develop the same for industry, trade, business or residence.
14. To enter into and carry into effect any working amalgamation or other arrangements with any company, corporation, firm, person, body, government or authority, to obtain any orders rights powers, authorities, privileges, and concessions from them and to exercise such rights, powers, authorities, privileges and concessions.
15. To obtain any provisional order or Act of the Central, Provincial Government for enabling the Company to carry any of its objects into effect or for effecting any modification of the Company's constitution or for any other purpose which may seem expedient, and to oppose any proceedings or applications which may seem calculated, directly or indirectly, prejudice to the Company's interests.
16. To acquire and undertake the whole or any part of the business, properties and liabilities of and enter into working arrangements of all kinds with other companies, firms or persons, and also to make and carry into effect schemes and arrangements with respect to union of interests or amalgamation, either in whole or in part, or any other arrangements with other companies, corporations, firms or persons, including the acquisition of all or any portion of the shares of or financing the activities and business of any establishment or company.

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| To act as merchants etc        | 17. To export and import, manufacture, purchase and prepare for market and generally deal in merchandise of every kind and description.  |
| Supplementary business         | 18. To manufacture, buy, deal, in and use products of whatever nature and all articles and things used in the manufacture, maintenance and working thereof and also all apparatus and implements and things for use either alone or in conjunction with products of which they are ingredients, or in the manufacture of which they are a factor.  |
| General business and dealings  | 19. To purchase or otherwise acquire, sell, supply, market, distribute, exchange or otherwise dispose off, import, export, store, hold, pack, transport, use, experiment with handle, trade, dispense, apply and generally deal in products of whatever nature, and so far as may be conducive to the attainment of the objects of the company or convenient or advantageous in connection therewith.  |
| To invest in stocks and shares | 20. To invest the monies of the Company, not immediately required, in such securities as may from time to time be determined and to subscribe absolutely or conditionally, purchase or otherwise acquire, and to hold, dispose off, and deal in shares, and securities or obligations of any other company, whether Pakistani or foreign.  |
|                                | 21. To invest and deal with the monies of the Company in such new projects, companies, works and research as may be directed by the Government or local authority and in such manner may be determined from time to time.  |
|                                | 22. To sell or dispose of the undertaking of the Company or any part thereof, for such consideration as the Company may think fit and in particular, for shares (fully paid up), debentures or other securities of any other company.  |
|                                | 23. To adopt, co-operate with and carry out the industrial labour, social insurance and social welfare policies of the Central or Provincial Governments   |
| Employment and hiring          | 24. To provide fullest possible openings for employment in administrative, technical and other Departments of the Company to accept such of them for, and to provide them with necessary training in Pakistan and abroad, whom the Company may be able to take into its service, and to establish, provide, subsidies, finance, maintain and conduct schools, training centers, laboratories, workshops and research and other institutions, for their education, instruction and to give them scholarships, stipends and other monetary help for the purpose. |
| To lend, advance etc.          | 25. To lend or advance money or give credit to such persons, bodies, firms or companies, and on such terms as may be necessary, desirable, or expedient, and in particular, to customers and others having dealings with the Company, and to give guarantees or become surety for any such persons, firms or companies, without doing the business of banking companies.   |
| To borrow or raise money       | 26. To borrow or raise money, whether in Pakistan or abroad, in any currency and in such manner as the Company may deem fit, and in particular by the issue of debentures or debenture stock perpetual or otherwise, or any mortgage, charge or lien upon the whole or any part of the Company's property or assets, whether present or future, including its uncalled capital, and also similarity or otherwise assure and guarantee the performance by the Company or any of its obligations or liabilities.   |
|                                | 27. To undertake financial and commercial obligations transactions and operations of all kinds whatsoever, without doing the business of investment and banking companies.   |

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| Research etc.  | 28. | To establish, provide, maintain and conduct, or otherwise subsidize research laboratories and experimental workshops for scientific and technical research, experiments and tests of all kinds and to promote studies and research, both scientific and technical, investigations and inventions by providing subsidizing endowing or assisting laboratories, workshops, libraries, research centres, lectures, meetings and conferences and by providing remuneration and other benefits to scientific or technical professors or teachers and by providing for exhibitions, scholarships, prizes, awards and grants to students and others and generally to encourage, promote and test inventions of any kind that may be considered likely to assist any of the business and objects which the Company is authorized to carry on. |
| To establish acquire operate plants laboratories etc | 29. | To construct, own, purchase, acquire, lease, build, erect, install, establish, operate, manage and maintain plants, laboratories, equipment, apparatus and other facilities for the experimentation, manufacture, processing, storage, sale and distribution of all or any products whatsoever.   |
| Payment of salaries, remuneration and consideration  | 30. | To remunerate, either cash payment and or provision of fringe benefits or by the allotment of shares, securities of the company, any person, body, firm or company for any services rendered, to the company including services in connection with the promotion or formation or functioning of the company.  |
|  | 31. | To pay premia or salaries and to pay for any property rights or privileges acquired by the Company or for services rendered in connection with the promotion of its objects or the business of the company or in connection with the acquisition of any property rights or privileges for the company or otherwise, however, either wholly or partially, in cash or in shares, bonds, debentures or other securities of the company and to issue any shares, bonds, debentures or other securities as fully paid up and to charge any such bonds, debentures or other securities upon all or any part of the property of the company.   |
| To provide housing & other facilities to workers     | 32. | To provide the employees of the company or its subsidiaries with lodgings and dwellings and any other facilities as necessary.  |
| Charitable institutions etc.                         | 33. | To establish, maintain, promote, support, or subscribe to, any charitable, educational, recreational, social, co-operative or public institutions, societies, clubs, hospitals, dispensaries, maternity homes, canteens, stores, hostels, holiday and recreational centers or other utilities/activities as the company may consider desirable, to give pension, gratuity or charitable aid to any person who may have been director or employee of, or who may serve the company, or to the wife, children, relatives or dependents of any such person, to make payment towards insurance, to form and contribute to provident and benefit funds for the benefit of its past, present Directors or employees, his wife, children, relatives or dependents.   |
| To subscribe to charity etc                          | 34. | To subscribe or guarantee money for any national, charitable, benevolent, public, general or useful object or for any exhibition.   |
| Aid to charitable institution                        | 35. | To aid pecuniary or otherwise any association, body or movement having for its object the solution settlement or surmounting to any industrial or labour problems or troubles or the promotion of industry or trade.  |
| To advertise etc.                                    | 36. | To advertise all or any of the business or manufactures and goods of the company in any way that may be thought advisable, including the media of Press, TV Radio, posting of bills in relation thereof, and the issue of books, pamphlets and brochures and price lists and the conducting of competitions and the giving of prizes thereof.   |

Transportation services	37.	To purchase, charter, hire, build or otherwise acquire vehicles of any or every sort or description, and to use the same for the carriage of passengers or goods of all kinds and to carry on the business of owners and carries in all or any of its respective branches.
To pay formation expenses	38.	To pay all costs, charges and expenses of and incidental to the formation and registration of the company.
Supplementary powers worldwide	39.	To do all or any of the above things in any part of the world either as principal, agents, trustees, contractors or otherwise, and either alone or in conjunction with others.
To do all other acts etc.	40.	To do all and everything necessary, suitable or proper for the accomplishment of any of the purposes or the attainment of any of the objects or the furtherance of any of the powers herein, before set forth, either alone, or in association with other corporate bodies, firms or individuals and to do every other act or thing incidental or appurtenant to or arising out of or connected with the business or powers of the company or part thereof, provided the same be lawful. It is expressly declared that the several sub-clauses of this clause and all the powers expressed herein are to be cumulative, and in no case unless the context expressly so requires, is the generality of any one sub-clause to be narrowed or restricted by the name of the company.
Liability	IV	The liability of the members is limited
Capital	V	The authorized Capital of the company is Rs.100.00 million divided into 1.00 million ordinary share of Rs. 100 each.

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

<u>S.No</u>	<u>Name, Address and Description of each Subscriber</u>	<u>No. of shares taken by each subscriber.</u>	<u>Signature</u>	<u>Name, Address description and of witness to signature.</u>
1.	Dr. Naeem Ahmad Khan, S/o Mr. Maqsood Ahmed Khan, Pakistan, Government Servant (Chairman, PCSIR), House No 9, Street-11, F-7/2, Islamabad.	One	Sd/-	G. Mustafa Ali S/o Late Mohammad Intezam Ali, Pakistani, Govt Servant, Director, I.L, PCSIR, E-23, Block-7, Gulshan-e- Iqbal, Karachi.
2.	Dr. M.K Bhatti, S/o Late Ch. Mohammad Hayat Bhatti, Pakistani, Government Servant, Member (Science), 51-PCSIR Housing Society , Canal Bank, Lahor-20	One	Sd/-	-do-
3.	Mr. M. Hasan Bhutto, S/o Late Mr. Raza Mohammad Bhutto, Pakistani, Government Servant, Member (Finance), PCSIR, G-21, II, Scheme No5, Kehkshan-8, Clifton, B-1, Karachi			
4.	Dr. Asaf Ali Qureshi, S/o Mr. Wajid Ali Qureshi,, Pakistani, Government Servant, Member (Technology), PCSIR Laboratories Campus, Off University Road, Karachi-39	One	Sd/-	-do-
5.	Dr. M.A.A Beg, S/o Late Mirza Mohammad Ali Beg, Pakistani, Government Servant, (Director, PCSIR), 5-C, PCSIR Laboratories Campus, Shahah-e-Jalaluddin Roomi, Lahore	One	Sd/-	-do-
6.	Dr. S.S.H Rizvi, S/o Late Syed Hadi Hasan, Pakistani, Government Servant, (Director, PCSIR), C-84, Block-1, North Nazimabad, Karachi.	One	Sd/-	-do-
7.	Dr. F.A Farooqi, S/o Late Mr. Mohammad Sami Farooqi, Pakistani, Government Servant, Member (Technology), PCSIR-B-1 (PCSIR) Laboratories Campus, Off University Road, Karachi-39	One	Sd/-	-do-

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ARTICLES OF ASSOCIATION  
OF**

**STEDEC TECHNOLOGY COMMERCIALIZATION CORPORATION OF  
PAKISTAN (PRIVATE) LIMITED (STCC)**

**1. PRELIMINARY**

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| Table 'A' not to apply                     | 1. The Regulations contained in Table 'A' in the First Schedule to the Companies Ordinance 1984, (there in after called 'the Ordinance shall not apply to the Company except as may be reproduces herein).  |
| Companies to be governed by these Articles | 2. (a) The Company is a private company within the meanings of clause (28) of sub-section (1) (28) of section 2 of the Companies Ordinance XLVII of 1984.<br><br>(i) The number of members in the Company is restricted to fifty excluding the persons who are in the employment of the company, provided that where two or more persons hold one or more shares in the Company jointly they shall, for the purpose of this definition, be treated as a single member, and<br><br>(ii) No invitation shall be issued to the public to subscribe for the shares, debentures stock of the Company<br><br>(iii) The right to transfer the shares in the Company is restricted as here under provided.<br><br>(b) The regulations for the management of the Company and for the observance of the members thereof and their representatives shall (subject to any exercise of the statutory powers of the company in reference to the repeal or alteration of or addition to its regulations by Special Resolution, as prescribed by the Ordinance) be such as are contained in these Articles. |
| Interpretation Clause                      | 3. The marginal notes hereto shall not affect the construction hereof and in these presents, unless there is something in the subject or context inconsistent therewith.<br><br>(a) The Company means STEDEC Technology Commercialization Corporation of Pakistan (Private) Limited<br>(b) Words signifying the singular number only shall include the plural and vice versa.<br>(c) Words signifying males only shall extend to and include females.<br>(d) Words signifying the persons include bodies corporate.<br>(e) The world month shall mean "Calendar month" according to the English Calendar.<br>(f) Special Resolution" Shall have the meaning assigned thereto by the Ordinance.  |

- (g) Directors” The Directors shall mean the Directors for the time being and shall include alternate Directors.
- (h) The Ordinance” means the Companies Ordinance 1984.
- (i) The Article” means these Articles of Association as originally framed or as altered from time to time by Special Resolution.
- (j) The Board” shall mean the Directors, from time to time, of the Company acting at a meeting or through a committee of Directors of Pursuant to unanimous written consent.
- (k) Dividend” means the distribution of profit of the Company to its members and includes bonus.
- (l) PCSIR” means Pakistan Council of Scientific and Industrial Research represented through Chairman.
- (m) The Chief Executive” means the Chief Executive of the Company appointed from time to time pursuant to the Articles.
- (n) Member” means a member of the Company within the meaning of Section 2(21) of the Ordinance.
- (o) 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.
- (p) The Office” means the Registered Office of the Company.
- (q) The Register” means the Register of members to be kept pursuant to Section 147 of the Ordinance.
- (r) The Seal” means the common seal adopted by the company
- (s) In Writing” or “Written” include printing, lithography and other modes of representing words or reproducing words in visible form.

Subject as aforesaid any words or expressions defined in the Ordinance shall except where the subject or context for-bids bear the same meaning in these Articles

Visits and disclosure of information restricted

- 4. No share holder or other persons except to the extent expressly permitted by the Ordinance, or these Articles, or any covenants made by the Company, shall be entitled to enter the property of the Company or to inspect or examine the Company’s books of account without permission of the Directors of the Company for the time being or to require disclosure of any information respecting any detail of the Company’s business or any matter which is or may be in the nature of a trade secret, mystery of trade or secret process or of any matter whatsoever which may relate to the conduct of the business of the company and which in the opinion of the Board might be in expedient in the interest of the members of the Company to communicate.

## **II. BUSINESS**

Business and Management

- 5. The business of the Company shall include the several objects expressed in the Memorandum of Association of those which are within its scope and meaning and all incidental matters taken or to be taken in hand, as the Directors in their discretion shall think fit, and all matters, which may appear to the Directors to be expedient for attaining these objects. The business shall be carried on by or under the management of



Directors, subject only to such control of General Meeting as is provided by these articles and the Ordinance. The Company may establish / formulate its own subsidiary companies or may acquire part or all the equity in those concerns which it considers suitable towards the accomplishment of its objectives.

### III. CAPITAL

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| Share Capital  | 6.  | The share capital of the Company is Rs.100.00 million divided into 1.00 ordinary shares of Rs.100.00 each.  |
| Issue of Shares  | 7.  | Subject to the provisions of the Ordinance and of these Articles the shares in the Capital of the Company for the time being shall be under the control of the Directors who may allot or otherwise dispose of the same or any of them to such persons and on such terms and conditions as the Board may deem fit, at par of (subject to compliance with Section 84 of the Ordinance) at a discount as the Board may from time to time think fit and proper and with full power to give to any person an option to call for or be allotted shares of any class of the Company at par of subject as aforesaid at a discount, such option being exercisable at such time and for such considerations as the Directors deem fit. |
| Shares for Consideration                                   | 8.  | The shares in the Capital of the company may be allotted on payment for any property sold, technical know-how of software, package transferred, goods of machinery supplied or services rendered to the Company in or about formation or promotion of the conduct of its business, and any shares which may be so allotted may be issued as fully paid up otherwise than in cash, and if so issued shall be deemed to be fully paid up shares as aforesaid.   |
| Company not to finance purchase of its shares              | 9.  | The company shall not give, either directly or indirectly or by means of a loan guarantee, provision of security or otherwise, any financial assistance for the purpose or in connection with a purchase made or to be made by any person of any shares in the Company, nor shall the Company make a loan for any purpose whatsoever on the security of its shares, but nothing in this Articles shall prohibit any transaction which may be permitted by the Ordinance.  |
| Register of Members Register of Members open to inspection | 10. | The Company shall cause to be kept a Register of Members and Index of Members in accordance with Section 147 of the Ordinance.<br>The Register of Members and the Index of Members shall be open to inspection by Members, gratis.  |
| Evidence of Membership                                     | 11. | Any application or subscription signed by or on behalf of an applicant or subscriber for shares in the Company, followed by an allotment of any shares therein, shall be an acceptance of shares within the meaning of the Articles, and every person who thus or otherwise accepts any shares and whose name is entered on the Register shall for the purpose of the Article be a member.  |
| Trust not recognized                                       | 12. | 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 equity or benami, equitable, contingent or other claim to or interest in such shares on the part of any other person whether or/ not it have expressed or implied notice thereof.

#### **IV. CERTIFICATES**

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| Share certificates                                   | 13. Every person whose name is entered as a Member in the Register shall be entitled without payment, to one certificate for all his shares of each class, or upon payment of such sum, not exceeding Rs. 2.00 for every certificate after the first, as the Directors shall from time to time determine to several certificates each for one or more of his shares. Every certificate shall be issued within ninety days after allotment or the lodgment with the Company of the transfer of the shares, unless the conditions of issue of such shares otherwise provide and shall be under the seal of the Company and bear the autographic signature of one Director and the Secretary or two Directors, and shall specify the number and class and distinguishing numbers (if any) of the shares to which it relates, and the amount paid-up thereon. The Directors may by resolution determine, either generally or in any particular case, that the signature of any Director may be affixed by some mechanical means to be specified in such resolution provided that the use of such means is by such resolution restricted to certificates which have first been approved for sealing by the Auditors, or Bankers of the Company in writing. |
| Registration of joint holders                        | 14. The Company shall not be bound to register more than four persons as the joint holders of any shares (except in the case of executors or trustees of a deceased Member) and in the case of a share held jointly by several persons, the Company shall not be bound to issue more than one certificate thereof, and the delivery of a certificate for a share to any one of the several joint holders shall be sufficient delivery to all.   |
| Issue of new certificate in place of defaced or lost | 15. If a share certificate be defaced, lost or destroyed, having been defaced, mutilated or torn is surrendered to the Company or there be no further space on the back thereof for endorsements of transfer be renewed and replaced it may on payment of such fee (if any) not exceeding two rupees and on such terms (if any) as to evidence and indemnity as the Directors may think fit.  |
| Directors may issue new certificates                 | 16. Where under the powers in that behalf herein contained any shares are sold by the Directors and the certificate thereof has not been delivered upto the Company by the former holder of the said shares, the Directors may issue a new certificate for such shares distinguishing it in such manner as they may deem fit from the certificate not so delivered.   |

#### **V. UNDER WRITING AND COMMISSION**

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| Commission | 17. The Company may at any time pay a commission to any person for subscribing or agreeing to subscribe, (whether absolutely or conditionally), for any shares debentures or debenture stocks or procuring or agreeing to procure subscriptions, whether absolute or conditional, for any shares, debentures or debenture stock of the Company but so that the amount or rate of commission shall not exceed |
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five (5) percent of the price at which the shares are issued or of nominal value of the debentures in each case subscribed or to be subscribed. The commission may be paid or satisfied in cash or in shares or debentures of the Company. The Company may also pay brokerage not exceeding one (1) per cent in respect of any subscription for shares or debentures.

## VI. TRANSFER OF SHARES

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| Instrument of transfer                            | 18. | Subject to the provisions hereinafter set forth, any Member may transfer all or any of his shares by instrument in writing in usual or common form or any other form which the Directors may approve.   |
| Signatures on the transfer deed                   | 19. | The instrument of Transfer of any share shall be signed by or on behalf of both the transferor and transferee and witnessed. The transferor shall be deemed to remain the holder of such share until the name of the transferee is entered in the register in respect thereof, provided that the Directors may dispense with the signature on the instrument of transfer by or on behalf of the transferee in any case in which they think fit in their discretion to do so.  |
| Conditions for registration transfer              | 20. | The Company shall not register a transfer of share unless.<br>(a) Such fee not exceeding Two Rupees or as the Directors may from time to time prescribe, is paid to the Company in respect thereof.<br>(b) The instrument of transfer duly accented by the transferor or transferee is deposited at the office or such other place as the Directors may appoint, accompanied by the certificates of the share to which it relates, and such other evidence as the Directors may reasonably require show the rights of the transferor to make the transfer.<br>(c) The instrument of transfer is in respect of only one class of shares. |
| Director may refuse register transfer             | 21. | Directors may, at their absolute discretion and without assigning any reason thereof, decline to register any transfer of shares (not being fully paid shares) to any person and they may also decline to register any transfer of shares on which the Company has a lien. If the Directors decline to register transfer of any shares, they shall within thirty days after the date on which the transfer was lodged with the Company, send to the transferee and the transferor notice of refusal, indicating reasons for such refusal.   |
| Registration Fee                                  | 22. | There shall be paid to the Company in respect of the registration of any Probate, Letter of Administration, certificate of marriage or death, power of attorney or other document relating to or affecting the title to any shares such fee not exceeding Rs 2 or as the Directors from time to time require or prescribe.  |
| Recognition or renunciation of content            | 23. | Nothing in these Articles shall preclude the Directors from recognizing or renunciation of the allotments of any share by the allottee in favour of some other person.  |
| Transfer instrument to be retained by the Company | 24. | All instruments of transfer which shall be registered, shall be retained by the Company, but any instrument of transfer which the Directors may decline to register shall (except in any case of fraud or other criminal action) be returned to the person depositing the same.   |
| Closure of transfer books                         | 25. | On giving seven days previous notice by advertisement in some   |

newspaper the Register of Members may be closed for such period or periods, not exceeding in whole forty five days, in any one year, as the Directors from time to time direct, but so that the Register shall not be closed for period longer than thirty days at a time.

No transfer to minors etc 26. No shares shall, in any circumstances, be transferred to a minor, insolvent person or unsound mind.

## VII. TRANSMISSION OF SHARES

Survivor or personal representative only recognized as having any title 27. In case of the death of member, the survivor or survivors where deceased was a joint holder and, subject as hereinafter provided, holder shall be the only person recognized by the Company as having any title to his interest in the share, but nothing in this Article shall release the estate of a deceased joint holder from any liability in respect of any shares jointly held by him.

Transmission of registered shares as to survivorship 28. The Company shall not be bound to recognize such executors or administrators unless they shall have obtained probate or letters of administration from a duly constituted Court in Pakistan. Provided nevertheless, that in any case where the Directors in their absolute discretion think fit, it shall be lawful for the Directors to recognize the title of any person claiming to be entitled to the share, whether in the representative capacity or not, and to dispense with production of probate or letters of administration on the production of such other evidence of title as the Directors may require and upon such terms as to indemnity or otherwise as they may think fit.

Option of the entitled person for registration 29. Any person becoming entitled to a share in consequence of the death or insolvency of a member may upon evidence as to his title being produced as may from time to time be required by the Directors, and subject as hereinafter provided elect either to be registered himself as holders of the share or to have some other person nominated by him, registered as the transferee thereof, but the Directors shall in either case have the same right to decline or suspend registration as they would have had in the case of a transfer of the share by that Member before his death or bankruptcy as the case may be.

Method of exercising opting 30. If the person so becoming entitled shall elect to be registered himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects. If he shall elect to have another person registered he shall testify his election by executing to those persons a transfer of the share. All the limitations restrictions and provisions of these Articles relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid if the death or bankruptcy of a member had not occurred and the notice of transfer were signed by the Member.

Rights of the entitled person 31. A person becoming entitled to a share by reason of the death or insolvency of the holder shall (subject to his complying with the provisions of these Articles) be entitled to the same dividends and other advantages to which he would have been entitled if he were the registered holder of the share. Provided always that the Directors may at any time give notice requiring any such person to elect either to be

registered himself or to transfer the share and if the notice is not complied with within ninety days the Directors may thereafter withhold payment of all dividends or other money payable on or in respect of the share until the requirements of the notice have been complied with.

- Right of survivor to receive dividends and other advantages 32. A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he was the registered holder of the share, except that he shall not before being registered as a member in respect of the share, be entitled in respect of it to exercise any rights conferred by membership in relation to meetings of the Company.
- Company not be liable 33. Company shall incur no liability or responsibility whatever in consequence of it registering or giving effect to any transfer of shares made or purporting to be made by any apparent legal owner thereof (as shown or appearing in the Register) to the persons having or claiming any equitable right, title or interest 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 nevertheless be at liberty to regard and attend to any such notice and give effect thereto, if the Board shall so think fit.
- Power to increase authorized capital 34. Subject to the Provisions of Section 86 of the Ordinance the Company may from time to time in General Meeting by special resolution increase its authorized capital by the issue of new shares of such amount and of such denomination, powers, and rights as it thinks expedient.
- Offer for further capital 35. Subject to any direction, to the contrary that may be given by a Special Resolution of the Company in General Meeting all new shares shall, before issue, be offered to the Members of the Company in proportion, as nearly as the circumstances admit, to the account of the existing shares held by each member. The offer shall be made by notice specifying the number of shares offered, and limiting the 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 Directors may dispose of the same in such manner as they think most fit for the Company.
- Conditions of 36. Except so far as otherwise provided by the conditions of issue or by the Articles and Capital raised by the creation of new shares shall be considered part of the authorized capital and shall be subject to the provisions herein contained with reference to transfer and transmission, voting and otherwise.
- Power to reduce share Capital 37. Subject to the Provisions of Sections 96 to 105 of the Ordinance the Company may by Special Resolution reduce its share capital in any manner.

#### **VIII. CONSOLIDATION AND SUB-DIVISION OF SHARES**

- Powers to subdivide or consolidate share 38. The Company in General Meeting by Ordinary Resolution may from time to time

(a) Consolidate and sub-divide its share or any of them and exercise any of the other powers conferred by the Ordinance and shall file with the Registrar notice of exercise of any such power as may be required by the Ordinance.

(b) Sub-divide shares or any of them into share of smaller amount than is originally fixed by the Memorandum, subject nevertheless to provisions of the Ordinance in that behalf.

Powers to cancel shares

(c) Cancel shares which at the date of such General Meeting have not been taken or agreed to be taken by any person, and diminish the amount of its share capital by the amount of the shares so cancelled.

#### **IX. BORROWING POWERS**

Borrowing Powers and giving of securities

39. The Board may from time to time borrow any monies for the purposes of the Company from the members or from any other person, firms, companies, corporations. Government Agencies, Institutions or Banks or the Directors may themselves lend monies to the Company.

Raising Monies

40. The Board may raise and secure payment of such sum or sums of money in such manner and upon such terms and conditions in all respects as it may think fit and in particular by the issue of bonds, perpetual or redeemable debentures or by mortgage or charge or, other security on the whole or any part of the property assets and rights of the Company (both present and future) including its uncalled capital for time being.

Registration of mortgages and charges

41. The Company shall cause a proper register to be kept in accordance with Section 135 of the Ordinance all mortgages and charges specifically affecting the property of the Company and shall duly comply with the requirements of Section 121 and 122 of the Ordinance in regard to the registration of mortgages and charges therein specified and otherwise and shall also duly comply with the requirements of Section 130 of the Ordinance as to keeping a copy of every instrument creating any mortgage or charge by the company at the office and the requirement of Section 132 of the Ordinance as to giving intimation of the payment or satisfaction of any charge or mortgage created by the company.

Conditions of Bonds etc

42. Any bonds, debentures or other securities issued or to be issued by the Company shall be under the control of the Board which may issue them upon such terms and conditions and in such manner and for such consideration as shall be considered by the Board to be for the benefit of the Company.

Issue at discount/premium

43. Any bonds, debentures or other securities may be issued at discount, premium or otherwise in accordance with Section 84 of the Ordinance.

Indemnity to directors

44. If the Directors or any of them or any other person shall become personally liable for the payment of any sum primarily due from the Company, the Board may execute or cause to be executed any mortgage, charge or security over or effecting the whole or any part of the assets of the Company by way of indemnity to secure the Directors or persons so becoming liable as aforesaid from any loss in respect of such liability.

#### **X. GENERAL MEETINGS**

General Meeting when to be

45. A General Meeting of the Company shall be held within eighteen months

held		from the date of incorporation of the company and thereafter in accordance with Section 158 of the Ordinance once at least in every calendar year within a period of six months following the close of its financial year and not more than fifteen months after the holding of its last proceeding annual general meeting at such time and place as may be determined by the Board. Such meetings, shall be called Annual General Meetings and all other General Meetings of the Company shall be called Extra-Ordinary Meetings.
Who may call Extraordinary General Meeting	46.	The Board may call an Extraordinary Meeting whenever it shall think fit. An Extraordinary Meeting may also be conveyed on the requisition of the members in accordance with the provision of Section 159 of Ordinance.
Notice of Meetings	47.	Twenty one clear day's notice at least of every Annual General Meeting specifying date, place and hour of the Meeting and with a statement of the business to be transacted at the meeting shall be given to the persons entitled under and in the manner, provided by the Ordinance and these Articles.
Special and extra-ordinary resolution	48.	In the case a meeting convened to pass a special Resolution, at least twenty one clear days notice specifying the intention to propose the Resolution as a special and specifying the date, place and hours of meeting whether Annual or Extraordinary, and the nature of the business, shall be given.
Waiver of notice	49.	With the consent of all Members entitled to receive a notice of a Meeting or to attend and vote at any such Meeting, a meeting may be convened by shorter notice than specified in the foregoing articles.
Omission to give notice	50.	In a case in which notice of any Meeting called by the Board is given to the shareholders individually, the accidental omission to given notice to any of the shareholders or the accidental non receipt thereof shall not invalidate the proceedings at any such meeting or the Resolution passed at any such Meeting.

#### **XI. PROCEEDINGS AT GENERAL MEETING**

Quorum	51.	Two members present in person and holding at least 25% of the total rights either of their own accounts or as proxies shall be the quorum of General Meeting.
	52.	The Chairman of the Board shall entitle to take the Chair at every General Meeting. If there is no Chairman or if at any Meeting he shall not be present or is unwilling to act, the Directors present may choose one of the Directors to act as Chairman and in default of their doing so, the members, present shall choose one of the Directors to be Chairman and if no Director present is willing to take the Chair, the members present shall choose one of the members to act as Chairman.
Adjournment of meeting for lack of quorum	53.	If within half an hour after the time appointed for the holding of a General Meeting a quorum is not present, the Meeting if convened on the requisition of the Members shall be dissolved, and in any other case shall stand adjourned to the same day in the following week at the same time and place or to such other day, time and place as the Board may by

notice to the shareholders appoint if at such adjourned Meeting a quorum is not present within half an hour from the time appointed for the meeting two members present personally shall be the quorum and may transact the business for which the meeting was called.

54. The Chairman with the consent of the members may adjourns any meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than business left unfinished at the meeting from which the adjournment took place. In case any new business is proposed, proper notice will have to be served.
- Voting on Resolutions by show of hands and when poll demanded 55. Before or on the declaration of the result of the voting on any resolution on a show of hands, a poll may be ordered by the Chairman of his own motion and shall be ordered to be taken by him on a demand made in that behalf by (i) one member having the right to vote on the resolution and present in person or by proxy if not more than seven such members are personally present and by two such members present in person or by proxy if more than seven such members are personally present (ii) 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 (iii) by any members of 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 aggregate sum has been paid up which is not less than one-tenth of the total sum paid up on all the shares conferring that right.
56. If a poll is demanded as aforesaid it shall be taken in the manner provided under the provisions of sub-sections-(2) or (3) of Section 168 of the Ordinance and at such time not more than fourteen days from the day on which it is demanded and place as the Chairman of the Meeting directs, and the result of the poll shall be deemed to be the decision of the meeting on which poll was taken.
- Poll on election of Chairman and Adjournment 57. A poll demanded on the election of Chairman or on any question of adjournment shall be taken forthwith.
- Effect of Poll 58. 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 59. Minutes shall be made in books provided for the purpose of all resolutions and proceeding at General Meetings, and any such Minutes if signed by any person purporting to have been Chairman of the Meeting or next following Meeting shall be receivable as evidence of the facts therein stated without further proof.
- Minutes Books 60. The books containing Minutes of proceedings of General Meetings of the Company shall be kept at the Registered 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 hours each day is allowed for inspection) to open to the inspection of any Member without charge.

## **XII. VOTES OF MEMBERS**



- Votes of members 61. Except as provided otherwise in any articles, upon a show of hands every member entitled to vote and present in person shall have one vote and upon a poll every member entitled to vote and present in person or by proxy shall have one vote for every share conferring voting rights as aforesaid held by him.
- Right to vote 62. Subject to the provisions of the Ordinance and the last preceding article, no Member shall be entitled to be present or vote at any General Meeting either personally or by proxy for any other member or be reckoned in a quorum whilst any call or other sum shall be due and payable to the Company in respect of any of the shares of such Members.
- Vote of Members Corporation/Companies 63. A corporation whether a company within the meaning of the ordinance of a company which is a Member of this Company may appoint as proxy or as its representative under Section 161 of the Ordinance 11 any person to exercise the same powers on behalf of the corporation or Company which he represents in General Meeting as that corporation or company could exercise if it were an individual member of the Company.
- Manner of proxy 64. Every proxy shall be appointed in writing under the hand of the appointer or by an agent duly authorized under a Power of Attorney or if such appointer is a company or corporation under the hand of its Attorney who may be the appointer.
- Irrevocable proxy 65. Any proxy declared expressly on its face to be irrevocable shall not be revoked or be deemed revoked by the Member giving such proxy without the consent of the proxy holder, whether by attendance at any General Meeting held during the period of such proxy or by any other action on his part whatsoever or otherwise during the time of such proxy if such proxy is furnished to and filed with the records of the Company and the Company shall be bound to recognize and give effect to such proxy in accordance with the terms thereof.
- Proxy to be deposited at registered office 66. No person shall act at proxy unless the instrument of his appointment, and the Power of Attorney, if any, under which it is signed, shall be deposited at the office of the company at least forty eight hours before the time for holding the Meeting at which he proposes to vote.
- Form of proxy 67. An instrument of proxy whether for a specified meeting or otherwise may 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 .....hereby appoint Mr..... of .....as my/our proxy to vote for me/us and my/our behalf at the Annual/Extraordinary (as the case may be) General Meeting of the Company to be held on the .....day of .....and at any adjournment thereof.  
As witness my/our had this ..... day of .....Signed by the said ..... in the presence of .....
- Validity of proxy 68. A vote given in accordance with the terms of any 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 Company before the Meeting.

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| Validity of Vote   | 69. | No objection shall be made to the validity of any vote except at the Meeting or at the poll at which such vote shall be tendered and every vote whether given personally or by proxy not disallowed at such Meeting or poll shall be deemed valid for all purposes of such Meeting or (poll).  |
| Chairman to decide   | 70. | If any question is raised the Chairman of the Meeting shall decide on the validity of every vote tendered at such Meeting in accordance with these Articles.   |
| Vote of the Joint Holders                                  | 71. | Where there are joint holders of any share, any one of such persons may vote at any meeting either personally or by proxy in respect of such shares 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, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders and for this purpose seniority shall be determined by the order in which the names stand in the Register of Members. |
| Vote of a member of unsound mind                           | 72. | 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, through guardian or by proxy appointed by the guardian.  |
| Vote in respect of shares of decreased or bankrupt members | 73. | Any person entitled under these Articles to transfer of 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 atleast 48 hours before the time of holding the meeting at which he proposes to vote he shall satisfy the Board of his right to transfer of such shares, unless the Directors shall have previously admitted his right to vote at such meeting in respect thereof.  |

### **XIII. DIRECTORS APPOINTMENT OF DIRECTORS**

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|                 | 74. | Until otherwise determined by the Company in General Meeting the number of Directors shall not be less than two nor more than Twenty including the Chairman, the Chief Executive and the Finance Director.  |
| First Directors | 75. | The first Board of Directors shall be constituted by the following persons.<br><ol style="list-style-type: none"><li>1. Dr. Naeem Ahmed Khan Chairman(PCSIR)</li><li>2. Dr. M.K.Bhatty Member (Science),PCSIR</li><li>3. Mr. M.Hasan Bhutto Member (Finance).PCSIR</li><li>4. Dr. Asaf Ali Qureshi Director, PCSIR, Labs,Lhr</li><li>5. Dr. M.A.A.Beg Director, PCSIR</li></ol> |

6. Dr.S.S.H.Rizvi Director, PCSIR, Labs, Karachi  
 7. Dr.F.A.Farooqi Member (Tech), PCSIR

76. The Directors of the Company shall be appointed by the MoST subject to provisions of Companies Ordinance 1984. They shall hold office until removal by the MoST. Accordingly the Directors shall not be liable to retire by rotation or be removed by the Company.
- Alternate Director Appointment and rights 77. When a Director is about to leave or is absent from the district in which meetings of the Directors are ordinarily held, MoST may appoint any qualified person to be an Alternate Director during his absence, provided that such absence shall not be less than a period of three months as such appointment shall have effect and such appointee, whilst he holds office as any Alternate Director, shall be entitled to exercise all the functions as a Director of the Company but he shall ipso-facto vacate office when the absent Director returns or vacates office as Director. Any appointment or removal under this Article shall be effected by notice in writing by MoST.
- Qualification of Directors 78. The Director shall not be required to hold any share by way of qualification so long as shares are held by MoST or its nominees.
- Director may act notwithstanding vacancies 79. The continuing Directors may act notwithstanding any vacancy in their body, but when the number is reduced below the minimum above fixed. The Directors shall not act except in emergencies or for the purpose of summoning a General Meeting of the Company, so long as the number falls below the minimum.
- Directors may be interested in other companies 80. A Director of this Company may be or become a Director of any Company promoted by this Company, or in which it may interested as a vendor, shareholder or otherwise and no such Director shall be liable to account for any lawful benefit received as Director or Member of such Company.
- Loan to Directors 81. The Company shall not make any loan or guarantee any loan made to a Director of the Company or of a firm of which such Director is a partner or to a private company of which such Director is a Director.

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

- Continuing Directors to act 82. The continuing Directors may act notwithstanding any vacancy in their body, but if the minimum falls below the number fixed by these Articles, the Directors shall not, except for the purpose of convening a General Meeting, act so long as the number remains below the minimum.

#### **XIV. PROCEEDINGS OF THE MEETING OF THE BOARD OF DIRECTORS**

- Directors Meeting 83. The Directors may meet together for the dispatch of business, adjourn and otherwise regulate their meeting and Proceedings as they think fit and determine the quorum necessary for the transaction of business until otherwise determined three Directors shall be quorum. Question arising at any meeting shall be decided by a majority of votes and in case of an equality the Chairman shall have a casting vote. A Director may, and the

Secretary on the requisition of Director, at any time summons a meeting of Directors. Notice of Director's Meetings shall be given to all Directors whether or not they are within Pakistan.

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| Directors may appoint Committee                              | 84. | The Director may delegate any of their powers to committees consisting of such member of members or their body as they think fit. Any Committees so formed shall in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Directors.  |
| Act of Director valid notwithstanding defects in appointment | 85. | All acts done by any meeting of Directors or 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 any such Director or person acting as aforesaid, or that they or any of them were disqualified or had vacated office or were not entitled to vote, be as valid as if every such person had been duly appointed and was qualified and had continued to be a Director and had been entitled to vote.  |
| Resolution by Circulation                                    | 86. | A resolution previously circulated in writing to all Directors and passed without any meeting of Directors and signed by majority of the Directors for the time being entitled to receive notice of a meeting of the Directors, shall be as valid and effectual as if it had been passed at a meeting of Directors duly convened and held and may consist of several documents in like form each signed by one or more of the Directors.   |
| Quorum of Directors Meeting and Powers                       | 87. | A meeting of the Board for the time being at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretion by or under the Articles vested in or exercisable by the Board generally. Three Directors personally present shall constitute a quorum. Questions arising at any meeting shall be decided by a majority of votes. In the case of any equality of votes, the Chairman of the Meeting shall have a second or casting vote.<br>Shall be decided by a majority of votes. In the case of any equality of votes, the Chairman of the Meeting shall have a second or casting vote. |
| As to presiding at Directors Meeting                         | 88. | 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, the Directors present shall choose one of their members to be Chairman of such meetings.   |
| Borrowing powers and giving of securities                    | 89. | The Board may exercise all the powers of the Company to borrow and mortgage or charge its undertaking. Property and assets, (both present and future) and unpaid capital (whether called up or not), and to issue debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company, or of any third party.   |
| Powers to pay pension etc.                                   | 90. | The Board may pay and agree to pay pensions or other retirement, superannuation, death or disability benefit or allowance to any person in respect of any Director or former Director who may hold or may have held any executive office of 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 insurances or trusts in   |

respect of such persons.

## **XV. REMUNERATION**

- Remuneration of Directors 91. Until otherwise determined by the Company in General Meeting each Director shall be entitled to be paid remuneration for his services a fee at the rate of Rs. 250 per meeting attended by him. Each Director, (including each alternate Director) shall also be entitled to be reimbursed his reasonable expenses incurred in consequences of his attendance at meetings of the Directors, or of Committees of Directors.
- Extra remuneration may be paid to a Director 92. Any Director who serves on any Committee or who devotes special attention to the business of the company or who otherwise performs services which in the opinion of the Board, are outside the scope of the statutory duties of a Director may be paid such extra remuneration by way of salary, allowances, facilities, perquisites, etc., as the company in General Meeting may determine.

## **CHAIRMAN AND CHIEF EXECUTIVE**

93. Secretary Ministry of Science & Technology shall be exofficio Chairman of the Company.
94. The Board of Directors may from time to time appoint any suitable person to office of the Chief Executive for such period and on such terms as deemed fit, and subject to the terms of any agreement entered to any particular case, may revoke such appointment. A Chief Executive shall receive such remuneration (whether by way of salary, commission, participation in profits, allowances, perquisites etc, partly in another) as the Board of Directors may determine.
- Delegation of Powers to Chief Executive 95. The Board of Directors may entrust to and confer upon a Chief Executive any of the powers upon such terms and conditions and with such restrictions as they may deem fit and may from time to time revoke, withdraw, alter or vary all or any of such powers.

## **XVI. DISQUALIFICATION OF DIRECTORS**

96. The office of Director shall be vacated if the Director.
- (a) Is found to be of unsound mind by Court of competent jurisdiction or;
  - (b) Is adjudged insolvent or,
  - (c) Without the sanction of the Company accepts or holds any office of profit under the Company other than that of a Chief Executive or a legal or technical adviser or a banker: or,
  - (d) Absents himself from three consecutive meetings of the directors for a continuous period of three months whichever is longer without leave of absence from the Board of Directors: or,
  - (e) Accepts a loan or guarantee from the Company: In contravention of Section 195 of Ordinance or.
  - (f) Is concerned or participates in the profits of any contract with the company: or

- (g) Is punished with imprisonment for a term exceeding six months on a charge including moral turpitude

Provided however, that no Director shall vacate his office by reason of his being a member of any company which has entered into contracts with, or done any work for the company of which he is Director, but a Director shall not vote in respect of any such contract or work, and if he does so his vote shall not be counted.

#### **XVII. MINUTES**

Minutes to be made

- 97. The Director shall cause minutes to be duly entered in books provided for the purpose:-
  - (a) Of the names of the Directors present at each meeting of the Directors and of any Committee of Directors
  - (b) Of all orders made by the Directors and Committee of Directors.
  - (c) Of all resolution and proceedings of General Meetings and of Meeting of the Directors and Committee.

Minutes as prima facie evidence

- 98. All such minutes shall be signed by the Chairman of the meeting as recorded or the person who shall preside as Chairman at the next succeeding meeting and all minutes purported to be so signed shall for all purposes whatsoever be prima facie evidence of the actual passing of the resolution recorded, and the actual and regular transaction or occurrence of the proceedings so recorded and of the regularity of the meeting at which the same shall appear to have taken place.

#### **XVIII. POWERS AND DUTIES OF DIRECTORS**

General Powers

- 99. The business of the Company shall be managed by the Directors who may in addition to the powers and authorities by these presents or otherwise, expressly conferred upon them, exercise all such powers and do all such things as may be exercised or done by the Company and are not hereby or by any enactment expressly directed or required to be exercised or done by the Company in General Meeting but subject nevertheless to the provisions of any enactment and or of these articles and to any regulations from time to time made by the Company in its General Meeting provided that no regulation so made shall invalidate any prior act of Directors which would have been valid if such regulation had not been made.

Specific powers

- 100 Without prejudice to the general powers conferred by the last preceding article and the other powers conferred by the Articles, the Directors shall have the following powers namely.
  - (a) To pay the cost charges and expenses, preliminary and incidental, to the promotion, establishment and registration of the Company, and to issue shares fully paid up or for consideration other than cash.
  - (b) To take on lease, 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.

- (c) To appoint any person or persons to hold in trust for the Company any property belonging to the Company or in which it is interested or for any other purpose, and execute all such instruments and do all such things as may be requisite in relation to any such trust.
- (d) To sell, let, exchange or otherwise dispose off absolutely or conditionally all or nay part of the property, privilege and undertaking of the Company upon such terms and conditions and for such consideration as they may think fit.
- (e) To buy or procure the supply of all plant, machinery, material, stores fuel implements and other moveable property required for the purpose of the Company.
- (f) To sell and dispose off all articles and goods manufactured or dealt in by the Company
- (g) To engage, fix and pay the remuneration of and dismiss or discharge all managers, engineers, agents, secretaries, clerks, servants, workmen and other persons employed or to be employed in connection with the Company's business.
- (h) To engage any person, firm or company as consultants to the Company for any period or time as they think fit and fix and pay remuneration to them. Also to appoint any person or persons to be attorney or attorneys of the Company for such purpose and with powers, authorities and discretion not exceeding those vested in or exercisable by Directors, and for such period and subject to such conditions as the Directors may from time to time think fit.
- (i) To borrow or raise money from time to time at their discretion or enter into, carry out rescind or vary all financial arrangements with the Government, any banks, persons, companies and corporations for or in connection with such arrangements to deposit, pledge or hypothecate any property of the Company or the documents representing or relating to the same.
- (j) To make and give receipts, for money payable to the Company and for the claims and demands of the Company.
- (k) To compound and/or allow time for the payment or satisfaction of any debts due to or by the Company and any claims and demands by or against the Company and to refer any claims of or demands by or against the company to arbitration and observe and perform the awards.
- (l) To appoint bankers for and on behalf of the Company, to draw, accept, endorse and negotiable all such cheques, bills of exchange, promissory notes, hundies, drafts, Government and other securities as shall be necessary in or for carrying on the affairs of the Company.
- (m) To institute, prosecute, defend, compromise, withdraw or abandon any legal proceedings by or against the Company or its officers otherwise concerning the affairs of the Company.
- (n) To invest and deal with any of the monies of the Company not immediately required for the purpose thereof upon such securities of

investments and in such manner as they may think fit and from time to time to waive or realize such securities and investments.

- (o) To enter into such negotiations and contracts and rescind or vary all such contracts and execute and do all such acts, deeds and things in the name and on behalf of the Company as they may consider expedient for or in relation to any of the matter aforesaid or otherwise for the purpose of the Company.
- (p) To pay for any property or rights acquired by or service rendered to the Company or the premium payable in respect of any lease taken by the Company either wholly or partially in cash or in shares, bonds, debentures or other securities of the Company and any such shares to be issued as fully paid up and any such bonds, debentures or other securities to be either specially charged upon all or any part of the property of the Company and its uncalled capital or not so charged.
- (q) To delegate all or any of the power conferred on them by these Articles, to any one or more of their number and/or to one or more officers of the Company, with powers to authorize such director or officer to further delegate powers given to them, if necessary. Such delegation may be for a fixed or an undermined period and may be withdrawn by the Board as and when it think fit. The Chairman designate shall be considered to have been delegated all these powers until the Board meets to determine the powers of the Chairman.

#### **XIX. THE SEAL**

Custody of Seal

101. The board shall provide a Common Seal for the purposes of the Company and for the safe custody of the Seal, and Seal shall never be used except by the authority of the Board or a Committee of Directors previously given, and one Director at least shall sign (in the same manner as provided for in Article 13) every instruments to which the Seal is affixed provided, nevertheless, that any instrument bearing the Seal of the Company and issued for valuable consideration shall be binding on the Company notwithstanding any irregularity touching any authority to issue the same. The Board shall also have power to destroy the Seal and substitute a new Seal thereof.

#### **XX. DIVIDEND AND RESERVE**

Dividends to be declared in General Meeting

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

Interim Dividend

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

Dividends out of profits only

104. No dividends shall be paid otherwise than out of profit.

Notice of dividend to be given

105. Notice of any dividend that may have been declared shall be given in a manner hereinafter mentioned to the persons entitled to share therein.

No Member to receive dividend whilst money due

106. Subject to the provision of the Ordinance no Members shall be entitled to receive payment of any interest or dividend in respect of his share or shares whilst any money is due or owing from him to the Company either alone or jointly with any other person or persons in respect of such



share or shares unpaid. The Directors may retain any dividend or interest on which the Company has a lien and may apply such interest or dividend in or towards satisfaction of all sums of money as aforesaid.

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| Transfer not to pass right to dividend already declared | 107. | A transfer of shares shall not pass the right to any dividend declared thereon before the registration of the transfer.   |
| Dividend how remitted                                   | 108. | Unless otherwise directed, any dividend may, if the Directors so think fit, be paid by cheque or warrant sent through post to the registered address of the Member or person entitled or in the case of joint holders to the registered address of that one of them first named in the register in respect of the joint holders. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent. The Company shall not be liable or responsible for any cheque or warrant lost in transmission or for any dividend loss to the member or person entitled thereto by the forged endorsement of any cheque or warrant or the fraudulent recovery thereof by any other means.  |
| Unclaimed dividends when to be used by Company          | 109. | All dividends unclaimed for one year after having been declared may be made use of by the Directors for the benefits of the Company until claimed.  |
| Dividends in specie                                     | 110. | Any General Meeting sanctioning or declaring a dividend in terms of these Articles may direct payment of such dividend wholly or in part by the distribution of specific assets, and in particular by paid up shares, debentures or debenture stock of the Company, or of any other Company, or in any one or more of such ways and the Directors shall give effect to such direction, and where and difficulty arises in regard to the distribution, they may settle the same as they think expedient and in particular may issue fractional certificates and may fix the value for distribution of such specific assets or any part thereof and may determine that such payment shall be made to any Members upon the footing of the value so fixed in order to adjust the rights of all parties and may vest any such specific assets upon trusts for the persons entitled to the dividend as may seem expedient to the Directors. Where requisite, a proper contract shall be filed and the Directors may appoint any person to sign such contract on behalf of the persons entitled to the dividend and such appointment shall be effective. |
|   | 111. | The Board may from time to time pay to the Members such interim dividends as appear to be justified by the profits of the Company. The Board may also pay any fixed dividends which are payable on any share of the Company half-yearly or otherwise on fixed dates, whenever such profit, in the opinion of the Board, justify that course.  |
| No dividend out of profit                               | 112. | No dividends shall be paid otherwise than out of profits of the year, or any other undistributed profits from prior years.  |
| Distribution of dividends                               | 113. | Subjects to the rights of any person entitled to shares with special rights as to dividends, the profits distributed as dividends shall be distributed among the shareholders and all dividends shall be declared and paid according to the amounts paid on the shares. If, any share is issued on the terms that it shall rank for dividend as from a particular date, such share shall rank for dividend accordingly.   |

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| Powers of Board to create               | 114. The Board may, before recommending any dividend, set aside, out of the profits of the Company, such sum as they think proper, as a reserve or reserves, which shall at the discretion of the Board, be applicable for meeting contingencies, or for equalizing dividend, or for any other purpose to which the profits of the Company may be properly applied, and pending such application may, in the like discretion, either be employed in the business of the Company or be invested in such investments, other than shares of the Company, as the Board may from time to time think fit. |
| Receipts for dividends by joint holders | 115. If several persons are registered as joint holders of any share, any one of them may give effectual receipt for any dividend payable on the share.   |
| No interest on dividend                 | 116. No dividend shall bear interest against the Company.   |

### XXI. CAPITALISATION

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| Capitalization of profit                   | 117. The Company in General Meeting may upon the recommendation of the Board of Directors resolve that it is desirable to capitalize any part of the amount for the time being standing to the credit of any reserve of the profit and loss account of otherwise available for distribution, and accordingly that such sum be set free for distribution amongst Members who would be entitled there to if the same were 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 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 one way and partly in the other and the Directors shall give effect to such Resolution.   |
| Directors to take steps for capitalization | 118. Whenever such a resolution as aforesaid shall have been passed the Directors shall make all appropriations and applications of the undivided profits resolved to be capitalized thereby, and all allotments and issue of fully paid shares or debentures if any and generally shall do all acts and things required to give effect hereto, with full power to the Directors to make such provision by the issue of fractional certificates or by payment in cash or otherwise as they think fit in the case of shares or debentures becoming distributable in fractions, and also to authorize any persons to enter on behalf of all the Members entitled thereto into an agreement with the Company providing for 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 by the Company on their behalf, by the applications there to 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 such authority shall be effective and binding on all such Members. |

## ACCOUNTS

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| Proper Books account to be maintained                            | 119. The Directors shall cause to be kept proper books of account to be kept in accordance with Section 230 of the Ordinance with respect to: <ul style="list-style-type: none"><li>(a) All sums of money received and expended by the Company and the matters in respect of which the receipt and expenditure take place.</li><li>(b) All sales and purchases of goods by the Company</li><li>© The assets and liabilities of the Company</li><li>(d) All liabilities of the Company</li></ul>   |
| Books to be kept at Registered Office                            | 120. The Books of Accounts shall be kept at the Registered Office of the Company or at such place as the Directors shall think fit and shall be open to inspection by the Directors during business hours.  |
| Inspection of accounts by Members                                | 121. The Board of Directors 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 of the Company or any of them shall be open to the inspection of Members not being Directors and no Members (not being a Director) shall have any right of inspecting any account book or document of the Company except as conferred by ordinance authorized by the Directors or by the Company in General Meeting.  |
| Statement of accounts to be laid before General Meeting          | 122. The Directors shall as required by Section 233 of the Ordinance cause to be prepared and to be laid before the Company in General Meeting such profit and loss accounts, income and expenditure accounts, balance sheets, and reports as referred to in this section. The Balance sheet shall be made out every year and laid before the Company in General Meeting made up to a date not more than six months before such meeting. The Balance Sheet shall be accompanied by a report of the Directors as to the state of the Company's affairs, and the amount (if any) which they propose to carry to reserve fund. The balance sheet shall be signed by the Chief Executive and atleast one Director.  |
| Particulars of Profit & Loss Account                             | 123. The profit and loss account shall in addition to the matter referred to in Section 234 of the Ordinance, show, arranged under the most convenient heads, the amount of gross income distinguished the several sources from which it has been derived, and the amount of gross expenditure distinguishing the expenses of the establishment, salaries and other like matters. All expenditure fairly chargeable against the years income shall be brought into account so that a just balance of profit and loss may be laid before the meeting and, in case where any items of expenditure which may in fairness be distributed over several years has been incurred in any one year the whole amount of such item shall be stated, with the addition of the reasons why only a portion of such expenditure is charged against the income of the year. |
| Balance sheet and report be sent to the address of every Members | 124. A copy of the balance sheet and report shall not be less than twenty-one days previous to the meeting to be sent to the person entitled to receive notice of General Meetings in the manner in which notices are to given as provided hereunder.   |

Legal requirements as to Accounts and their filing with Registrar to be complied with 125. The Directors shall in all respects comply with the provisions of Section 230 to 236 of the Ordinance of any statutory modifications thereof for the time being in force.

## XXII. AUDIT

Appointment of Auditors 126. Auditors shall be appointed at each Annual General Meeting of the Company and shall hold office until the next Annual General Meeting. Their appointment remuneration, rights and duties shall be regulated in accordance with Section 252 and 253 of the Ordinance. The Director shall appoint the first Auditors of the Company who shall hold office till the first Annual General Meeting.

## XXIV. NOTICES

Notice how to be given 127. A notice may be given by the Company to any person entitled to receive such notice either personally or by sending it by post to him to his registered address. In case of shareholder's resident outside Pakistan, notices shall be sent by express air mail to the shareholder's registered address and also a copy shall be sent to any address in Pakistan supplied by such shareholders for this purpose.

When service of notice demand complete 128. Where a notice is sent by post, service of the notice shall be deemed to be effected by properly addressing, prepaying and posting a letter containing the notice, and unless the contrary is proved, to have been effected at the time at which the letter would have been delivered in the ordinary course of post to the shareholder's registered address.

Notice to Joint Holders 129. 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 shares.

Notice to persons entitled by transmission 130. A notice may be given by the Company to the persons entitled to a share in consequence of the death or insolvency of a Member by sending it through the post in a prepaid letter addressed to them by name or by the title of representatives of the deceased, or assignees of the insolvent or by any like description at the address (if any) in Pakistan supplied for the purposes by the persons claiming to be entitled, or (until such an address has been so supplied) by giving the notice in any manner in which the same might have been given if the death or insolvency had not occurred.

Advertisement 131. Subject to the provisions of the Ordinance any notice (other than notice of a General Meeting) required to be given by the Company to the Members or any of them and not expressly provided for by these presents shall be sufficiently given if given by advertisement in one daily English and one daily vernacular newspaper circulating in Pakistan.

Members bound by notice given previous to holders 132. Every person, who by operation of law, transfer or other means whatsoever, shall become entitled to any share, shall be bound by every notice in respect of such share 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.

Signature on notice

133. The signature to any notice to be given by the Company may be written or printed.

#### **XXV. INDEMNITY**

Indemnity

134. Subject to the provisions of Section 194 of the Ordinance every Director, Chief Executive and other officer or servant of the Company shall be indemnified by the Company against and it shall be the duty of the Directors out of the funds of the company to pay all costs, losses and expenses which any such officer or servant may incur or become liable to be reasons of any contract entered into or act or thing done by him as such officer or servant or in any way in the discharge of his duties including travelling expenses and in particular, and so as not to limit the generality of the foregoing provisions, against all liabilities incurred by him as such Directors, Chief Executive or servant in defending any proceedings whether civil or criminal in which judgment is given in his favour or he is acquitted or in connection with any application under the Ordinance in which relief is granted by the Court and the amount for which such indemnity is provided shall immediately attached as a lien on the property of the Company and have priority as between the Members over all other claims.

Neglect or default of any other Director or officer

135. Subject to the provisions of Section 194 of the Ordinance no Director, Chief Executive or other officer of the Company shall be liable for any act, or for joining in any receipt or other act for conformity or for any loss or expense happening to the Company through the insufficiency or deficiency of the title to any property acquired by order of the Directors for or on behalf of the Company or for the insufficiency or deficiency of any security in or upon which any of the money of the Company shall be invested or for loss or damage arising from the bankruptcy, insolvency or tortuous act of any person with whom any money, securities or effects shall be deposited or for any loss accessioned by any error of judgment or oversight on his part, or for any loss, damage or misfortune, whatever, which shall happen in the execution of the duties of his office or in relation thereto unless the same happens through his own dishonesty.

#### **XXVI. WINDING UP**

Details of Assets

136. Without prejudice to the rights of the holders of shares subject to special terms and conditions if on the winding up of the assets available for distribution among the Members as such shall be insufficient to repay the whole of the paid up capital such assets shall be distributed so that as nearly as may be the losses shall be borne by the Members concerned in proportion to the capital paid up or which ought to have been paid up at the commencement of the winding up the shares held by them respectively and if in a winding up assets available for distribution amounts the members shall be more than sufficient to repay the whole of the capital paid up at the commencement of the winding up the excess shall be distributed among the members who are holders of ordinary shares in proportion to the ordinary shares held by them respectively at

the commencement of the winding up.

- (1) If the Company shall be wound-up whether voluntarily or otherwise the liquidators may with the sanction of a Special Resolution divide among the contributors in specie or kind any part of the assets of the Company and may with the like sanction vest any part of the assets of the Company in trustees upon such trusts for the benefit of the contributors or are any of them as the liquidators with the like sanction shall think fit.
- (2) In case any of the shares to be divided as aforesaid involve a liability to call or otherwise any person entitled under such division to any of the said shares may within ten days after the passing of the Special Resolution by notice in writing direct the liquidator to sell his portion and pay him the net proceeds and the liquidator shall, if practicable, act accordingly.

### XXVII. SECRECY

Secrecy Clause

137. Every Director, Chief Executive, auditor, trustee, Member of Committee, officer, agent, accountant or other person employed in the business of the Company shall, unless authorized by the Director, observe a strict secrecy respecting all transactions of the Company with customers and the State and with individuals concerning the accounts and matters relating thereto, or any information about technical matters or technology relating to the pursuits of the Company and shall not reveal any of the matters which may come to his knowledge in the discharge of his duties except when authorized so to do by the Directors or by law or by the person to whom such matters relate and except so far as may be necessary in order to comply with any of the provisions in these presents contained.

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

<u>S.No</u>	<u>Name, Address and Description of each Subscriber</u>	<u>No. of shares taken by each subscriber.</u>	<u>Signature</u>	<u>Address description and of witness to signature.</u>
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1.	Dr. Naeem Ahmad Khan S/o Late Mr. Maqsood Ahmed Khan, Pakistan, Government Servant (Chairman, PCSIR), House No 9, Street-11, F-7/2, Islamabad.	One	Sd/-	G. Mustafa Ali S/o Late Mohammad Intezam Ali, Pakistani, Govt Servant, Director, I.L, PCSIR, E-23, Block-7, Gulshan-e-Iqbal, Karachi.
2.	Dr. M.K Bhattay S/o Late Ch. Mohammad Hayat Bhattay, Pakistani, Government Servant, Member (Science), 51-PCSIR Housing Society , Canal Bank, Lahore-20	One	Sd/-	-do-
3.	Mr. M. Hasan Bhutto S/o Late Mr. Raza Mohammad Bhutto, Pakistani, Government Servant, Member (Finance), PCSIR, G-21, II, Scheme No5, Kehkshan-8, Clifton, B-1, Karachi			
4.	Dr. Asaf Ali Qureshi S/o Mr. Wajid Ali Qureshi,, Pakistani, Government Servant, Member (Technology), PCSIR Laboratories B-I Campus, Off University Road, Karachi-39	One	Sd/-	-do-
5.	Dr. M.A.A Beg S/o Late Mirza Mohammad Ali Beg, Pakistani, Government Servant, (Director, PCSIR), 5-C, PCSIR Laboratories Campus, Shahah-e-Jalaluddin Roomi, Lahore	One	Sd/-	-do-
6.	Dr. S.S.H Rizvi S/o Late Syed Hadi Hasan, Pakistani, Government Servant, (Director, PCSIR), C-84, Block-1, North Nazimabad, Karachi.	One	Sd/-	-do-
7.	Dr. F.A Farooqi, S/o Late Mr. Mohammad Sami Farooqi, Pakistani, Government Servant, Member (Technology), PCSIR-B-1 (PCSIR) Laboratories Campus, Off University Road, Karachi-39	One	Sd/-	-do-