

A company set up under Section 42 of the Companies Ordinance, 1984

MEMORANDUM OF ASSOCIATION
OF
NATIONAL PRODUCTIVITY ORGANIZATION

45769
28 DEC

- I. The name of the Company is "NATIONAL PRODUCTIVITY ORGANIZATION"
- II. The Registered Office of the Company will be situated in Islamabad Capital Territory.
- III. The objectives for which the Company is established are as follows:
 1. To takeover existing business and acquire all assets and property whether moveable or immoveable, right and privilege, investments and all other interests and rights in, or arising out of, such property; and all debts, liabilities and obligations of whatever kind of 'National Productivity Organization, established through' Federal Government's Resolution No4 (1) 2001-PITAC Dated 19-03-2001.
 2. To inculcate productivity consciousness through promotion of productivity concept at macro and micro levels of economy.
 3. To measure, evaluate and improve productivity of various sectors of the economy.
 4. To set up information collection databases and dissemination systems on all facets of economy.
 5. To propagate productivity as an evolving concept, including attention to special issues and concerns relating to quality, environment, energy, integrated rural and community development.
 6. To train and educate management and supervisory personnel in industrial, commercial and service organizations of the public and private sectors in the techniques and process of modern management and accordingly award certificate or diploma with the permission of relevant authorities, if required.
 7. To assist Govt. organizations and private undertakings in their efforts to improve productivity, establish performance standards, and determine rational monetary compensation system and to establish productivity Wage Board.
 8. To increase efficiency in business management and industrial operations, by providing management consultancy and technical assistance to local industries of various sectors, especially small and medium industries.
 9. To act as the integrated focal point of all national as well as International organizations engaged in productivity drive specially Asian Productivity Organization (APO)
 10. To formulate strategic plans to sustain the growth of the productivity movement and to monitor its movement thereafter.



11 To undertake research into problems of management and productivity improvements as they occur and to disseminate the results of such research.

12 To carry out research in productivity and quality (P & Q) in various sectors of economy, establish productivity indices for industries and to provide and disseminate information on P & Q indicators and case studies at industry, sector and national levels to Govt. as input for policy formulation and planning to enhance P& Q growth

13 To disseminate P & Q literature, organize conventions, surveys, seminars and workshops as well as administer quality management awards.

14 To undertake, support and subsidies measures, programmers plans and schemes, for environment development and planning, prevention of pollution and industrial wastage.

15 To advance money or give credit, either with or without security, to such persons or companies and on such terms as may seems expedient and in particular where the same is desirable in the interest of the company and to persons or companies having dealings with the company and to guarantee the performance of any contract or obligation and the payment of money to or by any person or company and generally to give guarantees and indemnities in connection with the objects of the company, **(provided that the company shall not indulge in the banking business /micro credit financing)**

16. To amalgamate with any other association or company having objects all together or in parts similar to those of the company.

IV In furtherance of the above mentioned objects but not otherwise, the Company shall exercise the following powers:

- (1) To appeal solicit or accept contributions, donations, grants and gifts, in cash or in kind, from lawful sources and to apply the same or income thereof for the objects of the company specifically from Government of Pakistan to meet NPO employees salaries, rental and day to day expenses as per rules and day to day expenses as per rules and generally from other national and international donor agencies
- (2) To open and operate bank accounts in the name of the Company and to draw, make, accept, endorse, execute and issue promissory notes, bills, cheques and other instruments.
- (3) To acquire, alter, improve, charge, take on lease, exchange, hire, sell, let or otherwise dispose of any movable or immovable property and any rights and privileges whatsoever for any of the objects or purposes specified herein above. Provided that the Company shall not undertake the business of real estate or housing schemes.
- (4) To borrow or raise money, with or without security, required for the purposes of the company upon such terms and in such manner as may be determined by the company for the promotion of its objects.
- (5) To pledge, lien or mortgage the assets of the company and / or render guarantee for the performance of any contract made, discharge of any obligation incurred or repayment of any money borrowed by the Company.
- (6) To purchase, sell, exchange, take on lease, hire or otherwise acquire lands, construct, maintain or alter any building and any other moveable or immovable properties or



any right or privileges necessary or convenient for the use and purposes of the Company.

- (7) To nominate delegates and advisors to represent the Company at conferences, government bodies and other gatherings.
- (8) To co-operate with other national as well as international charitable trusts, societies, associations, institutions or companies formed for all or any of these objects and statutory authorities operating for similar purposes and to exchange information and advice with them.
- (9) To pay out of the funds of the Company the costs, charges and expenses of and incidental to the formation and registration of the Company
- (10) To invest the surplus money of the company not immediately required in such a manner as may from time to time be determined by the company.
- (11) To create, establish, administer and manage funds including endowment fund conducive for the promotion of the objects of the company,
- (12) To enter into agreements, contracts and arrangements with organizations, institutions, bodies and individuals for the purpose of carrying out the functions and activities of the company.
- (13) To take such actions as are considered necessary to raise the status or to promote the efficiency of the company.
- (14) To do all other such lawful acts and things as are incidental or conducive to the attainment of the above objects or any one of them.
- (15) To establish branches and offices in different parts of Pakistan and to provide, endow, furnish and fit out any of company's property with all necessary furniture, instruments and other equipment and also to manage premises, centers, institutions and other establishment or institutions for the furtherance and advancement of the object of the company, but not to act as a degree awarding institute.
- (16) To provide and procure the provisions any service, need, want or requirement, particularly consultancy, advisory, educational, technical, scientific, managerial and administrative services required by any person, firm, company, corporation, institution or local authority in all or any fields connected with or associated with the objects of the company.
- (17) To construct, maintain and alter any buildings or erections and to provide the same with all proper and necessary fixtures, furniture, fittings, apparatus, appliances, conveniences and accommodations for the objects of the company.
- (18) To print and publish any periodicals, books or leaflets for furtherance of the objects of the company.
- (19) To establish and support or aid in the establishment and support of association, institutions, funds, trust and conveniences calculated to benefit employees or past employees of the company or the dependents or connection of any such employees to grant pension and allowances and to make payments towards insurance and subscribe or guarantee money for any charitable, educational or benevolent object or for any



exhibition or for any public general or useful object or for any purpose which may be considered lightly, directly or indirectly to further the object of the company.

- (20) To promote any company or companies, body or association (whether corporate or not) for the purpose of acquiring all or any of the property rights and liabilities of the company.
- (21) To obtain any provisional rules, order, statute or other legislative provision or enactment for enabling the company to carry any of its subject into effect or for effecting any modification of the constitution of the company for any other purpose which may seem expedient and to oppose any proceedings or applications which may seem calculated directly or indirectly, to prejudice the company's interest.

V. The Company shall achieve the 'above said objects subject to the following conditions:-

- 1) The Company is formed as a public company limited by guarantee and not having a share capital. .
- 2) Payment of remuneration for services or otherwise to its members, or their family members whether holding an office in the company or not, shall be prohibited.
- 3) No change in the Memorandum and Articles of Association shall be made except with the prior approval of the Securities and Exchange Commission of Pakistan.
- 4) Patronage of any government or authority, express or implied, shall not be claimed unless such government or authority has signified its consent thereto in writing.
- 5) The company shall not itself set up or otherwise engage in industrial and commercial activities or in any manner function as a trade organization.
- 6) The company shall not exploit or offend the religious susceptibilities of the people.
- 7) The subscribers to the Memorandum and Articles of Association of the Company shall continue to be the members of the Company unless allowed by the Commission on application to quit as members.
- 8) The company in all its letterheads, documents, sign boards, and other modes of communication, shall with its name, state the phrase "A company set up under section 42 of the Companies Ordinance, 1984."
- 9) The company shall comply *with* such conditions as may be imposed by the Securities and Exchange Commission of Pakistan from time to time,
- 10) The income ,and any profits .of the company, shall be applied solely -towards the promotion of objects of the company and no portion thereof shall be distributed, paid or transferred directly or indirectly by way of dividend, bonus or otherwise by way of profit to the members of the company or their family members.



11) The Company shall not appeal, solicit, receive or accept funds, grants, contributions, donations or gifts, in cash or in kind, from foreign sources except with the prior permission, clearance or approval from the relevant public authorities as may be required under any relevant statutory regulations and laws.

12) Notwithstanding anything stated in any object clause, the company shall obtain such other licenses, permissions or approvals of the relevant public authorities as may be required under any relevant statutory regulations and laws for the time being in force, to carry out any particular object.

(13) The company shall not undertake any substantial permanent trading activities and shall conform to relevant statutory regulations and laws.

VI. The territories to which the objects of the company shall extend are declared to include whole of Pakistan and outside Pakistan as and when required.

VII. The liability of the member is limited.

VIII. Every member of the company undertakes to contribute to the assets of the company in the event of its being wound up while he is a member or within one year afterwards, for payment of the debts or liabilities of the company contracted before he ceases to be a member and the costs, charges and expenses of winding up and for adjustment of the rights of the contributories among themselves such amount as may be required but not exceeding Rs. 50,000 (Rupees Fifty Thousands Only)

IX. If upon winding up or dissolution, there shall remain after the satisfaction of all its debts and liabilities, any property, whatsoever, the same shall not be paid to or distributed among the members of the company but shall be given or transferred to such other company having objects similar to the objects of this company and with similar restrictions on payment of remuneration, distribution of profit and dividends and also approved by the commissioner of income tax under section 2(36) of the income tax Ordinance, 2001 to be determined by the members by special resolution at or before the time of dissolution under intimation to Commissioner of Income Tax and Securities and Exchange Commission of Pakistan within three months of dissolution.

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

Name and surname(Present & former) in full (in block letters) and NIC number	Father's /Husband's Name in full	Nationality with any former Nationality	Occupation	Residential Address in full	Signature
MINISTRY OF INDUSTRIES PRODUCTION AND SPECIAL INITIATIVES GOVERNMENT				Pak Secretariat Islamabad.	



OF PAKISTAN Through					
Mr. Kamran Rasool 35202-2686165-3	Qazi Ghulam Rasool	Pakistani	Secretary Ministry of Industries, Production and SI. Government of Pakistan.	H.No. 129- A. Street no.3 Cavalry Ground Lahore	
Mr. Tariq Bajwa 35200-1788094-7	Muhammad Aslam Bajwa.	Pakistani	Joint Secretary Ministry of Industries, Production and SI	H NO.196-B Street no. 70 F-10/3 Islamabad	
Mr. Imtiaz A. Rastgar 37405-0447329-9	Sardar Ali	Pakistani	CEO, Engineering Development Board Ministry of Industries, Production & SI	H no.469-D 6 th road Satellite Town Rawalpindi	

Date the 26th day of June 2006

Witness to above signatures	
Signature	
Full Name (in block letters)	Amjad Shamim
Father's /Husband's Name in full	Shamim Ahmad
Nationality	Pakistani
Occupation	HEAD ADMIN/HR
CNIC Number	61101-7156122-5
Full Address	House No. 1272, Block-B, Satellite Town, Rawalpindi,

NO. 13639
Dated 20-2-12



CERTIFIED TO BE TRUE COPY

DEPUTY REGISTRAR
Company Registration Office
Islamabad

[Handwritten signature] 20/2/2012

A company set up under Section 42 of the Companies Ordinance, 1984

**ARTICLES OF ASSOCIATION
OF
NATIONAL PRODUCTIVITY ORGANIZATION
PRELIMINARY**

1. In these Articles, unless the context or the subject matter other wise requires:
- (a) "Articles" means the Articles of Association of the Company.
 - (b) "Board" means the board of directors of the Company.
 - (c) "Chairman" means the chairman of the board appointed under the provisions of these presents.
 - (d) "Chief Executive" means the Chief Executive of the company.
 - (e) "Commission" means the Securities and Exchange Commission of Pakistan.
 - (f) "The Company" means NATIONAL PRODUCTIVITY ORGANIZATION.
 - (g) "The directors" mean the Directors for the time being of the Company.
 - (h) "Existing National Productivity Organization.(Existing NPO)" means the existing "National Productivity Organization", a department of the Ministry of Industries, Production and Special Initiatives established through Resolution No. 4(1)/2001-PITAC dated 19-03-2001.
 - (i) "Government" means the Government of Pakistan.
 - (j) "Member" means a member of the Company in accordance with the provisions of Section 2(1)(21) of the Ordinance and whose name appears and /or is borne on the Register of Members.
 - (k) "Memorandum" means the Memorandum of Association of the Company.
 - (l) "Month" means calendar month.
 - (m) "The "Office" means the Registered Office for the time being of the Company.
 - (n) The "Ordinance" means the Companies Ordinance, 1984
 - (o) "Person" includes an individual, company, corporation and body corporate.
 - (p) "Register" means the Register of the members to be kept in pursuant to Section 147 of the Ordinance.
 - (q) "The Registrar" means the Registrar of Companies.
 - (r) "Seal" mean the common seal of the Company.



- (s) "Secretary" means the Secretary of Company.
- (t) "Section" means the section of the ordinance.
- (u) "Special Resolution" has the same meaning as is assigned thereto by Section 2(1)(36) of the ordinance.
- (v) "Year" used in the context of financial matters shall mean financial year of the Company.
- (w) "Expressions referring to writing shall be construed as including references to typewriting, printing lithography, photography and other modes of representing or reproducing words in visible form.
- (x) "Words importing the singular number include the plural number and vice versa and words importing the masculine gender include the feminine gender.
- (y) Unless the context otherwise required words or expressions contained in these Articles shall be of the same meaning as in the Ordinance or any statutory modification thereof in force at the date at which these Articles become binding on the company.

MEMBERSHIP

- 2. The number of members with which the company proposes to be registered is three (3) but the minimum number of members shall not be, at any time, less than three (3). However, the directors may, from time to time, whenever the company or the business of the company requires, allowed increasing up to a maximum 20.
- 3. The company in General Meeting may from time to time lay down the qualifications and conditions subject to which any person or class of persons shall be admitted to membership of the company.
- 4. The rights and privileges of a member shall not be transferable and shall cease on his death or otherwise ceasing to be a member.
- 5. The subscriber to the memorandum and such other persons as the directors shall admit to membership shall be members of the company.
- 6. One person shall have the right to hold one membership.

ADMISSION TO MEMBERSHIP

- 7. The application for seeking membership of the company shall be required to be Seconded by an existing member whereupon the board of directors shall decide the matter of his admission as member or otherwise within three months of making of such application. No minor or lunatic shall be admitted as a member of the company.



8. Every person upon applying for admission to membership, shall sign an undertaking that he will, if admitted, so long as he is a member, duly observe the Articles of the company for the time being in force.
9. The Board shall subject to the Articles, accept or reject any application for admission to membership. The Board's decision shall be final and it shall not be liable to give any reasons thereof.

CESSATION / EXPULSION FROM MEMBERSHIP

10. A member renders himself liable to expulsion or suspension by the Board if:
 - (a) he refuses or neglects to give effect to any decision of the Board; or
 - (b) he infringes any of the regulations of the Articles; or
 - (c) he is declared by a court of competent jurisdiction to have committed a fraud; or to be bankrupt, or to be insane or otherwise incompetent; or
 - (d) he is held by the Committee of the company to have been guilty of any act discreditable to a member or the company; or
 - (e) he is acting or is threatening to act in a manner prejudicial to the interest or functioning of the company or any other institute, body corporate, society, association or institution in which the company has an interest.
11. The company in general meeting may, on an appeal of the aggrieved member and after giving an opportunity of hearing, annul or modify the decision of the board with regard to expulsion of the member by resolution supported by two-thirds majority. The person expelled shall be reinstated as a member from the date of the resolution of the general meeting annulling the decision of the Board.
12. Termination of membership shall occur automatically: .
 - (a) In the event of the death of a member; and
 - (b) In the event of a member fails to pay any amount due by him to the company within three (3) months after such obligation has become due



GENERAL MEETINGS AND PROCEEDINGS

13. ANNUAL GENERAL MEETING

A general meeting to be called annual general meeting, shall be held, in accordance with the provisions of Section 158, within eighteen months from the date of incorporation of the company and thereafter once at least in every calendar year within a period of four (4) months following the close of its financial year and not more than fifteen (15) months after the holding of its preceding annual general meeting as may be determined by the directors..

14. OTHER GENERAL MEETINGS:

All other meetings of the members of the company other than an annual general meeting shall be called "Extraordinary General Meetings".

15. EXTRAORDINARY GENERAL MEETINGS:

The directors may, whenever they think fit, call an Extraordinary General Meeting, and Extraordinary General Meetings shall also be called on such requisition(s), as is provided by Section 159 of the Ordinance.

16. NOTICE OF GENERAL MEETINGS:

Twenty one(21) days notice at least (exclusive of the day on which the notice is served or deemed to be served, but inclusive of the day for which notice is given) specifying the place, the day and the hour of meeting and, in case of special business; the general nature of that business, shall be given in the manner provided by the Ordinance for the general meeting, to such persons as are, under the Ordinance or the Articles of the company, entitled to receive such notices from the company but the accidental omission to give notice to or the non-receipt of notice by any member shall not invalidate the proceedings at any general meeting.

17. SPECIAL BUSINESS:

All business that is transacted at an extraordinary general meeting and that is transacted at an annual general meeting with the exception of the consideration of the accounts, balance sheet and the reports of the director and auditors, the election of directors, the appointment of and the fixing of remuneration of the auditors shall be deemed special business.



18. QUORUM:

No business shall be transacted at any generally meeting unless a quorum or members representing not less than twenty five percent (25%) of the total voting power present in person but being not less than two (2) members, is present at that time when the meeting proceeds to business.

19. EFFECT OF QUORUM NOT BEING PRESENT:

If within half an hour from the time appointed for the meeting a quorum is not present, the meeting, if called upon the requisition of members, shall be dissolved and in any other case, it shall stand adjourned to the same day in the next week at the same time and place and if at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting, the members present, shall be a quorum.

20. CHAIRMAN OF MEETING:

The chairman of the Board of directors, shall preside as chairman at every general meeting of the company, but if he is not present within fifteen minutes after the time appointed for the meeting, or is unwilling to act as chairman, any of the directors present may be elected to be the chairman and if none of the directors present is willing to act as chairman, the members present shall choose one of their number to be the chairman.

21. ADJOURNMENT:

The chairman may, with the consent of any meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When meeting is adjourned for thirty (30) days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

22. VOTING:

At any general meeting a resolution put to the vote to the meeting shall be decided on a show of hands unless a poll is (before or in the declaration of the result or the show of hands) demanded. Unless a poll is so demanded, a declaration by the chairman that a resolution has, on a show of hands, been carried, or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the book of the proceedings or the company shall be conclusive evidence of the fact, without proof or the number or proportion of the votes recorded in favor of or against that resolution.



23. DEMAND FOR POLL:

A poll may be demanded in accordance with the provisions of Section 167 or the Ordinance.

24. MANNER OF TAKING POLL:

If a poll is duly demanded, it shall be taken in accordance with the manner laid down in Section 168 of the Ordinance and the result of the poll shall be deemed (to be the resolution of the meeting at which the poll was demanded.

25. TIME OF TAKING POLL:

A poll demanded on the election or chairman" or on a question of adjournment shall be taken at once.

26. CASTING VOTE:

In the ease of an equality of votes, whether on a show or hands or on a poll, the chairman or the meeting at which the show of hands takes place or at which the poll takes place, shall have and exercise a second or casting vote.

27. VOTES OF MEMBERS:

On a show of hands every member presents in person shall have one vote and upon a poll every member present in person shall have one vote.

28. OBJECTION TO VOTE:

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

MANAGEMENT AND ADMINISTRATION

29. There shall be, for the overall management of the company's affairs, a Board of Directors, which will be elected from amongst the members.

30. One term of the Board of Directors would be for three years.

31. No person shall be appointed as a director if he is ineligible to hold office of director of company under section 187 of the Ordinance.

32. No member/person shall hold more than one office in the company, such as those of Chief Executive / director or company secretary.



33. FIRST DIRECTORS:

The subscribers to the Memorandum of Association shall be the first directors of the company whose names are given below and they shall hold office until the election of directors in the first Annual General Meeting, subject to the provision Sections 174 and 176 other Ordinance.

1. Mr.Kamran Rasool
2. Mr. Tariq Bajwa
3. Mr. Imtiaz A. Rastgar

34. NUMBER OF DIRECTORS:

The number of directors shall not be less than three (3). The company may, however, determine through Special Resolution, such other number not being less than three (3), before the election of the directors. A retiring director shall be eligible for re-election.

35. PROCEDURE FOR ELECTION OF DIRECTOR:

- (i) The directors of the company shall be nominated in accordance with provisions of sub sections (b) of section 183 of the ordinance in the following manners:
 - (a) The directors of the Company shall be nominated by the Federal Government through the Prime Minister.

36. CASUAL VACANCY AND ALTERNATE OR SUBSTITUTE DIRECTORS:

- (a) Any casual vacancy occurring among the directors may be filled up by the directors within thirty days of the vacancy and the person so appointed shall hold office for the remainder of the term of director in whose place he is appointed.
- (b) An existing director may, with the approval of the board of directors, appoint an alternate director to act for him during his absence from Pakistan of not less than three months. The alternate director so appointed shall if so facto vacate office if and when the director appointing him returns to Pakistan.

37. REMOVAL OF DIRECTOR:

The Company may remove a director through a resolution passed in a general meeting of members with a majority vote.



38. **CHAIRMAN OF THE BOARD:**

The directors may elect one of their members as the Chairman of the Board. The Chairman of the Board shall preside at all meetings of the Board but, if at any meeting the chairman is not present within ten minutes after the time appointed for holding the same or is unwilling to act as chairman, the directors present may choose one of their members to be chairman of the meeting.

DUTIES AND POWERS OF THE BOARD

39. The Board shall conduct and manage all the business affairs of the company, exercise all the powers, authorities and discretion of the company, obtain or oppose the application by others for all concessions, grants, charters and legislative acts and authorization from any government or authority, enter into such contracts and do all such other things as may be necessary for carrying on the business of the company, except only such of them as under the statutes and Articles are expressly directed to be exercised by general meetings and (without in anyway prejudicing or limiting the extent of such general powers) shall have the following special powers and duties: .

- (a) To present to the general meeting of the company any matters which the directors feel are material to the company, its objects or interests or affecting the interests of members and make suitable recommendations regarding such matters.
- (b) To regulate, through articles, the admission of members.
- (c) To appoint, remove or suspend the legal advisors, bankers, or other officers on such terms and conditions as they shall think fit and as may be agreed upon.
- (d) To appoint any qualified person as a first auditor(s) subject to provisions of the ordinance:



- (e) To determine the remuneration, terms and conditions and powers of such appointees and from time to time, revoke such appointments and name another person of similar status to such office except for the auditor in which case the relevant provisions of the Ordinance shall be followed.
- (f) To delegate, from time to time, to any such appointee all or any of the powers and authority of the Board and to reconstitute, restrict or vary such delegations.
- (g) To agree upon and pay any expenses in connection with the company's objects and undertakings and pay all the expenses incidental to the formation and regulation of the company.
- (h) To constitute from time to time committee(s) among themselves or co-opt other persons for the purpose and delegate to them such functions and powers as the Board may see fit to carry out the objects of the company.
- (i) Subject to the provisions of Section 196 or the Ordinance, the directors may exercise all the powers of the company to borrow and mortgage or charge its undertaking, property and assets (both present, and future) or issue securities, whether outright security any debt, liability or obligation of the company.

PROCEEDINGS OF THE BOARD

- 40. The Board shall meet at least once in each quarter of every year, subject there to meetings of the Board shall be held at such time as the directors shall think fit. All meetings of the Board shall be held at the registered office of the Company or at such other place as the Board shall from time to time determine. The meetings of the Board shall be called by the chairman on his own accord or at the request of the Chief Executive (or any three directors) by giving at least seven (7) days notice to the members of the Board.
- 41. At least thirty three percent of the total number of directors or two (2)



directors whichever is higher for the time being of the company, shall constitute a quorum.

42. Except as otherwise provided by these Articles, every question at meetings of the Board shall be determined by a majority of votes of the directors present; each director having one vote. In case of an equality of votes or tie, the chairman shall have a casting vote in addition to his original vote as a director.

43. Minutes of the proceedings of every meeting of the Board and a record of attendance of the directors thereat shall be recorded by the Secretary in a book kept for the purpose. These shall be signed by the chairman of the meeting at which they are read.

44. **RESOLUTION THROUGH CIRCULATION:**

A resolution in writing signed by all directors for the time being entitled to receive notice of the meeting of directors or affirmed by them in writing shall be as valid and effectual as if it had been passed at a meeting of the directors duly convened and held.

45. **CHIEF EXECUTIVE:**

The directors may appoint a person to be the Chief Executive of the company and vest in him such powers and functions as they deem fit in relation to the management and administration of the affairs of the company subject to their general supervision and control. The Chief Executive, if not already a director, shall be deemed to be a director of the company and be entitled to all the rights and privileges and subject to all the liabilities of that office.

46. **QUALIFICATION OF THE CHIEF EXECUTIVE:**

No person who is not eligible to become a director of the company under section 187 of the Ordinance shall be appointed or continue as the Chief Executive of the company.



47. REMOVAL OF CHIEF EXECUTIVE:

The directors by passing resolution by not less than three-fourths of the total number of directors for the time being or the company may by a Special Resolution passed in a general meeting remove a Chief Executive before the expiry of his term in office.

48. MINUTE BOOKS:

The directors shall cause minutes to be duly entered in a book or books provided for the purpose of:

- (a) all resolutions and proceedings of General Meeting(s) and the meeting(s) of directors and Committee(s) of directors, and every member present at any General Meeting and every director present at any meeting of directors or Committee of directors shall put his signature in a book to be kept for that purpose;
- (b) Recording the name of the persons present at each meeting of the directors and of any committee of the directors, and the general meeting; and
- (c) All orders made by the directors and Committee(s) of directors.

Secretary

- 49. The secretary shall be appointed (or removed) by the Chairman of the Company with the approval of the Board.
- 50. The secretary shall be responsible for all secretarial functions and ensure compliance with respect to requirements of the ordinance concerning the meeting and record of the proceeding of the board, committees and the general meeting of members, review the application for admission to membership and recommendation accompanying the same to ensure that they are in the form prescribed, ensure that all notice required by these Articles or under the Ordinance are duly sent and that all returns required under the ordinance are duly filed with concerned Company Registration Office.



51. COMMITTEES:

The directors may delegate any of their powers to committees consisting of such member or members of their body as they think fit and they may from time to time revoke such delegation. Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulation that may from time to time be imposed on it by the directors.

52. CHAIRMAN OF COMMITTEE MEETINGS:

A committee may elect a chairman of its meetings, but, if no such chairman is elected, or if at any meeting the chairman is not present within ten (10) minutes after the time appointed for holding the same or is unwilling to act as chairman, the members present may choose one of them to be the chairman of the meeting.

53. PROCEEDING OF THE COMMITTEE MEMEBERS:

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

54. VALIDITY OF DIRECTORS' ACTS:

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

55. THE SEAL:

The directors shall provide for the safe custody of the seal, which shall not be affixed to any instrument except by the authority of a resolution of the board or by a committee of directors authorized in that behalf by directors, and two directors or one director and the Secretary of the company shall sign every instrument to which the seal shall be affixed.

FINANCES

- 56.** The funds of the Company shall be applied in defraying the expenses and shall be applicable in or towards the acquisition by purchase, lease or otherwise and furnishing and maintenance of suitable premises and assets for the use of the Company and shall be subject to the general control and direction of the Board.



57. No person, except persons duly authorized by the Board and acting within the limits of the authority as conferred, shall have authority to sign any cheque or to enter into any contract so as thereby to impose any liability on the Company or pledge the assets of the Company.

ACCOUNTS

58. BOOKS OF ACCOUNT:

The directors shall cause to be kept proper books or account as required under Section, 230 of the Ordinance so that such books of account shall be kept at the registered office or at such other place as the directors think fit as provided in the said section 230 and shall be open to inspection by the directors during business hours

59. INSPECTION BY MEMBERS:

The directors shall from time to time determine the time and places for inspection of the accounts and books of the company by the member's not being directors, and no member (not being a director) shall have any right to, inspect any account and book or papers of the company except as conferred by law or authorized by the directors or by the company in general meeting.

60. ANNUAL ACCOUNTS:

The directors shall as required by section 233 of the Ordinance cause to be prepared and to be laid before the company in Annual General Meeting such Balance Sheet and Income and Expenditure Account and Cash Flow Statement duly audited and report as are required in the Ordinance.

61. COPY OF ACCOUNTS TO BE SENT TO MEMBERS

A copy of balance sheet and profit and loss account and the Cash flow statement along with the reports of directors and Auditor of the company shall, at least twenty-one (21) clear days before the holding of the General Meetings, be sent to all the members and the persons entitled to receive notices of general meetings, in the manners in which notices are to be given as provided in section 50 of the Ordinance.

62. AUDIT:

Auditors shall be appointed and their duties regulated in accordance with Sections 252-254 or 256-258 of the Ordinance

63. NOTICE TO MEMBERS:

Notice shall be given by the company to members and auditors of the company and other persons entitled to receive notice in accordance with section 50 of the Ordinance.



64. INDEMNITY:

Every officer or agent of the time being of the company may be indemnified out of the asset of the company against any liability incurred by him in defending any proceedings, whether civil or criminal, arising out of his dealings in relation to the affair of the company, except those brought by company against him in which judgment is given in his favor or in which he is acquitted, or in connection with any application under section 488 in which relief is granted to him by the Court.

65. SECRECY

Every director, secretary, auditor, trustee, member of committee, officer, servant, agent, accountant, or other person employed in the business of the Company shall observe strict secrecy representing all transactions of the Company, and the state of account with individual and in matters relating thereto and shall not reveal any of the matters which may come to his knowledge in the discharge of his duties except when required so to do by the directors of the Company in general meeting or by a court of law, and except so far as may be necessary in order to comply with any of the provisions herein contained.

66. WINDING UP

In the case of winding up or dissolution of the Company, any surplus assets or property after the satisfaction of all the debts and liabilities shall not be paid or disbursed among the members, but shall be given or transferred to some other Institution approved by CIR u/s 2(36) of the Income Tax Ordinance having similar objects to those of the Company as decided by the members of the Company in their general meeting by special resolution.

67. SUPPLEMENTARY PROVISIONS RELATING TO TAX:

The company shall abide by and adhere to the following rules:

- (I) The company shall get its annual accounts audited from a firm of Chartered Accountants.
- (II) The company shall utilize its money, property or income or any part thereof, solely for promoting its objects.
- (III) The company shall not pay or transfer any portion of its money, property or income, directly by way of dividend, bonus or profit, to any of members(s) or the relative or relative's member or members.
- (IV) The company shall maintain its bank accounts with a scheduled bank or in a post office or national saving organization, National Bank of Pakistan or national commercialized banks.



- (V) The company shall regularly maintain its books of accounts in accordance with generally accepted accounting principles and permit their inspection to the interested members of the public, without any hindrance, at all reasonable time.
- (VI) Without prejudice to the powers conferred on the Commission under section 42 of the companies Ordinance, 1984, the association shall not change its memorandum without approval of commissioner, Income Tax, if it has been approved by him as a non-profit organization.
- (VII) The company shall restrict the money validly set apart or not utilized to twenty five percent (25%) of the income including surplus worked out of amount of donations made to it. Provided that the income set apart shall be invested as permissible under rule 213(1)(i) of the Income Tax Rules 2002 ^{and} certificate will be provided to the Commissioner, Central Board of Revenue that the amounts so in excess of the said limit have been invested in Government Securities or any of mutual funds registered with Securities and Exchange Commission of Pakistan subject to the condition that such deposit/investment in or through the financial institutions(s) shall not exceed 1/3rd of the surplus at the end of the year as mentioned.

