THE COMPANIES ORDINANCE 1984
(Company Limited by Shares)
ARTICLES OF ASSOCIATION
OF
PAKISTAN INK AND PACKAGING INDUSTRIES (PRIVATE) LTD.

PRELIMINARY

1. The regulations contained in table ‘A’ in the first schedule to the Companies Ordinance, 1984 have been incorporated in these articles except to the extent hereinafter expressly stated. In case of any conflict between the provisions referred to and the provisions herein contained and the incorporated regulations of table ‘A’ the provisions herein contained shall prevail.

2. In the interpretation of these articles, unless the Companies Ordinance 1984 or any statutory modifications in force in Pakistan at the date at which these regulations become binding on the Company shall have the meaning so defined and words importing the singular shall include the plural and vice versa and words importing the masculine gender shall include feminine gender and words importing persons shall also include corporate bodies.

PRIVATE COMPANY

3. The Company is a Private Company within the meaning of Section 2(28) of the Companies Ordinance, 1984 and accordingly:

(a) No invitation shall be issued to the public to subscribe for any share debenture stock of the Company.

(b) The number of members of the Company (exclusive of persons in the employment of the Company) shall be limited to fifty provided that for the purpose of this provision when two or more persons jointly hold one or more shares in the Company they shall be treated as a single member, and

(c) The right to transfer shares, in the Company is restricted in the manner and to the extent hereinafter appearing.

4. The Authorised Capital of the Company shall be Rs. 10,000,000/- divided into 1,000,000 Ordinary Shares of Rs. 10/- each, which can be increased or decreased by a special resolution.

SHARE CERTIFICATE

5. Every person whose name is entered as a member in the Register of members shall without payment be entitled to a certificate under the Common Seal of the Company signed by one of the Directors and such other person as the Directors may appoint specifying the shares held by him and the amount paid up on them provided that in respect of a share or shares held jointly by several persons the Company shall not be bound to issue more than one Certificate and delivery of a Certificate for a share to one of the several joint-holders shall be sufficient delivery to all.

6. A Certificate of shares registered in the name of two or more persons shall unless otherwise directed by them be delivered to the person first named.
SHARES AND TRANSFER AND TRANSMISSION OF SHARES

7. The shares shall be under the absolute control of the Directors who may allot or otherwise dispose of the same.

8. No transfer of shares shall be made or registered without the previous sanction of the Directors who may without assigning any reason decline to give any such sanction. If the Directors refuse to register the transfer they shall within one month after the date transfer was lodged with the Company sent to the Transferee and Transferor notice of refusal.

9. No shares shall be transferred by a shareholder to any body except to his wife or lineal descendants so long as the Directors are able to find out a member of the Company or any person or persons selected by the Directors at a price determined by the Auditor of the Company whose decision shall be binding on both.

10. After selecting a member or person approved by the Board of Directors and deciding the price, the seller shall communicate to the Company for effecting transfer and the Directors shall within 30 days after the receipt of such communication effect the transfer.

11. Every Shareholder shall be at liberty to get share held by him transferred to his children, wife, husband, real brother and sister provided such shares are not under any lien of the Company.

12. The shares of the Director who vacates office under Article 32 and ceases to be a member under Article 33 shall be transferred to a member of the Company at value fixed by the Directors.

13. The instrument of transfer shall always be accompanied by share Certificate.

14. The fee of not more than Rs. 2/- shall be charged for each transfer approved by the Directors.

DIRECTORS

15. The election, appointment and removal of Directors shall be regulated by the provisions of the Companies Ordinance, 1984.

16. The number of Directors shall not be less than two and not more than six.

17. The subscribers shall appoint the first Directors of the Company.

18. The qualification of a Director shall be holding of at least 1000 shares in the Company subject to the provisions of the Companies Ordinance, 1984.

19. Each Director excluding a regularly paid Chief Executive and paid Director shall be paid a fee not exceeding Rs. 500/- from the funds of the Company for attending meeting of the Company in addition to travelling and other actual out of pocket expenses incurred by him for attending the meeting.

20. The Directors may also appoint any person or persons to be ex-officio Director/Directors and fix his remuneration and such Director need not hold the Qualification shares.

21. Subject to the provisions of the Companies Ordinance, 1984 and orders issued by the Controller of Capital issues the directors may fix the remuneration payable to any Director who pays full attention to the business of the Company.

22. If any Director is called upon to perform any extra service (which expression shall include work done by a Director as a member of any committee or in relation to signing share certificates) or to make any special exertion, for any of the purposes of the Company, the Company shall subject to the provisions of the Companies Ordinance, 1984 and order of the Controller of Capital Issues, remunerate the Director so doing in such manner as may be determined by the Directors according to law.

23. The business of the Company shall be managed by the Directors, who may pay all expenses incurred in getting up and registering the Company and may exercise all such powers of the Company as are provided by the Companies Ordinance, 1984, or
any statutory modification thereof for the time being in force, or by these Articles, required to be exercised by the Company in General Meeting subject nevertheless to any regulations of these Articles, to the provisions of the said Ordinance and to such regulations being not inconsistent with the aforesaid regulations or provisions or as may be prescribed by the Company in General Meeting, but no regulation made by the Company in General Meeting shall invalidate any prior act of the Directors which would have been valid if that regulation had not been made.

24. In addition to the generality of the powers stated above the Directors have the following specific powers.

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

(b) to purchase or otherwise acquire for the Company any property, rights, privileges which the Company is authorised to acquire at such price and generally on such terms and conditions as they think fit, to sell, let, exchange or otherwise dispose of absolutely or conditionally any part of the property, privileges and undertaking of the Company upon such terms and conditions, and for such consideration as they may think fit.

(c) at their discretion to pay for any property, rights, and privileges acquired by or services rendered to the Company either wholly or partially in cash or in share (subject to Section 86 of the Companies Ordinance, 1984), bonds, debentures or other securities of the Company, and any such shares may be issued either as fully paid-up or with such amount credited as paid-up thereon as may be agreed upon, and any such bonds, debentures or other securities may be either specifically charged upon all or part of the property of the Company or not so charged.

(d) to secure the fulfilment of any contracts, agreements entered into by the Company by mortgage or charge of all or any of the property of the Company and its unpaid capital for the time being or in such other manner as they think fit.

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

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

(g) to institute, conduct, defend, compound or abandon any legal proceedings by or against the Company or its officers or otherwise concerning the affairs of the Company and also to compound and allow time for payment or satisfaction of any debts due and of any claims or demands by or against the Company.

(h) to refer any claims or demands by or against the Company to arbitrations and observe and perform or resist the awards.

(i) to act on behalf of the Company in all matters relating to bankrupt and insolvents.

(j) to determine who shall be entitled to sign on the Company's behalf bills, notices, receipts, acceptances, endorsements, cheques leases, contracts and documents.

(k) from time to time, provide for the management of the affairs of the Company either in different parts of Pakistan or elsewhere in such manner as they think fit,
and in particulars to establish branch offices and to appoint any persons to be the attorneys or agents of the Company with such power, (including power to sub-delegate) and upon such terms as may be thought fit.

(l) subject to the provisions of the Companies Ordinance, 1984, to invest and deal with any of the money of the Company upon such securities (not being shares in this Company) and in such manner as they think fit, and from time to time vary or realise such investments.

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

(n) to give any persons employed by the Company remuneration for their services as such, a commission on the profits of any particular business or transaction or a share in the general profits of the Company, and such commission or share or profits shall be treated as part of the working expenses of the Company.

(o) from time to time, to make, vary and repeal bye-laws for the regulation of the business of Company, its officers and servants.

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

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

(r) subject to the provisions of the Companies Ordinance, 1984, before recommending any dividends, to set aside portion of the profits of the Company to form a fund to provide for such pensions, gratuities, compensations or to create any provident or benefit fund in such or any other manner as the Directors may deem fit.

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

(t) to make and give receipts, release and other discharge for money payable to the Company and for the claims and demands of the Company.

25. The Directors for the purpose of carrying on the business of the Company efficiently may upon such terms or condition as they may deem necessary appoint Committee/Committees or Sub-Committee/Sub-Committees comprising of persons who need not be Directors or shareholders of the Company.

26. The Directors may elect one of them to be the Chief Executive of the Company.

27. The remuneration and allowances of the Chief Executive shall be fixed as per the provisions of the Companies Ordinance, 1984.

28. The Directors may borrow such sum or sums of money in such manner and upon such terms and conditions as they think fit and in particular by the issue of perpetual or redeemable debentures or debenture stock or on any mortgage, charge or other security on the undertaking of the whole or any part of the property of the Company both present and future for the time being.
29. The Director shall duly comply with the provisions of the Companies Ordinance, 1984, or any statutory modification thereof for the time being in force, and in particular with the provisions in regard to the registration of the particulars of mortgages and charges affecting the property of the Company or created by it, and to keep a register of the Directors, and to send to the Registrar an annual list of members, and a summary of particulars relating there to and notice of any consolidation or increase of shares capital or conversion of shares into stock, and copies of special resolutions and a copy of the register of Directors and notifications of any changes therein.

30. The Directors shall cause minutes to be made in books.

DISQUALIFICATION OF DIRECTORS

31. Subject to section 188 of the Companies Ordinance, 1984, the office of Director shall be vacated if the Director:

(a) at any time ceases to hold, the shares qualification, if any necessary for his appointment; or
(b) is found to be of unsound mind by a Court of competent jurisdiction; or
(c) is adjudged insolvent; or
(d) without the sanction of the Company in General Meeting accepts or holds any office of profit under the Company other than that of a Managing Director or Manager or a legal or Technical adviser or a banker; or
(e) absents himself from three consecutive meetings of the Directors or from all meetings of the Directors for a continuous period of three months, whichever is longer, without leave of absence from the Board of Directors; or
(f) is punished with imprisonment for an offence involving moral turpitude; or
(g) resigns his office by notice in writing; or
(h) is found by the Board of Directors to have acted against the interest of the Company and he resigns from office within thirty days after such finding and if he fails to do so he shall be deemed to have resigned and shall cease to be a Director after the expiry of said thirty days.

32. On vacation of the office of Director under the provisions of foregoing clause he shall cease to be a member of the Company unless permitted by the Board of Directors.

33. The Directors may enter into a contract with the Company which fact they shall disclose to the Board.

SUBSTITUTE DIRECTOR

34. A Director may with the approval of the Board of Directors appoint, a substitute Director to act for him during an absence of not less than three months from the district in which the meetings of the Directors are ordinarily held but any such Substitute Director shall ipso facto vacate office if and when the appointing Director returns to the district in which meetings of the Directors are ordinarily held.

PROCEEDINGS OF DIRECTORS

35. The Directors may meet together for the despatch of business, adjourn and otherwise regulate their meetings as they think fit. Questions arising at any meeting shall be decided by a majority of votes. In case of an equality of votes, the Chairman shall have a second or casting vote. A Director may at any time, summon a meeting of directors.

36. It shall not be necessary to give notice of a meeting to a Director who is not in Pakistan.

37. Two Directors present form the quorum.
38. All acts done by any meeting of the Directors or of a committee of Directors, or by any person acting as a Director, shall, not withstanding that it be afterwards discovered that there was some defect in the appointment of any such Directors or persons acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such person had been duly appointed and was qualified to be a Director.

39. A resolution signed by at least two Directors shall be as valid and effective as if it had been passed at a meeting of the Directors duly called and constituted.

40. The Directors may appoint one of them to be the Chairman of the Company and fix his remuneration.

SEAL

41. The Seal of the Company shall not be affixed to any instruments except by the authority of a resolution of the Board of Directors, and in the presence of at least two Directors and such other person or persons as the Directors may appoint for the purpose and those two Directors or other person or persons as aforesaid shall sign every instrument to which the Seal of the Company is so affixed in their presence.

DIVIDENDS AND RESERVE

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

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

44. No dividends shall be paid otherwise than out of profits of the year or any other undistributed profits and no dividends shall bear interest against the Company.

45. The Directors may, before recommending any dividend, set aside out of the profits of the Company such sums as they think proper as a reserve or reserves which may, at the discretion of the Directors, be applicable for meeting contingencies or for equalising dividends, or for any other purpose to which the profits of the Company may be properly applied, and pending such application may, at 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 Directors may from time to time think fit.

46. Any such dividend may, if so authorised by the Company in General Meeting, be paid wholly or in part by the distribution of specific assets and in particular by the distribution of paid up shares, debentures, debenture stock of the Company or paid up shares, debentures, debenture stock of any other company or in any one of such ways.

47. Any money, investment or other assets forming part of the undivided profits of the Company either in reserve funds or otherwise and available for distribution as dividend or representing premiums received on the issue of shares may, if sanctioned by the Company in General Meeting, be capitalised and distributed amongst such of the shareholders as are entitled to receive dividend and in the same proportions and all or any part of such capitalised sum may, if sanctioned as aforesaid, be applied on behalf of such shareholders in paying up, in full either at par or at a premium any unissued shares or debentures or debenture stock of the Company or in or towards payments of the uncalled liability or any issued shares or debentures or debenture stock.

48. For the purpose of giving effect to any distribution under the two preceding Articles, the Directors may settle any difficulty in regard to the distribution as they think fit and in particular may issue fractional certificates and may fix the value of any specific assets and may direct that cash payment shall be made to any member upon the basis of the value so fixed or give any direction in order to adjust the rights of all parties and vest any such cash or specific assets in trustees upon such trusts for the persons entitled to the dividend or capitalised sum as the Directors may think fit. When necessary a proper contract shall be filed in accordance with Section 73 of the Companies Ordinance, 1984 and the Directors may appoint any person to sign such contract on behalf of the persons entitled to the dividend or capitalised sum.

49. If several persons are registered as joint holders of any share, any one of them may give effectual receipts for any dividend payable on the share.
50. Unless, otherwise directed any dividend may be paid in cash or by postal money order, cheque or warrant sent through the post to the registered address of the member entitled or in the case of joint holders, to the registered address of and payable to the holder whose name stands first on the share register in respect of the joint holding.

51. The Directors may withhold payment of any dividend on which the Company has a lien and may apply the same in or towards satisfaction of the debt, liability or engagement of which the lien exists.

52. The Directors shall have the custody of all properties, books and documents of the Company and shall cause to be kept proper books of account with respect to:

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

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

(c) the assets and liabilities of the Company.

53. The books of account shall be kept at the registered office of the Company or at such other place as the Directors shall think fit and shall be open to inspection by the Directors during business hours.

54. The 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 on being Directors, and no member (not being Director) shall have any right of inspection of any account or book or document of the Company except as conferred by law or authorised by the Director or by the Company in General meeting.

55. The Directors shall as required by Section 233 and 236 of the Companies Ordinance, 1984, 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 are referred to in those sections.

56. The profit and loss account shall in addition to the matters referred to in sub-section (2) of Section 234 of the Companies Ordinance, 1984, show, arranged under the most convenient heads, the amount of gross income, distinguishing 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. Every item of expenditure fairly chargeable against the year’s income shall be brought into account so that a just balance of profit and loss may be laid before the meeting, and, in cases where any item of expenditure which may in fairness be distributed over several years has been incurred in any one year, the whole amount of such items shall be stated, with the addition of the reasons unless the Company in General Meeting shall determine otherwise, why only a portion of such expenditure is charged against the income of the year.

57. A balance sheet shall be made out in every year and laid before the Company in General 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 which they recommend to be paid by way of dividend, and amount (if any) which they propose to carry to a reserve fund.

58. The Directors shall in all respect comply with the provisions of Sections 230 and 243 of the Companies Ordinance, 1984, or any statutory modification thereof for the time being in force.

**AUDIT**

59. The accounts of the Company shall, once in a year, be audited as provided by the Companies Ordinance, 1984, by one or two Chartered Accountants appointed by the shareholders in the Annual General Meeting.

60. Messrs. Faruq Ali & Co, Chartered Accountants, shall be the first Auditors of the Company.

61. Appointment, changes or removal of any subsequent Auditor or Auditors shall be governed by the Companies Ordinance, 1984.
MISCELLANEOUS

62. If the Company be wound up and the assets available for distribution among the members be insufficient to repay the whole of the paid up capital, such assets shall be distributed in such a way that the losses may be borne as nearly possible by the shareholders in proportion to the capital paid up or which ought to have been paid up at the commencement of the winding up on the shares held by them respectively. And if on a winding up the assets available for distribution among the members be more than sufficient to repay the whole of the paid up capital, the excess shall be distributed amongst the shareholders in proportion to the capital paid up or which ought to have been paid up as aforesaid. But the rights of the holders of shares issued upon special terms and conditions shall not be affected in any way by this clause.

63. If the Company shall be wound up, whether voluntarily or otherwise, the liquidators may, with the sanction of a special resolution, divide amongst the contributories any part of the assets of the Company either in specie or kind.

INDEMNITY

64. Any Director, manager or officer of the Company or any person employed by the Company as Auditor shall be indemnified by the Company against all liabilities incurred by him as such Director, manager, officer or Auditor in defending an proceeding, whether civil or criminal in which judgement is given in his favour or in which he is acquitted or in connection with any application under Section 488 of the Companies Ordinance, 1984, in which relief is granted to him by the Court.
We, the several persons whose names and addresses are subscribed below are desirous of being formed into a company in pursuance of this Articles of Association and we respectively agree to take the number of shares in the Capital of the company set opposite our respective names:

<table>
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<tr>
<th>Name and Surname (present and former) in full (in Block letters)</th>
<th>Father's/ Husband's Name in full</th>
<th>Nationality with any former Nationality</th>
<th>Occupation</th>
<th>Residential address in full</th>
<th>Number of shares taken by each subscriber</th>
<th>Signature</th>
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<tr>
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</table>

Dated the ______________________ day of ______________________ 19

Witness to above signature

(Full Name, Father’s/Husband’s Name) Occupation Full Address Signature

(in Block Letter)