THE COMPANIED ORDINANCE, 1984

Company Limited by Shares

Memorandum

and

Articles of Association

of

Independent Music Group (SMC-Private) Limited
THE COMPANIES ORDINANCE, 1984
(COMPANY LIMITED BY SHARES)
MEMORANDUM OF ASSOCIATION
OF
INDEPENDENT MUSIC GROUP (SMC-PRIVATE) LIMITED

I. The Name of Company is “INDEPENDENT MUSIC GROUP (SMC-PRIVATE) LIMITED”

II. The Registered Office of the Company will be situated in the Province of Sindh.

III. The objects for which the Company is established are:

1. To setup and operate music distribution network either by the Company alone or with joint venture, partnership, collaboration, association with any other person, company for distribution of music, recording, taping, arranging concerts, filming, both audio and video in Pakistan or elsewhere.

2. To carry on the business of manufacturing, developing distributing and marketing of Cassettes, CDs DVDs, VCDs, VITs, DTH, Films, PM3 etc within Pakistan or elsewhere.

3. To manufacture, develop and electronic distribution of music and programs, softwares, through cables, television, internet, DTH, PM3, tape, optical services within Pakistan or elsewhere.

4. To act as agents, dealers, distributors, representatives for other persons, partnership firms, companies on Pakistan or elsewhere.

5. To commission, record, public and distribute music and other intellectual material within Pakistan or elsewhere.

6. To establish and run fully equipped production facilities including films and video studio for the production of audio/video recordings and cinematographic films, besides other high tech data & program recordings uses as computer, telecommunication or broadcasting software.

7. To carry on all or any of the business of manufactures, designers, suppliers, consultants, agents, buyers, sellers, hirers, exporters, importers, distributors, agents and dealers in and in musical and other instruments or devices of all kinds whether already known or to be invented hereafter including wireless, television, radio, gramophones, gramophone records, rolls, cassettes, cartridges, discs, tapes, films, cinematograph and phonographic apparatus, etc.
accessories, appliances, materials and requisites of every kind whereby sound or vision is recorded, amplified, produced, reproduced, transmitted or received.

8. To make audio and video programs for television, radio and to compose music, lyrics etc within Pakistan or elsewhere.

9. To purchase, publish, distribute and to obtain copy right of intellectual material and reselling of these materials within Pakistan or elsewhere.

10. To procure, manufacture and sell all forms and formats of audio and video music cassettes, CDs, DVDs, MP3 mobile ring range tone, internet, television, radio television cable, DTH, 3GP, include films like 35mm, HD films, 3D films and theatrical releases within Pakistan or elsewhere.

11. To signup artists, composers, writers, lyricists, musicians, directors, producers, song writers etc.

12. To setup academies to conduct running for audio and video or other electronic devices.

13. To make feature films, song videos, commercials, telefilm, television serials, and documentaries and to arrange shows, festivals, events, concerts etc.

14. To promote the study, practice and knowledge of art, culture, music science, technology or any other subject by providing subsidizing, endowing or assisting, laboratories, workshops, libraries, research centers, lectures, meetings, seminars, concerts, stage plays, and conferences; and by providing remunerations and other benefits to artists, authors, composers, professors, or teachers and by providing for exhibitions, scholarships, prizes, awards and grants without doing forces business to students and other generally to encourage and promote discoveries of any kind that may be considered likely to assist any of the businesses and objects which the company is authorized to carry on.

15. To carry on the business of acting as Advisors and Consultants on all matters and problems, and to provide services relating to the technical Industries, especially compilation, recording, preparing and launching of cassettes, records, discs and other devices of every description and kind, including renovation of the said products, civil administration, organization, management, commencement of expansion of industry, purchasing techniques and business, production, purchases, sales, material and cost control, associations, departments and services of the Government, public or local authorities, trusts, scientific research and development centers, and to be appointed as advisors, technical, industrial, administration and consultants in Pakistan or elsewhere.
16. To carry on the business as advertising agents, advisors, consultants, agents for the promotion of sales, renovation, product introducers or other business interest of any person and or that purpose to carry on market surveys, researches, training programs and purchasing or otherwise acquiring advertising space or time in hoarding, newspapers, cinemas, television or any other media of advertisement and making the same available to customers in Pakistan or elsewhere.

17. To enter into any arrangement with any government or authorities (central, state, municipal, local, foreign or otherwise), or any corporations, companies, undertakings or persons in Pakistan or elsewhere that may seem conducive to the Company’s object and to obtain from any such government, authority, corporation, company, undertaking or person whether local or foreign any license, permission, charters, contracts, decrees, rights, privileges and concessions which the company may think desirable, and to carry out, exercise and comply with any such license, permission, charters, contracts, decrees, rights and concessions.

18. To open accounts with bank or banks approved financial institutions and to draw, make endorse discount, execute and issue promissory notes, bills of exchange, cheques, bills of lading, warrants, debentures and other negotiable instruments, concerning the business of the company.

19. To invest the surplus moneys of the company not immediately required by the company in and subscribe for, take, acquire, hold shares, debentures, securities or instruments of redeemable capital of any other company or corporation or body corporate, whatsoever, and to invest moneys of the company in any other manner including the purchase of any book debts or any other debts without doing the business of investment company within the meaning of the law, or in such manner as the company may deemed fit.

20. To borrow in local or any foreign currency from banks, financial institutions, non-banking financial institutions and or avail finances under any Islamic financing scheme like mudaraba, morabaha, musharika, jilura-istikke and Qaraze-Hasina and to borrow, procure, or to secure the money in such manner as the company may deem fit and particularly by mortgage or hypothecation of its property in full or in part on both the present and future assets or by the issue of shares, stock, bonds, debentures, Participation Term Certificates, Terms, Finance Certificates, or any other form of redeemable capital or securities charged or based upon the undertaking of the Company, or any part of its property, both present and future and generally to borrow or procure for the purposes of the business of the company in such manner as the company shall deem fit, to issue debentures, bonds, securities, participation Term Finance Certificates, either permanent or redeemable or repayable or convertible into shares and to secure any securities of the Company by a trust or other assurances.
21. To receive money or loan and borrow money in such manner as the Company shall think fit, and in particular by the issue of debentures or debenture stock (perpetual or otherwise) and to secure the repayment of any money borrowed or owing by the mortgage, charge or lien upon all or any of the property or assets of the Company (both present and future), and also by a similar mortgage, charge or lien to secure and guarantee the performance by the company or any other person or company as the case may be.

22. To procure the incorporation, registration or other recognition of the company in any country, state or place and to establish and to regulate and open branches in any part of the world for the purposes of the company’s business.

23. To pay the costs, charges and expenses preliminary and incidental to the formation, establishment and registration of the Company.

24. To grant pensions, allowances, gratuities and bonuses to directors, officers, ex-officers, employees or ex-employees of the Company or its predecessors in business or the dependents of such persons and establish and support or aid in the establishment and support of associations, institution, fund, trusts and conveniences calculated to benefit employees and ex-employees and officer ex-officer (including Director and ex-Director) of the company or the dependents or connections of such persons and to pay gratuities or grant pensions and allowance, and to make payments towards insurances, and to subscribe or guarantee money for charitable or benevolent object, or for any public, general or useful object(s).

25. To create provident fund, pension fund, insurance fund, or any other special fund whether for depreciation or for acquiring or extending or maintaining any of the Company’s property or for any other purposes conducive to the interest of the Company.

26. To capitalize such portion of the profits or reserves of the company as are not distributed amongst shareholders of the company in the form of dividend and as the company may think fit and to issue bonus shares as fully paid-up in favour of the shareholders of the company.

27. To remunerate Directors, officials, servants of the company or any other person or firm or company rendering services to this company out of, or in proportion to the returns or profits of the company or otherwise as the company may think proper, either by cash payment and/or by the allotment him or them shares or securities of the company credited as paid up in full or otherwise as may be subject.

28. To appoint or engage such persons or firms, as may expedient, to be consultants, trainers, advisers, technical experts, managers, officer or
representatives of the Company upon such terms as the company may determine.

29. To establish and maintain branches in or outside Pakistan, receiving officers, depots, and distribution centers and to enter into contracts or agency agreements (other than managing agency) with any other person, firm or company or for the distribution centre for the efficient carrying on of the business of the company.

30. To acquire land and for other property or properties of any tenure whether and any interest therein the view with freehold or lease hold rights for the purpose of the Company and to pay for any property or rights acquired by the Company either in cash or fully paid-up shares, or by any securities which the company has power to issue, or partly in one mode and partly in another, and generally on such terms as the company may determine.

31. To subscribe or contribute to any charitable, benevolent or useful objects or a public character, the support of which will, in the opinion of the company, tend to increase its repute or popularity among its employees, its customers, or the public generally.

32. To adopt such means (both in and outside Pakistan) of promotion, marketing and making known and advertising the products and services of the company as may seem expedient subject to the laws to which the company may be subject.

33. To amalgamate merge with, absorb, reconstruct, merge, acquire or take over any other company or undertaking having objects altogether or in part similar to those of the company or carrying on any business capable of being conducted so as directly or indirectly to benefit this company, whether by sale or purchase of the assets, property or undertaking, or divestiture of the whole or part of the undertaking of the company or by partnership or any arrangement in the nature of partnership or in any other manner or to enter into and carry into effect any arrangement, or for sharing of profits, with any partnership undertaking or person carrying on business within the object of this company.

34. To exercise or any of the above objects and to do all such other things as are incidental or conducive to the attainment of the above object of the company.

35. To carry on research, development, installation, maintenance and running of the most modern technological innovation termed as "Information Super Highway", whether, as an operator of the complete system or only a component of the complex technological system.

36. The Company shall not engage in banking business, business of any investment company, Non-Banking Finance Company, leasing company and insurance company, business of managing agency or any unlawful business and nothing in object clauses shall be construed to entitle company to engage in such business.
directly or indirectly. The company shall not launch multilevel marketing, pyramid and ponzi schemes.

37. "Notwithstanding any thing stated in any object clause, the company shall obtain such other approval or licence from the competent authority, as may be required under any law for the time being in force, to undertake a particular business”.

38. And generally to do all and every thing which may in any way be considered incidental or conducive to carrying into effect all or any of the objects of the company and to carry out the said objects or any of them either on account of the company alone or in conjunction with any other company, corporation, person or firm.

AND IT IS HEREBY DECLARED that the world, COMPANY in this Clause shall be deemed to include any partnership or other body of persons whether incorporated or not and whether domiciled in Pakistan or elsewhere and the intentions is that the objects specified in each sub-clause or paragraph of this clause be in no way limited or restricted by reference to or inference from the terms of any other sub-clause or paragraph the name of the company but may be carried out in as full and ample a manner and construed in as wide a sense as if each of the said sub-clause or paragraph defines the object of a separate distinct and independent company.

IV. The liability of the members is limited.

The Share Capital of the Company is Rs. 200,00,000/- (Rupees Two Hundred Million) divided into 100,000 Ordinary Shares of Rs. 10/- each. Company shall have powers to increase or reduce the share capital from time to time as it may think proper and the shares forming the Capital: Original increased or reduced may be divided into such classes in accordance with the provisions of the Companies Ordinance, 1984.
We, the several persons whose name and address as subscribed below, are desirous of being formed into a Company, in pursuance of the Memorandum of Associations, and we respectively agree to take the number of shares in the capital of the Company as set opposite respective names:

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Name &amp; Surname in full block letters</th>
<th>Father's/Husband's name in full</th>
<th>Nationality</th>
<th>Occupation</th>
<th>Residential Address in full</th>
<th>No. of Shares</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>MIR SHAKIL-UR-RAHMAN</td>
<td>MIR KHAIJ-UR-RAHMAN (LATE)</td>
<td>Pakistani</td>
<td>Business</td>
<td></td>
<td>100</td>
</tr>
</tbody>
</table>

Total One Hundred Shares 100

Dated the 27th day of July 2006

Witness to the above signatures:

Name: S. Nasim-uz-Zaman, FCA
Father's Name: S. Wali Ahmed (Late)
Nationality: Pakistani
Occupation: Chartered Accountant
Address: [redacted]
THE COMPANIES ORDINANCE, 1984
(COMPANY LIMITED BY SHARES)
ARTICLES OF ASSOCIATION
OF
INDEPENDENT MUSIC GROUP (SMC-PRIVATE) LIMITED

1. In the interpretation of these articles the following expressions shall have the following meanings unless repugnant to or inconsistent with the subject articles:

(a) “alternate nominee director” means an individual nominated by the single member to act as nominee director in case of non-availability of nominee director;

(b) “company” or this company” means “INDEPENDENT MUSIC GROUP (SMC-PRIVATE) LIMITED”;

(c) “directors” or “board of directors” means board of directors so that it may consist of only the sole director or more than one directors if so appointed under the relevant provisions of the Ordinance;

(d) “in writing” means written or printed or partly written and partly printed or lithographed or typewritten or other substitute for writing;

(e) “member director” means an individual becoming director due to membership of the company in terms of clause (h) of section 187;

(f) “nominee director” means an individual nominated by the single member to act as director in case of death of single member;

(g) “private company” means a private company other than a single member company;

(h) “rule” means the rule of the Single Member Companies Rules, 2003;

(i) “rules” means the Single Member Companies Rules, 2003;

(j) “section” means section of the Companies Ordinance, 1984 (XLVII of 1984); and

(k) “sole director” means the director of the company who is for the time being the only director and single member of the company.
PRELIMINARY

2. Any provision of the Ordinance or rules and regulations made there under which apply in relation to private company limited by shares incorporated under the Ordinance shall, in the absence of any express provision to the contrary, apply in relation to a single member company as it applies in relation to such a company which is formed by two or more persons or which has two or more persons as members.

SINGLE MEMBER COMPANY

3. The company is a single member company and as such being a private Company limited by shares:

(a) it shall not issue invitation to the public to subscribe for any share of the company;

(b) the company shall not register any share(s) in the name of two or more persons to hold one or more shares individually or jointly; and

(c) number of the members of the company shall be limited to one.

4. The Authorized Capital of Company is Rs. 200,000,000/- (Rupees Two Hundred Million only) divided into 100,000 Ordinary Shares of Rs.10/- each.

5. The company may increase the nominal share capital in accordance with sections 92 and 94.

6. Share certificate(s) shall be signed by the member director, and in case of his death, by the nominee director and the secretary.

7. The company may, upon passing of a special resolution, issue further shares or transfer existing shares or part thereof causing the number of members to become two or more in accordance with the Rules but it shall become a private company thereafter.

8. The company shall not transfer all of the shares of a single member to two or more persons or part of shares of single member to other person(s) or allot further shares to any person other than the single member or, at any time, allow transfer of shares or allotment of shares or both resulting in number of members to become two or more, except under the authority of a special resolution for change of status from single member company to private company and to alter its articles accordingly.
9. The single member may transfer all of his shares to a single person under the authority of an ordinary resolution whereby the company shall remain a single member company as it was before such transfer.

10. A person whose name is entered as a member in the register of members shall without payment, be entitled to receive, within ninety days after allotment or within forty-five days of the application for registration of transfer, a certificate under the seal specifying the share or shares held by him.

TRANSFER AND TRANSMISSION OF SHARES

11. Transfer and transmission of shares shall be in accordance with provisions of sections 74 to 81.

12. In case of death of the single member, the power to register or refuse transfer of shares shall be exercised by the secretary and the nominee director under the Rules.

13. If the company allots further shares or the shares held by the single member are transferred in total or in part and as a result thereof the company becomes a private company, the fact that it has converted from a single member company to a private company and number of its members has increased to two or more shall be recorded in the register of members along with the date of the event and the particulars of the members.

14. Transmission of shares to the legal heirs shall be recorded in the register of members by the secretary and the nominee director.

CHANGE OF STATUS

15. The company may convert itself from single member private company to a private company in accordance with the provisions of rule 4.

GENERAL MEETINGS

16. A general meeting, to be called annual general meeting, shall be held, in accordance with the provisions of section 158 and rules.

17. All general meetings of the company other than an annual general meeting as specified in section 158 shall be called extraordinary general meetings and shall be deemed to be held in accordance with the provisions of rule 5.

18. The secretary shall attend all the meetings of the company by shall have no vote.
NOTICE AND PROCEEDINGS OF GENERAL MEETINGS

19. In case the law specifies time period for giving of notice of any meeting of the members or of director(s), requirements of the law shall be deemed to have been complied with if both the secretary and the members are notified of the meeting and they attend such meeting provided that in case of annual general meeting the time period for giving of notice to the auditor of the company shall not be less than twenty one days.

20. The single member present in person or through proxy shall be the quorum for the general meeting provided that secretary shall not act as proxy of the single member.

21. If the single member takes any decision which is required to be taken in a meeting of the board or in the general meeting or by means of a resolution and such decision is delivered by the single member in writing, within three days of such decision, to the company for entry in the minute book and is so recorded, that decision shall be valid as if agreed in such a meeting.

DIRECTORS(S)

22. The company shall always have the single member as a director but it may have such number of other director(s) who fulfill the conditions as specified in section 187.

23. The board of the general meeting shall not have the power to remove the member director but the single member (the member director) shall have the power to remove any director, chief executive or secretary through a resolution.

24. The director(s) shall have the powers as specified in section 196.

25. The director(s) shall appoint a chief executive in accordance with the provisions of sections 198 and 199.

26. The director(s) shall cause minutes to be made in books as required under section 173.

SECRETARY

27. A single member private limited company shall appoint a secretary in terms of section 204A and rule 6 who shall be responsible for discharge of duties and functions normally discharged by a secretary under the corporate laws and secretarial practice.

28. The secretary shall be appointed at the time of incorporation and subsequently on the same day or the day next following his resignation or removal or in case of his death within seven days of the event.
29. The sole director shall not be the secretary of the company.

**CONTRACTS WITH THE SINGLE MEMBER**

30. Contract between the company and single member shall be made in accordance with the provisions of rule 8.

**DIVIDENDS AND RESERVES**

30A. The Company may declare dividends and pay in accordance with the provisions of Sections 248 to 251.

**ACCOUNTS**

31. The director(s) shall cause to keep proper books of account in accordance with the provisions of section 230 and shall, as required by sections 233 and 236, cause to be prepared and to be laid before the company in general meeting such profit and loss accounts or income and expenditure accounts and balance sheets duly audited and reports as are referred to in those sections. They shall in all respects comply with the provisions of sections 230 to 236.

32. So long as the company has only one director, the requirements of section 241 shall be deemed to have been met if the balance sheet and profit and loss account is authenticated by the sole director.

33. Auditors shall be appointed and their duties regulated in accordance with the provisions of sections 252 to 255.

**THE SEAL**

34. The director(s) shall provide for the safe custody of the seal and the seal shall not be affixed to any instrument except by the authority of a resolution of the board of director(s) or by a committee of director(s) authorized in that behalf by the member director and in the presence of at least member director and of the secretary or such other person as the director(s) may appoint for the purpose; and the member director and the secretary or other person as a foresaid shall sign every instrument to which the seal of the company is affixed in their presence.

**WINDING UP**

35. The company shall follow, in case of its winding up, the relevant provisions of the Companies Ordinance, 1984 (XLVII of 1984).
INDEMNITY

Every officer or agent for the time being of the company may be indemnified out of the assets 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 affairs of the company, except those brought by the company against him, in which judgment is given in his favour 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.
We, the several persons whose name and address as subscribed below, are desirous of being formed into a Company, in pursuance of the Articles of Associations, and we respectively agree to take the number of shares in the capital of the Company as set opposite respective names:-

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Name &amp; Surname in full block letters</th>
<th>Father’s/Husband’s name in full</th>
<th>Nationality</th>
<th>Occupation</th>
<th>Residential Address in full</th>
<th>No. of Shares</th>
<th>Signature taken by subscriber</th>
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<td>MIR SHAKIL-UR-RAHMAN</td>
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</tbody>
</table>

Total One Hundred Shares 100

Dated the 27th day of July 2006

Witness to the above signatures:
- Name: S. Nasim-uz-Zaman, FCA
- Father’s Name: S. Wali Ahmed (Late)
- Nationality: Pakistani
- Occupation: Chartered Accountant

Certified to be True Copy
Deputy Registrar of Companies
24/4/2005