The Companies Ordinance, 1984

(Private Company Limited by Shares)

Memorandum of Association

Of

Recorder Television Network (Private) Limited
THE COMPANIES ORDINANCE, 1984
(A PRIVATE COMPANY LIMITED BY SHARES)

MEMORANDUM OF ASSOCIATION

OF

RECORDER TELEVISION NETWORK (PRIVATE) LIMITED

I. The name of the Company is Recorder Television Network (Private) Limited.

REGISTRATION OFFICE

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

OBJECTS

III. The Objects for which the Company is established are as under:

1. To carry on the business of broadcasting/re-broadcasting of international/national satellite/terrestrial wireless and cable television/radio signals subject to the approval from relevant authorities where required.

2. Sale/rental of airtime to third parties for the purpose of airing of programming and/or product and advertisement.

3. To establish cable TV network services and continuously refresh and upgrade new channels.

4. To provide payphone services throughout Pakistan by using the wireless local loop technologies or any other related services with the consent of the relevant authorities, as may be required, and to perform all acts directly or indirectly related or incidental to the business of the Company.

5. To obtain, develop, promote, deal in and/or supply Interactive communication services or any other form of computer-based communication technology, including but not restricted to Electronic Commerce, Electronic business, that might be developed in the future, indicating all related hardware, software and ancillaries subject to the approval from the relevant authorities where required.

6. To acquire advance technology of electronic products and bureau services associated with this technology. Project services include interalia feasibility studies,
consultation, project implementation, market development, foreign agency services, import services, maintenance, computer software customization and system integration.

7. To establish, maintain and operate electronic information, data communication network and store and forward fax services.

8. Design and production of programming/software, programming for transmission through television and radio signal and for sale/rental to third party for transmission/broadcast.

9. To set up, own and run studio for films and television drama serials, which can be rented out as and when demand arises.

10. To provide telecommunication services through owned or leased/rented infrastructure.

11. To carry on the business of distributing, producing, renting out, CD/VCD/DVD/Video Tapes recording television drama serials, films, commercial advertisement, radio programs, audio and video features and documentary films, stage dramas and cultural programs, and other content development.

12. To carry on the business of providing technical and engineering consultancy and/or equipments for video, audio recording, editing, debugging, mixing for all entertainment commercial and cultural programs.

13. To adopt, arrange, translate, perform, print, re-print, dramatize, deliver, represent, produce, reproduce, exhibit, buy, sell, license, record, copy and publish in any manner musical composition, musical dramatic, operatic, dramatic, literacy and artistic works of all kinds.

14. To purchase and otherwise acquire in any part of the world, musical composition, musical dramatic, operatic, dramatic, literacy and artistic, sports or any entertainment works of all kinds and any or all copyrights and other rights and privileges therein or in connection therewith and to print, publish, circulate, own, sell, lease, license, exchange, perform or authorize the performance in public, broadcast or otherwise deal with the same and to collect charges and fees thereof.

15. To undertake the business of all kinds of advertisements and to set up and advertising agency and arrange necessary equipment, machinery and material required for this business.

16. To undertake the business of all kinds of sign boards, hoardings, trivisions, electronic signs, neon signs, computerised signs and all the new technology indoor/outdoor advertising.
17. To undertake projects relating to the promotion of the communication services, carry out installation, wiring commissioning, civil works, engage in business and commercial activities and provide human resources for skilled and semi-skilled jobs.

18. To market all its products both in and outside Pakistan.

19. To train professionals, personnel and workers to obtain technical proficiency in various specialties connected with the business of the Company and to provide scholarships and stipends for such training.

20. To engage in the writing, visualizing, production, transmission, distribution, exhibition, research, financing and organization of media in its various forms and manifestations.

21. To undertake, assist and participate in commercial media-related projects and undertakings, singly and in connection with other persons, firms, companies and corporations in Pakistan or elsewhere.

22. To carry on the business of hire and rent out video and audio equipments, to arrange and manage radio and television private channel telecast through satellite and broadcast inside and outside the country.

23. To arrange musical concerts at national and international level and to provide personal services of singers and artists therewith.

24. To purchase and sell, import and export films audio / video cassettes / computer discs.

25. To acquire projects and/or participate in projects with others through funds and/or efforts and to enter in the projects in the capacity of financier, joint venture holder, executor of supply contracts, lesser of movable/immovable properties, sellers/purchasers for all types of properties, for profit on account of others.

26. To promote or establish any branches or offices or associated or ancillary bodies which may be deemed necessary or advisable in the furtherance of the objects of the Company and manage and control the same.

27. To carry on business of manufactures, act as agents except managing agent, importers, exporters and dealers, wholesalers and retailers in all kinds of electrical and electronic appliances, sets and instruments and articles.

28. To appoint agents, subagents, attorneys, consultants, brokers, but not act as a brokerage house, and contractors in connection with the business of the Company but not to act as managing agents.
29. To obtain or borrow money in local or in any foreign currency from any corporations, companies, banks, financiers and other entities for carrying on the business of the Company including leverage holding on the Company’s account or on account of the other constituents.

30. To enter into partnership or into any agreement for sharing profits, union of interests, reciprocal concessions, amalgamation or co-operation with any person or persons, corporation or company, carrying on or about to carry on or engage in any business or transaction which this Company is authorized to carry on or engage in any business, transaction capable of being conducted so as directly or indirectly to the benefit of this Company, and to take to subsidize or otherwise assist any such company and sell, hold, reissue, with or without guarantee or otherwise deal in such shares or securities and to form, constitute or promote any other company for the purpose of acquiring all or any of the property, rights and liabilities, of the Company.

31. To carry on any other business which may seem to the Company capable of being conveniently carried on in connection with any business which the Company is authorised to carry on or calculated to enhance the value of or render profitable any of the companies properties or rights.

32. To undertake all types of permissible trade and buy and sell commodities in the market without exploitation.

33. To open accounts with banks, draw, make accept, endorse, discount, execute and issue promissory notes, cheques, bills of exchange, bills of lading, warrants, and other negotiable or transferable instruments.

34. To purchase, take on lease, exchange, hire or otherwise acquire any moveable or immoveable property and any rights and privileges whatsoever and to build, construct, alter and maintain buildings or other structures of every kind necessary or convenient for the Company’s business.

35. To do all or any of the above things in any part of the world, and either as principals, agents, trustees, and contractors or otherwise, and either alone or in connection with others, and either by or through agents, trustees sub-contractors or otherwise.

36. To employ and remunerate managers and other officers, employees and servants of the Company and any person or firm or company rendering services to the Company upon such terms as the Company may determine.

37. To invest and deal with any surplus moneys of the Company not immediately for the time being required for any of the purposes of the Company as in such investments as may be through proper and to hold, sell or otherwise deal with such investments.
38. To pay for any property or rights acquired by the Company either in cash or shares, with or without preferred rights in respect of dividend or repayment of capital or otherwise or by any securities which the Company has power to issue, or partly in one mode or partly in another, and generally on such terms as the Company may determine.

39. To amalgamate with any other company whose objects are or include objects similar to those of the Company whether by sale or purchase of the undertaking subject to all liabilities of the Company or any such other company with or without winding up or by the sale or purchase of all the shares, or securities of the Company or any such other company as aforesaid or by partnership or an arrangement of the nature of partnership or in any other manner.

40. To distribute among the members in specie any property of the Company in the event of winding up.

41. It is hereby declared and undertaken that:

i. the Company shall not engage in the business of banking, in the business of an investment company, Non-Banking Finance Corporation, 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;

ii. the Company shall not contribute any amount to any political party or for any purpose to any individual or body;

iii. the Company shall not engage in the business of housing, development of plots, colonization, estate business and offer for sale or take advance money for the future sale of commercial/residential plots, houses, etc. to the general public or individuals unless such plot, houses or flats etc. are owned and have been developed by the company and after obtaining necessary permissions or sanctions from the competent authority;

iv. the objects specified in each of the paragraphs of this clause shall be regarded as independent objects and accordingly shall in no way be limited or restricted (except where otherwise expressed in such paragraphs) by reference to or inference from the terms of any other paragraph (or the name of the Company) but may be carried out in as full and ample a manner and constructed in as wide a sense as if each of the said paragraphs defined the objects of a separate and distinct company;

v. Notwithstanding anything stated in any object clause, the company shall obtain such other approval or license from the competent authority, as may be required under any law for the time being in force, to undertake a particular business.
FORM OF TRANSFER:

18. I, ___________________________ son/daughter/wife of ___________________________ of ___________________________, being a ___________________________ national ("Transferor"), in consideration of the sum of Rs. ___________________________ (Rupees____________________________) paid to me by ___________________________, son/daughter/wife of ___________________________ of ___________________________, being a national of ___________________________ ("Transferee"), do hereby transfer to the Transferee ___________________________ shares, numbered ___________________________ in Recorder Television Network (Private) Limited to hold the same unto the said Transferee, his (or her) executors, administrators and assigns subject to the several conditions on which I held the same immediately before the execution hereof.

I, the Transferee, do hereby agree to take the said share(s) subject to the conditions aforesaid.

In Witness Whereof we sign this Form on _______ day of ___________ , 2004.

Transferor ___________________________

Transferee ___________________________

Witnesses:—

1) ___________________________

2) ___________________________

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WHEN REGISTER MAY BE CLOSED

19. The Board shall have power on due notice (given in the manner prescribed in the Ordinance) to close the Register of Transfers for such period(s) of time not exceeding thirty days at a time or forty-five days in any year.

TRANSMISSION OF SHARES OF DECEASED MEMBER

20. In the case of death of a shareholder, the deceased shareholder’s shares shall be offered for sale first to the majority shareholder and in the event that the majority shareholder declines the offer to buy the shares then the shares shall be inherited by the executors or administrators of the deceased shareholder holding a Grant or Probate or Letters of Administration or the nominees of the deceased appointed under Section 80, or any person or persons mentioned in any Succession Certificate effective in Pakistan shall be the recognised by the Company as having any title to the shares, but nothing herein contained shall release the estate of a deceased shareholder from any liability, in respect of any share solely or jointly held by him. In any case in which such a Grant of Probate or Letters of Administration or Succession Certificate to the estate of a deceased shareholder has not been obtained or a nomination was not made by the deceased as above mentioned, the Board may, but shall not be bound to, recognise the title of any person claiming to be entitled to the deceased holder’s share on production by such claimant of any other evidence of title as the Board may deem sufficient, and upon the claimant furnishing such indemnity, if any as the Board may require.

RIGHT OF THE SURVIVOR TO BE REGISTERED AS A MEMBER OR TO TRANSFER SHARES

21. Any person becoming entitled to a share in consequence of the death or insolvency of a Member shall, upon such evidence being produced as may from time to time be required by the Board, have the right either to be registered as a Member in respect of the share or, instead of being registered himself, to make such transfer of the share as the deceased or insolvent person could have made, but the Board shall, in either case, have the same right to decline or suspend registration as they would have had in the case of a transfer of the share by the deceased or insolvent person before the death or insolvency.

RIGHT OF SURVIVOR TO RECEIVE DIVIDENDS AND OTHER ADVANTAGES

22. A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he was the registered holder of the share, except that he shall not before being registered as a Member in respect of the share, be entitled in respect of it to exercise any rights conferred by membership in relation to meetings of the Company.

COMPANY NOT TO BE LIABLE

23. The Company shall incur no liability or responsibility whatever in consequence of its registering or giving effect to any transfer of shares made or purporting to be made by any different legal owner thereof (as shown or appearing in the Register) to the person having wrongly or improperly any equitable right, title or interest to or in the same shares, notwithstanding that the Company may have had notice of such equitable right, title or interest or notice permitting registration of such transfer, and the Company shall not be bound or required to register or attend or give effect to any notice which may be given to it of any equitable right, title or interest, or be under any liability whatsoever for refusing or neglecting so to do, but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto, if the Board shall so think fit.

ALTERATION OF CAPITAL

POWER TO INCREASE AUTHORISED CAPITAL

24. The company may from time to time by Special Resolution increase the authorised share capital by such sum to be divided into shares of such amount, as the resolution shall prescribe.

CONDITIONS OF ISSUE
25. Except and so far as otherwise provided by the conditions of issue or by the Articles, any capital raised by the creation of new shares shall be considered part of the authorised capital and shall be subject to the provision herein contained with reference to transfer and transmission, voting and otherwise.

**POWER TO REDUCE SHARE CAPITAL**

26. The Company may by Special Resolution reduce its share capital in any manner and subject to any incident, authorisation and consent required by law.

**POWER TO SUB-DIVIDE OR CONSOLIDATE SHARES**

27. Subject to Section 92, the Company may in General Meeting by Ordinary Resolution alter the conditions of its Memorandum as follows:

(a) consolidate and divide all and any of its share capital into shares of larger amount than its existing shares.

(b) sub-divide shares or any of them into shares of smaller amounts than originally fixed by the memorandum, subject nevertheless to the provisions of the Ordinance in that behalf;

**POWER TO CANCEL SHARES NOT TAKEN**

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

**POWER TO BORROW**

28. The Board may from time to time borrow any moneys for the purposes of the Company from the members or from any other persons, firms, companies, corporations, Government Agencies, institutions or banks, or the Directors may themselves lend moneys or provide finance to the Company.
GIVING OF SECURITIES

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

CONDITIONS OF BONDS, ETC.

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

ISSUE AT DISCOUNT

31. Any bonds, debentures or other securities may be issued at a discount premium or otherwise and with any special privileges as to redemption, surrender, drawings, convertibility into shares, attending and voting at General Meetings of the Company, appointment of Directors, and otherwise, provided that debentures with the right to be converted into shares shall not be issued without the consent of the Company in General Meeting obtained by Special Resolution, subject to Section 87.

INDEMNITY TO DIRECTORS

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

GENERAL MEETINGS

GENERAL MEETING WHEN TO BE HELD

33. 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 months following the close of its financial year and not more than fifteen months after the holding of its last preceding Annual General Meeting as may be determined by the Board.

EXTRA ORDINARY GENERAL MEETING

34. All general meeting of the Company other than an Annual General Meeting shall be called Extraordinary General Meetings.

WHO MAY CALL EXTRA ORDINARY 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, or in default, may be called by such requisitionists, as is provided by Section 159.

NOTICE OF MEETINGS

Twenty-one days' notice at the 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 General Meeting and, in case of special business, all material facts concerning such business, shall be given in a manner provide by the Ordinance for the General meetings to such persons as are, under the Ordinance or the Articles, entitled to receive such notices from the Company.

SPECIAL BUSINESS

37. All business shall be deemed special that is transacted at an Extraordinary General Meeting, and also all that is transacted at an Annual General Meeting with the exception of
declaring a dividend, the consideration of the accounts, balance sheet and the reports of Directors and Auditors, the election of directors, the appointment of, and the fixing of the remuneration of the Auditors. Where it is proposed to pass a Special Resolution at a General Meeting, notice of the Meeting shall specify the intention to propose the Resolution as a Special Resolution.

OMISSION TO GIVE NOTICE

38. In a case in which notice of any Meeting is given to the shareholders individually, the accidental omission to give notice to any of the shareholders or the accidental non-receipt thereof shall not invalidate the proceedings at any such Meeting.

PROCEEDINGS AT GENERAL MEETING

QUORUM

39. Two members present in person and representing not less than fifty (50%) per cent of the total issued shares of the Company either on their own account or as proxies shall be a quorum for a General Meeting. No business shall be transacted at any General Meeting unless the quorum requisite is present at the time when the Meeting proceeds to business.

WHO TO PRESIDE IN GENERAL MEETING

40. The Chairman shall be entitled to take the chair at every General Meeting. If there is no Chairman or if at any Meeting he shall not be present within fifteen minutes after the time appointed for holding such Meeting or is unwilling to act, the Directors present may elect a Director as Chairman and if none of the Directors is present or being present is unwilling to act as Chairman, the members present shall choose one of the members to be the Chairman.

ADJOURNMENT OF MEETING FOR LACK OF QUORUM

41. If within half an hour after the time appointed for the holding of a General Meeting a quorum is not present, the Meeting dissolved, and in every other case shall stand adjourned to the same day in the week following at the same time and place.

ADJOURNMENT BY CHAIRMAN

42. The Chairman with the consent of a General Meeting may adjourn any Meeting from time to time and from place to place, but no business shall be transacted at any adjourned Meeting other than business left unfinished at the Meeting from which the adjournment took place.

MINUTES

43. Minutes shall be made in books provided for the purpose of all resolutions and proceedings at General Meetings, and any such Minutes if signed by any person purporting to have been the Chairman of the Meeting or next following Meeting shall be receivable as evidence of the facts therein stated without further proof.

MINUTE BOOKS

44. The Books containing Minutes of proceedings of General Meetings of the Company shall be kept at the Registered Office of the Company and shall during business hours (subject to reasonable restrictions as the Board may from time to time impose but so that no less than two hours each day is allowed for inspection) be open to the inspection of any member without charge.

VOTE OF MEMBERS

45. Except as provided in Article 64 hereof, upon a show of hands every member entitled to vote and present in person or by proxy shall have one vote, and upon a poll every member entitled to vote and present in person or by proxy shall have one vote for every share held by him.
RIGHT TO VOTE OF JOINT HOLDERS

46. In case of joint holders, the vote of the senior who tender a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the Register.

REPRESENTATIVES OF CORPORATE MEMBERS

47. Company or other body corporate which is a member of the Company may, by resolution of its Directors, or proxy signed by authorised officers, authorise any of its official or any other persons to act as its representative at any meeting of the Company and the person so authorised shall be entitled to exercise the same powers on behalf of the company which he represents as if he were an individual shareholder of the Company.

VOTING BY MEMBER OF UNSOUND MIND

48. A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on show of hand or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy.

POLL BY PROXY

49. On a poll votes may be given either personally or by proxy.

PROXY

50. Every proxy shall be appointed in writing under the hand of the appointer or by an agent duly authorised under a Power of Attorney, or if such appointer is a company or corporation under the Common Seal of the company or corporation, or the hand of its Attorney, who may be the appointer. A proxy must be a member. A proxy shall have such rights as respects speaking and voting at a meeting as are available to a member personally present at the Meeting. A member shall not be entitled to appoint more than one proxy to attend any one Meeting. If any member appoints more than one proxy for any one Meeting and more than one instruments of proxy are deposited with the Company, all such instruments shall be rendered invalid.

IRREVOCABLE PROXY

51. Any proxy declared expressly on its face to be irrevocable shall not be revoked or be deemed revoked by the member giving such proxy without the consent of the proxy-holder, whether by attendance at any General Meeting held during the period of such proxy or by any other action on his part whatsoever or otherwise during the term of such proxy if such proxy is furnished to and filed with the records of the Company, and the Company shall be bound to recognise and give effect to such proxy in accordance with the terms thereof.

PROXY TO BE DEPOSITED AT THE OFFICE

52. No person shall act as proxy unless the instrument of his appointment and the Power of Attorney, if any, under which it is signed, shall be deposited at the Office at least forty-eight hours before the time for holding the Meeting at which he proposed to vote.

FORM OF PROXY

53. As instrument appointing a proxy may be in the following form or a form as near thereto as may be.

"I ______________________ of ______________________ in the district of ______________________ being a member of the ______________________ hereby appoint ______________________ of ______________________ as my proxy to vote for me and only behalf at the (annual,
extraordinary, as the case may be) general meeting of the Company to be held on the __ day of __ and at any adjournment thereof."

VALIDITY OF PROXY

54. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death of principal or revocation of the proxy or of any power of attorney under which such proxy was signed, provided that no intimation in writing of the death or revocation shall have been received at the office of the Company before the Meeting or the adjourned Meeting at which proxy is used.

VALIDITY OF VOTE

55. No objection shall be made to the validity of any vote except at the Meeting or at the poll at which such vote shall be tendered, and every vote whether given personally or by proxy not disallowed at such Meeting or poll shall be deemed valid for all purposes of such meeting or poll.

CHAIRMAN TO DECIDE

56. If any question is raised, the Chairman of the Meeting shall decide on the validity of every vote tendered at such Meeting in accordance with these Articles.

DIRECTORS

57. The number of Directors shall not be less than two (2) nor more than (7) elected Directors. The Board shall fix the number of elected Directors of the Company not later than thirty-five (35) days before the convening of the General Meeting at which directors are to be elected and the numbers so fixed shall not be changed except with the prior approval of the General meeting of the Company.

FIRST DIRECTORS

58. The following five persons shall be the First Directors of the Company:

1. Mr. Mohammad Ahmed Zuberi
2. Mr. Wamiq Aziz Zuberi
3. Mr. Arshad Aziz Zuberi
4. Mr. Asif Aziz Zuberi
5. Mr. Ahmad Aziz Zuberi

TERM OF OFFICE, REMOVAL AND CASUAL VACANCIES

FIRST DIRECTORS TO RETIRE

59. The First Directors of the Company shall stand retired from office at the first Annual General Meeting of the Company.

ELECTION OF DIRECTORS

60. (i) After the first appointment of Directors, the number of elected Directors fixed by the Board under Article 57 shall be elected to office by the members in General Meeting in the following manner, namely:-

- a member shall have such number of votes as is equal to the product of voting shares held by him and the number of Directors to be elected;

- a member may give all his votes to a single candidate, or divide them between more than one of the candidates in such manner as he may choose;

- the candidate who gets the highest number of votes shall be declared elected as Director and then the candidate who gets the next highest number of votes shall be so declared, and so on until the total number of Directors to be elected has been so elected;
Where the number of candidates is equal to or less than the number of Directors to be elected it will not be necessary to hold an election as laid down in clause (i) of this Article and all the candidates shall be deemed to have been elected under this Article.

TERM OF OFFICE

61. A Director shall hold office for a period of three years, unless he earlier resigns, becomes disqualified from becoming Director or otherwise ceases to hold office. A retiring Director shall be eligible for re-election. An election of Directors in the manner prescribed by the preceding Article shall be held once in every three years.

REMOVAL

62. The Company may by resolution in General Meeting remove a Director appointed under Article 60 or elected or deemed to have been elected under Article 64: Provided that a resolution for removing a Director shall not be deemed to have been passed unless the number of votes cast in favour of such a resolution is not less than:

(i) the minimum number of votes that were cast for the election of a Director at the immediately preceding election of Directors, if the resolution relates to removal of a Director elected in the manner provided in or under Article 60; or

(ii) the total number of votes for the time being computed in the manner laid down in Article 60 divided by the number of Directors for the time being, if the resolution relates to removal of a Director appointed under Article 60 or 64.

CONTINUING DIRECTORS TO ACT

63. The continuing Directors may act notwithstanding any vacancy in their body, but if the minimum falls below the number fixed by Article 57 thereof, the Directors shall not, except for the purpose of filling a vacancy in their number or convening a General Meeting, act so long as the number remains below the minimum.

FILLING CASUAL VACANCY:

64. The Directors may at any time appoint any person to be a Director to fill a casual vacancy in the Board. Any Director so appointed shall hold office for the remainder of the term of the Director in whose place he is appointed.

REMUNERATION OF DIRECTORS

65. Until otherwise determined by the Company in General Meeting, every Director (including an alternate Director but excluding the Chief Executive/Managing Director and a full time Working Director) shall be entitled to be paid as remuneration for his services for attending Board Meetings a fee at the rate of Rs. 500/- per meeting attended by him. Each Director (including each alternate Director), shall be entitled to be reimbursed his reasonable expenses incurred in consequence of his attendance at meetings of the Directors, or of Committee of Directors.

EXTRA REMUNERATION MAY BE PAID TO A DIRECTOR

Any Director who serves on any Committee or who devotes special attention to the business of the Company or who otherwise performs services which, in the opinion of the Board, are outside the scope of he statutory duties of a Director may be paid such extra remuneration as may be determined by the Board. provided that so long as is so required by the Securities and Exchange Commission of Pakistan, the remuneration of a Director shall require approval of the Company in General Meeting.

GENERAL POWERS OF COMPANY VESTED IN DIRECTORS
67. The control of the Company shall be vested in the Board and the business of the Company shall be managed by the Board, which may pay all expenses incurred in forming and registering the Company, and may exercise all such powers of the Company as or not by the Ordinance or by these Articles required to be exercised by the Company in General Meeting, subject nevertheless to the regulations of these Articles, to the provisions of the Ordinance and such regulations, (not inconsistent with the aforesaid regulations or provisions) 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 Board which would have been valid if the regulation had not been made.

POWER TO OBTAIN FINANCES AND GIVING OF SECURITIES

68. The Board may exercise all the powers of the Company to borrow and mortgage or change its undertaking, property and assets, (both present and future), and to issue debentures and other securities, whether outright or as collateral security for and debt, liability or obligation of the Company, or of any third party.

MINUTE BOOKS

69. The Board shall cause Minutes to be made in books provided for the purpose:

(a) of all appointments of officers made by the Directors;

(b) of the names of Directors present at each meeting of the Board and of any Committee of Directors;

(c) of all resolutions and proceedings at all meetings of the Company, and of the Board, and of Committee of Directors; and every Director present at any meeting of Board shall sign his name in a Book to be kept for the purpose.

Any such minutes of any Meeting of the Board or of a Committee of Directors or of the Company, if signed or purporting to be signed by the Chairman of such Meeting, or of the next succeeding Meeting, shall be receivable as evidence of the matters stated in such minutes.

POWERS TO PAY PENSIONS, ETC.

70. The Board may pay and agree to pay pensions or other requirement, superannuation, death or disability benefits or allowances to any person in respect of any Director or former Director who may hold or may have held any executive office of employment under the Company, or any subsidiary company of the Company, or its holding company, (if any), and for the purpose of providing any such pensions or other benefits or allowances, may contribute to any scheme or fund and may make payments towards insurances or trusts in respect of such persons.

DIRECTORS TO COMPLY WITH THE ORDINANCE

71. The Directors shall duly comply with the provisions of the Ordinance 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 mortgage and charges affecting the property of the Company or created by it, to the keeping of a register of the Directors, and to the sending to the Registrar of an annual list of members, and a summary of particulars relating thereto and notice of any consolidation or increase of share capital, or sub-division of shares, and copies of special resolutions and a copy of the register of Directors and notification of any changes therein.

PROCEEDINGS OF DIRECTORS MEETING OF DIRECTORS

72. The Directors may meet together for the despatch of business, adjourn, and otherwise regulate meetings of the Board as they think fit. A Resolution moved at any meeting of Directors shall be passed by a simple majority vote. The Managing Director or the Secretary may at any time, and shall on the written requisition of two Directors at any time,
summon a meeting of the Board. Unless otherwise decided by the Board, at least twenty one clear days notice must be given to all Directors to summon a meeting of the Board, and such meeting shall set forth the purpose or purposes for which such meeting is summoned. With the consent of all the Directors entitled to receive notice a meeting, or to attend or vote at any such meeting, a meeting of the Board may be convened by shorter notice than specified in this Article. Any Director may waive notice of the time, place and purpose of any meeting of Directors either before, at or after such meeting.

QUORUM OF DIRECTORS' MEETINGS AND POWERS

73. A meeting of the Board for the time being at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretion by or under the Article vested in or exercisable by the Board generally. Two Directors being personally present shall constitute a quorum. The Chairman of the meeting must be a director representing more than Fifty Percent shares of the Company and the Chairman of the meeting shall have the casting vote.

AS TO PRESIDING AT DIRECTORS MEETING

74. The Chairman shall, whenever present, preside as (Chairman at each meeting of the Board, but if at any meeting the Chairman is delayed, the Directors present shall within fifteen minutes of the time fixed for the meeting choose one of their members to be Chairman of such meeting.

WHEN ACTS OF MEETINGS OF THE BOARD OR COMMITTEE VALID NOTWITHSTANDING DEFECTIVE APPOINTMENT ETC.

75. All acts by any meeting of the Board or of a Committee of Directors, or by any person acting as a Director or alternate Directors, or by any person acting as a Director or alternate Director shall, notwithstanding 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 Director or person had been duly appointed and was qualified to act. Provided that as soon as any such defect has come to notice, the Director or other person concerned shall not exercise the right of this office till the defect has been rectified.

RESOLUTION BY CIRCULATION

76. A resolution in writing signed by a majority of the Directors shall be effective as if such resolution had been passed at a meeting of the Directors. Facsimile signatures of the majority Directors on the circular resolution shall be deemed to be a duly signed and approved resolution by the majority Directors.

ALTERNATE DIRECTOR

POWER TO APPOINT ALTERNATE DIRECTOR

77. Any Director permanently resident in Pakistan or any Director so resident but intending to be absent from Pakistan for a period of not less than three months may appoint any person acceptable to the Board to be an Alternate Director of the Company to act for him. Every such appointment shall be in writing under the hand of the Director making the appointment. An alternate Director so appointed shall not be entitled to appoint another Director, but shall otherwise be subject to the provisions of the Articles with regard to Directors, except that he need not be a member nor shall he require any share qualification. An alternate Director shall be entitled to receive notices of all meetings of the Board, and to attend and vote as a Director at any such meeting at which the Director appointing him is not personally present, and generally to perform all the functions of his appointer as Director in the absence of such appointer. An Alternate Director shall ipso facto cease to be an Alternate Director if his appointer for any reason ceases to be a Director or if and when his appointer comes or returns to Pakistan, or if the appointee is removed from office by notice in writing under the hand of the appointer.

COMMITTEE OF DIRECTORS
78. The Board may from time to time delegate all, or any of their powers not required to be exercised at a meeting of the Board to a committee or committees consisting of two or more Directors as the Board thinks fit. Any committee so formed shall conform to any regulations that may be imposed upon it by the Board and shall be governed, in the exercise of the powers so delegated, by the provisions herein contained for regulating meetings and proceedings applicable to the Directors.

APPOINTMENT OF CHAIRMAN

79. Upon the first appointment, and thereafter upon each election of Directors, the Directors shall (i) appoint as the Chairman of the Board a Director and (ii) determine the period for which he is to hold office.

APPOINTMENT OF MANAGING DIRECTOR/CHIEF EXECUTIVE

80. (i) The Board shall within fifteen days of the incorporation of the Company appoint an individual (including a Director) as the Chief Executive of the Company designated as the Managing Director. The first Managing Director shall hold office until the First Annual General Meeting of the Company (unless he earlier resigns or otherwise ceases to hold office) or until the expiry of a shorter period if the Board had fixed a shorter period for this appointment. If the Managing Director ceases to hold office before the first Annual General meeting, the Board shall fill the vacancy within fourteen days, but the person appointed to fill the vacancy shall hold office only till the first Annual General Meeting.

(ii) Within fourteen (14) days from the date of an election of Directors under Article 60 or within fourteen (14) days from the date on which office of the Managing Director falls vacant for whatsoever reason, the Board shall appoint any person (including an elected Director) to be the Chief Executive of the Company designated as Managing Director, but such appointment shall not be for a period exceeding three (3) years from the date of appointment.

(iii) Upon the expiry of appointment under clauses (i) and (ii) above a Managing Director shall be eligible for re-appointment.

(iv) The Managing Director shall, if he is not already a Director of the Company, be deemed to be its Director and be entitled to all the rights and privileges, and subject to all the liabilities of the office of Director of the company.

(v) The Directors of the Company by a resolution passed by not less than three-fourths of the total number of Directors for the time being, or the Company by special resolution, may remove a Managing Director before the expiration of his term of office notwithstanding any thing contained (if any) in these Articles or in any agreement between the Company and the Managing Director.

(vi) The terms and conditions of appointment of the Managing Director shall be determined by the Board.

POWERS OF MANAGING DIRECTOR

81. The Managing Director shall have overall authority over and responsibility for the management of the affairs of the Company and the conduct, and the custody and maintenance of its properties, assets, records and accounts in accordance with the policies and guidelines established by the Board.

In addition, the Board may entrust to and confer upon the Managing Director any of the powers exercisable by the Board other than the powers which are required to be
compulsorily exercised under the Ordinance by the Board at its meeting upon such terms and conditions and with such restrictions as it may think fit, and may from time to time revoke, withdraw, alter to vary all or any of such powers.

DISQUALIFICATION OF DIRECTORS

VACATION OF OFFICE OF DIRECTORS

82. The office of a Director shall ipso facto be vacated if:

(a) He becomes ineligible to be appointed a Director on any one or more of the grounds enumerated as follows, that is to say, he:

(i) is a minor,

(ii) is of unsound mind;

(iii) has applied to be adjudicated as an insolvent and his application is pending;

(iv) is an undischarged insolvent;

(v) has been convicted by a court of law for an offence involving moral turpitude;

(vi) has been debarred from holding such office under any provision of Ordinance.

(vii) has betrayed lack of fiduciary behaviour and a declaration to this effect has been made by the Court under Section 217 at any time during the preceding five years;

(viii) is not a member

Provided that this clause (viii) shall not apply in the case of:

(a) a person representing the Government or an institution or authority which is a member;

(ii) a whole-time Director who is an employee of the Company;

(iii) a Chief Executive; or

(iv) a person representing a creditor.

(b) he absents himself from three consecutive meetings of the Directors or from all the meetings of the Directors for a continuous period of three months, whichever is the longer, without leave of absence from the Directors;

he or any firm of which he is a partner or any private company of which he is a director:

(i) without the sanction of the Company in General Meeting accepts or holds any office of profit under the Company other than that of chief executive or a legal or technical adviser or a banker, or

(ii) accepts a loan or guarantee from the Company in contravention of Section 195 (if applicable in terms of that section);

(d) he resigns his office by notice in writing to the Company;

(e) he, being a Director who is an employee of the Company, ceases to be an employee of the Company for whatsoever reason.

(f) he does not hold or ceases to hold the share qualification, if any, necessary for his appointment.
The appointment of an alternate Director will constitute leave of absence from the Board to the Director for whom such alternate is appointed during such Director's absence.

THE SEAL
CUSTODY OF SEAL

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

DIVIDENDS AND RESERVES
DECLARATION OF DIVIDENDS AND RESTRICTIONS OF AMOUNT THEREOF

84. The Company in General meeting may declare dividends, but no dividends shall exceed the amount recommended by the Board.

INTERIM DIVIDEND

85. The Board may from time to time pay to the members such interim dividends as appear to be justified by the profit of the Company.

DIVIDEND OUT OF PROFITS ONLY

86. No dividends shall be paid otherwise than out of profits of the year, or any other undistributed profits of prior years.

DISTRIBUTION OF DIVIDENDS

87. Subject to the rights of any persons entitled to shares with special rights as to dividends, the profits distributed as dividends shall be distributed among the shareholders and all dividends shall be declared and paid according to the amounts paid on the shares. If any share is issued on the terms that it shall rank for dividend as from a particular date, such share shall rank for dividend accordingly.

POWER OF BOARD TO CREATE RESERVE

88. The Board may before recommending any dividend, set aside out of the profits of the company such sum as it thinks proper as a reserve or reserves, which shall, at the discretion of the Board, 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, in the like discretion, either be employed in the business of the Company or be invested in such investments, (other than shares of the Company) as the Board may from time to time think fit.

RECEIPTS FOR DIVIDENDS BY JOINT Holders

89. If several persons are registered as joint holders of any share, any one of them may give effectual receipts for any dividends payable on the share.

NO INTEREST ON DIVIDENDS

90. No dividend shall bear interest against the Company. The Dividend shall be paid within the period laid down in the Ordinance.

PAYMENT BY POST
91. (a) Any dividend be paid by cheque or warrant sent through the post to the registered address of the member or person entitled thereto, or in the case of joint holders to any one of such joint holders at his registered address, or to such person and at such address as the member or person entitled or such joint holders, as the case may be, may direct. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent, or to order of such other person as the member or person entitled or such joint holders, as the case may be, may direct.

(b) Unclaimed dividends may be invested or otherwise used by Board for the benefit of the company until claimed.

**CARRY FORWARD OF PROFITS**

92. The Directors may carry forward any profits, which they may think prudent not to distribute without setting them aside as a reserve.

**CAPITALISATION**

**CAPITALISATION OF RESERVES**

93. Any General Meeting may, upon recommendation of the Board, by ordinary resolution resolve that any undistributed profits of the Company (including profits carried and standing to the credit of any reserve or reserves or other special accounts or representing premiums received on the issue of shares and standing to the Credit of the share premium account and capital reserve arising from realised or unrealised appreciation of the assets or goodwill of the company or from any acquisition/sale of interests in other undertakings) be capitalised. Such capitalised undistributed profits and reserves shall be distributed amongst such of the shareholders as would be entitled to receive the same if distributed by way of dividend, and in the same proportions, on the footing that they become entitled thereto as capital. All or any part of such capitalised fund may be applied on behalf of such shareholders for payment in full or in part either at par or at such premium as the resolution may provide, for any unissued shares or debentures of the Company which shall be distributed accordingly, and such distribution or payment shall be accepted by such shareholders in full satisfaction of their interest in the said capitalised sum.

**ACCOUNTS**

**BOOKS OF ACCOUNT TO BE KEPT**

94. The Board shall cause to be kept proper books of account as required under the Ordinance.

**WHERE TO BE KEPT**

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

**INSPECTION BY MEMBERS**

96. The Board shall from time to time determine whether and to what extent and at what time and places and under what conditions or regulations the accounts and books or papers of the company or any of them shall be open to inspection of the members, and no members (not being a Director) shall have any right of inspecting any account and books or papers of the Company except as conferred by law or authorised by the Board or by Special Resolution.

**PROFIT AND LOSS ACCOUNT AND BALANCE SHEET**

Within eighteen months of the incorporation of the Company, and subsequently once at least in every calendar year, the Directors shall cause to be prepared and lay before the Company in General Meeting a balance sheet and profit and loss account, both made up in accordance with the Ordinance and to a date not more than six months before the date of the Meeting for the period, in the case of first balance sheet and profit and loss account, since the incorporation of the Company, and in case of any subsequent balance sheet and profit and loss account, since the preceding account. Every such balance sheet shall be accompanied by an Auditor's report and the Director's report in accordance with the provisions of the Ordinance in that behalf.

**COMPLIANCE WITH ORDINANCE**
98. The Directors shall in all respects comply with Section 230 to 236 in regard to accounts of the Company.

COMPANIES OF DIRECTORS' REPORT AND BALANCE SHEET TO BE SENT TO MEMBERS

99. A copy of the Balance Sheet and Profit and Loss Account together with a copy of the Auditor's report and Directors’ report shall be sent to all members along with the notice convening the General Meeting before which the same are required to be laid at least twenty-one days preceding the meeting.

AUDIT

APPOINTMENT OF AUDITORS AND THEIR DUTIES

100. Auditors shall be appointed and their duties regulated in accordance with Sections 252 to 255.

NOTICES

HOW NOTICE TO BE SERVED ON MEMBERS

101. (1) A notice may be given by the Company to any member or Director either personally or by sending it by post to him at his registered address or, (if he has no registered address in Pakistan), to the address, if any, within or outside Pakistan supplied by him to the Company for the giving of notices to him. A notice may be given by telex or facsimile transmission.

SERVICE BY POST

(2) Where a notice is sent by post, service of the notice shall be deemed to be effected by properly addressing, prepaying and posting a letter containing the notice, and, unless the contrary is proved, to have been effected at the time at which the letter would be delivered in the ordinary course of post.

NOTICE TO MEMBERS ABROAD BY ADVERTISING IN NEWSPAPERS

102. If a member or Director has no registered address in Pakistan and has not supplied to the Company an address within or outside Pakistan for the giving of notices to him, a notice addressed to him or to the shareholders generally and advertised in a newspaper circulating in the Province in which the Office is situated shall be deemed to be duly given to him on the day on which the advertisement appears.

NOTICE TO JOINT HOLDER

103. A notice be given by the Company to the joint-holder of a share by giving the notice to the joint-holder named first in the Register in respect of the share.

NOTICE TO PERSONS ENTITLED BY TRANSMISSION

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

NOTICE OF GENERAL MEETING
105. Notice of every General Meeting shall be given in some manner hereinbefore authorised to (a) every member of the Company except those members who, having no registered address within Pakistan, have not supplied to the Company an address within or outside Pakistan for the giving of notices to them and also to (b) every person entitled to a share in consequence of the death or insolvency of a member, who but for his death or insolvency would be entitled to receive notice of the meeting, and (c) to the auditors of the Company for the time being.

**NO SHAREHOLDER TO ENTER THE PREMISES OF THE COMPANY WITHOUT PERMISSION**

106. No member or other person (not being a Director) shall be entitled to enter the property of the Company, or to inspect or examine the Company's premises or properties of the company, without permission of the Board or the Chairman, or Managing Director, and to require disclosure of any information respecting any details of the Company's trading, or any matter which is or may be in the nature of a trade secret, mystery of trade or secret to/of the conduct of the business of the Company and which in the opinion of the Board or the Managing Director will be inexpedient in the interest of the members to communicate.

**SECRECY**

107. Every Director, Managing Director, Chairman, Manager, Auditor, Trustee, Member of Committee, Officer, Servant, Agent, Accountant or other person employed in the business of the Company shall, if so required by the Board before entering upon his duties, sign a declaration in the form approved by the Board pledging himself to observe strict secrecy representing all transactions of the Company without the customers and the state of accounts with individuals and in matters relating thereto, and shall by declaration pledge himself not to 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 Board, or by any General Meeting, or by a court of law, and except so far as may be necessary in order to comply with any provisions in these presents contained.

**WINDING UP DISTRIBUTIONS OF ASSETS ON WINDING UP**

108. (i) If the Company shall be wound up, (whether voluntarily or otherwise) the Liquidators may, with the sanction of a Special Resolution and any other sanction required by the Ordinance, divide amongst the members in specie or kind, the whole or any part of the assets of the Company, whether they consist of property of same kind or not.

(ii) For purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members of different classes of members.

(iii) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories as the liquidator, with the like sanction, thinks fit, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

**INDEMNITY**

109. Every Director, Managing Director, Chairman, Manager or Officer of the Company or any person (whether an officer of the Company or not) employed by the Company as Auditor or Adviser, shall be indemnified out of the funds of the Company against any liability incurred by him as such Director, Managing Director, Chairman, Manager, Officer, Auditor, or Adviser in defending any proceedings, whether civil or criminal, in which judgment is given in connection with any application under Section 488 of the Ordinance in which relief is granted to him by Court.

**INDIVIDUAL RESPONSIBILITY OF DIRECTORS**

110. No Director, Managing Director, Chairman or other officer of the Company will be liable for the acts, receipts, neglects or defaults of any other Director or Officer or for joining any receipt or other act for conformity, or for any loss or expense happening to the Company
through the insufficiency or deficiency of title to any property acquired by order of the Director, Managing Director, Chairman, or other officer for or on behalf of the Company, or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested, or for any loss or damage arising from the bankruptcy, insolvency or tortuous act of any person with whom any money, securities or effect shall be deposited, or for any loss occasioned by any error of judgment or oversight on his part, or for any other loss, damage or misfortune whatever which shall happen in the execution of duties of his office or in relation thereto, unless the same happens through his own willful act, default or dishonesty.
We the several persons, whose names, address and descriptions are subscribed below, are desirous of being formed into a Company in pursuance of the Articles of Association and we respectively to take the number of shares in the Capital of the Company set opposite our respective names.

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<tr>
<th>Name &amp; Surname (Present &amp; former)</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>No. of shares taken by each subscriber</th>
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Witness to the above Signatures