

**THE COMPANIES ORDINANCE, 1984**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**AND**  
**ESTABLISHED UNDER SECTION 42 OF**  
**THE COMPANIES ORDINANCE, 1984**

**ARTICLES OF ASSOCIATION**  
**OF**  
**PAKISTAN HUMAN DEVELOPMENT FUND**

**PRELIMINARY**

1. Whereas it has been agreed by the several persons whose names are hereunto subscribed to establish and incorporate a Company limited by guarantee not having a share capital under the provisions of section 42 of the Companies Ordinance, 1984 (hereinafter referred to as “the said Ordinance”), and being an association not for profit within the meaning of Section 42 of the said Ordinance, in the name of PAKISTAN HUMAN DEVELOPMENT FUND, (hereinafter referred to as “Company”) in accordance with the provisions of the Memorandum of Association of the Company and subject to the several regulations hereinafter contained, which shall be the regulations for the management of the Company and for the observance of the members thereof and their representatives and the same shall, subject to any exercise of the powers of the Company, in reference to the repeal or alteration of, or addition to, its regulations by special resolution, as prescribed by the said Ordinance, be such as are contained in these Articles.

**INTERPRETATION**

2. The marginal notes hereto shall not affect the construction hereof, and in these presents, unless there be something in the subject or context inconsistent therewith:
  - i) “The Ordinance” means the Companies Ordinance, 1984 or any statutory modification or re-enactment thereof for the time being in force.

- ii) “The Chairman” means the Chairman of the Company from time to time duly elected under the provisions of these presents.
- iii) The “Company” and/or the “Fund” means Pakistan Human Development Fund.
- iv) “Government” means the Government of the Islamic Republic of Pakistan.
- v) “The Board” means the Board of Directors of the Company for the time being.
- vi) “The Directors” means the Directors of the Company for the time being including alternate directors nominated from time to time.
- vii) “The Managing Director“ means the Chief Executive of the Company, by whatever name called, appointed pursuant to Section 198 of the Ordinance.
- viii) “Member” means a member of the Company in accordance with the provisions of Section 2(1)(21) of the Ordinance and whose name appears and/or is borne on the Register of Members.
- ix) “Month” means English calendar month.
- x) “The Office” means the Registered Office for the time being of the Company.
- xi) “The Partner-Organizations” means any non-government organizations, voluntary agencies and societies, local government bodies, institutions and groups of individuals undertaking activities in the field of human development particularly health and education and other schemes – programmes for alleviating poverty in conformity with the objects of, and in a manner approved by the Company.
- xii) “These presents” means and includes these Articles of Association and any modification or alteration thereof for the time being in force.
- xiii) “Attorney” includes an attorney duly constituted or appointed under an instrument of power of attorney or other authority in writing.
- xiv) “The Register” means the Register of Members to be kept pursuant to the Companies Ordinance, 1984.
- xv) “The Seal” means the Common Seal of the Company.
- xvi) “Special Resolution” has the same meaning as is assigned thereto by Section 2(1)(36) of the Ordinance.
- xvii) “In writing” and “written” includes printing, lithography, type-writing, telex, facsimile (fax), and other modes of representing or reproducing words in a visible

or audible form by modern electronic devices including tape and video compact disc recordings.

xviii) Words importing the singular number shall include the plural number and vice versa.

xix) Words importing the masculine gender shall include the feminine gender.

Unless the context otherwise requires, words or expressions contained in these articles shall bear the same meaning as in the Ordinance.

### **GOVERNING PRINCIPLES**

3. The governing principles of the “Company” are that Board of Directors, shall:
  - a) ensure that the resources of the Company shall not be used for political patronage or for any other political purposes;
  - b) treat the income/monies of the “Company”, solely for the objects of the Company as set out in the memorandum and it shall be their prime responsibility to administer and manage the company in a diligent manner to achieve the purposes for which the Company has been established;
  - c) ensure that as far as possible the Company’s operations are decentralized, subject to sound financial and operational management principles.
  - d) ensure that the resources of the Company are only provided to well-functioning, professionally managed institutions with transparent governance and financial management systems;

### **COMMENCEMENT OF BUSINESS**

4. The business of the Company shall include all or any of the objects enumerated in the Company’s Memorandum of Association and can be commenced immediately after the incorporation of the Company as the Directors may think fit.

## MEMBERS

5(i) There shall be the following classes of members:

- (a) **Original** Founder Members inclusive of subscribers not exceeding 25 in numbers as specified below:
  - (1) Dr. Nasim Ashraf
  - (2) Farrokh K. Captain
  - (3) Farooq Rahmatullah
  - (4) Mrs. Nadira Panjwani
  - (5) M. Munir Chaudhry
  - (6) Main Amer Mahmood
  - (7) Brig (Retd) Mukhtar Ahmed
- (b) **Founder Members** means members to be inducted before the holding of First AGM.
- (c) **Sustaining Members** means members to be inducted after the holding of Ist AGM.
- (d) **Ex Officio Members.** Members nominated by the Government of Pakistan.

Each member shall have one vote.

(ii) The subscribers to the Memorandum of Association of the Company; and such other person as shall be admitted to membership in accordance with and in pursuance to these presents, and whose names appear in the Register of Members, shall be the members of the Company. The Company in general meeting may, whenever the business so requires, and in the interest of the Company, increase the number of members of the Company.

6. The Company shall initially consist of not more than 50 members inclusive of Subscribers drawn from Civil Society inclusive of representatives of (i) Non-Government Organizations (ii) community based Organizations, (iii) nominees of the Government of Pakistan (iv) business community and other professionals or private individuals having a record of service in activities of poverty alleviation and human development, and (iv) philanthropists, as may be approved by the Board of Directors. Subsequent vacancies or additions of members to the General Body shall be filled in accordance with

these Articles. Due regard shall be given to gender balance and representation in the composition of the General Body. Any person who is a loan defaulter, or is a sponsor of a Company which is a loan defaulter, or who holds political office or is an office-bearer of political party may not be a member of the General Body of the Company.

7. Any person interested in the promotion of and engaged in any voluntary activities having objects or projects for human development and / or the removal or alleviation of poverty and/or income generation projects in Pakistan will be eligible to become a member of the General Body subject to an invitation by the Board of Directors. Such person may be associated with government agency, voluntary organization or a private individual having a record or service in activities of human development and poverty alleviation and income generation and/or interest in such activities, but his membership of the Company will be in an individual capacity.
8. The Company shall maintain a Register of Members, clearly indicating their full names, addresses and occupations and directorship in any other company. If a member of the Company changes his address, he shall forthwith notify his new address to the Chief Executive of Company, who shall thereupon cause the new address to be entered in the Register of Members. Where, however, a member does not notify any change of address to the Chief Executive, the address appearing in the Register of Members shall be deemed to be the correct address of the member. The said Register of Members shall be maintained at the registered office of the Company.
9. Membership of the Company may be terminated on the happening of any of the following events:
  - (i) A member shall ipso facto cease to be a member of the Company in the case of an individual if he shall die, resign, or be found of unsound mind by a court of competent jurisdiction or be adjudged an insolvent or be convicted of an offence involving moral turpitude or any other criminal offence.
  - (ii) A member shall cease to be a member of the Company if so resolved at a general meeting at which not less than three fourth of the members of the Company for the time being are present.
  - (iii) When the Company in general meeting, by a three fourth majority vote, decides to terminate the membership of any person who acts in a manner prejudicial to the interests of the Company.
10. Subject to the foregoing and/or other provisions, membership of the Company shall be open to all Pakistani citizens and foreign nationals who subscribe to the objects for which the Company has been formed.

11. When a member desires to resign from his membership of the Company, he shall forward his letter of resignation to the Chief Executive of the Company and such resignation shall take effect from the date of its acceptance by the Company.
12. The Company shall function notwithstanding any vacancy in any of its bodies and no act, direction or proceeding of the Company shall be rendered invalid merely by reason of such vacancy or because of any defect in the appointment of any of the officers of the Company.
13. Members of the Company shall not be paid any remuneration or dividend.

#### **AUTHORITIES OF THE COMPANY**

14. The following shall be the authorities of the Company:
  - i) General Body
  - ii) Chairman
  - iii) Board of Directors
  - iv) Chief Executive; and
  - v) Such other bodies, committees, sub-committees or panels as may be appointed and/or constituted from time to time, by the Board of Directors of the Company.

#### **THE GENERAL BODY**

15. There shall be a General Body of the Company and it shall be composed of all categories of members of the Company.
16. The Chairman of the Company shall preside over all meetings of the General Body.
17. The Chairman of the Company may invite any person other than a member to attend a meeting of the General Body. Such invitee, to be known as special invitee, shall not, however, be entitled to vote at the meeting.
18. The General Body shall have the following powers and functions, namely:
  - a) to give overall policy guidance and direction for the efficient functioning of the Company;
  - b) to approve the annual budget of the Company drawn up by the Board of Directors of the Company;
  - c) to consider the financial statements of the Company;
  - d) to consider the annual report prepared by the Board of Directors of the Company;

- e) to amend these presents, if deemed necessary, by way of addition, alteration, modification or substitutions with the prior approval of SECP;
- f) to delegate such of its powers and functions to other authorities of the Company as it may consider necessary and proper and as are permissible under the law;
- g) to appoint auditors except the first auditors to be appointed by the Board of Directors;
- h) to admit new members of the Company;
- i) to terminate membership of any person.

### **GENERAL MEETINGS**

- 19. The Company shall in each calendar year hold a general meeting as the Annual General Meeting, in addition to any other meetings in that year, and shall specify the meeting as such in the notice, calling it within a period of six months following the close of its financial year. Not more than fifteen months shall elapse between the date of one Annual General Meeting of the company and that of the next. The Annual General Meeting shall be held at such time and place as the Board shall *specify*.
- 20. The above mentioned meetings shall be called Annual General Meetings and all other General Meetings shall be called Extraordinary General Meetings.
- 21. The Board may, whenever it thinks fit, convene an Extraordinary General Meeting.
- 22. The Chairman or the members of the Company holding not less than 1/10<sup>th</sup> of the voting power may, whenever they think fit, requisition the calling of an Extraordinary General Meeting. The requisition shall state the objects/agenda of the meeting, be signed by the requisitionists and deposited at the registered office of the Company.
- 23. If the Board of Directors do not proceed to cause a meeting to be held within twenty one days from the date of the requisition being deposited, the requisitionists or a majority of them may themselves convene a meeting to be held not more than three months, from the date of the deposit of the requisition.
- 24. Any meeting convened under this Article by Members of the Company shall be convened in accordance with the provisions of section 159 of the Ordinance

### **PROCEEDINGS AT GENERAL MEETINGS**

- 25. The business of an Annual General Meeting shall be to receive and consider the income and expenditure account and the balance-sheet, the annual report of the Board of Directors and of the Auditors, to elect Directors, to appoint Auditor(s) and fix their

remuneration, and to transact any other business which may be transacted at an Annual General Meeting.

26. Twenty five percent of the members of the Company, present at the time when the meeting proceeds to business and throughout its proceedings shall be a quorum for a General Meeting for all purposes. No business shall be transacted at any General Meeting unless the quorum is present.
27. If within half an hour from the time appointed for the meeting a quorum is not present, the meeting, if called upon the requisition of members, shall be dissolved, in any other case, it shall stand adjourned to the next day at the same time and place, and if at the adjourned meeting the quorum is not present within half an hour from the time appointed for the meeting, the members being not less than two, shall be a quorum.
28. The Chairman of the Company shall preside as Chairman at every general meeting of the Company. If the Chairman is unable to attend any such meeting, he shall appoint or nominate a member of the Board of Directors as acting Chairman for such meeting, subject to approval of the members present at the meeting.
29. The Chairman may, with the consent of any meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time and from place but no business shall be transacted at an adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a meeting is adjourned for ten days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.
30. At a general meeting a resolution put to the vote of the meeting shall be decided on a show of hands, unless a poll is (before or on the declaration of the show of hands) demanded in accordance with the provisions of Section 167 of the Ordinance as follows:
  - a) by the Chairman of the meeting of his own motion; or
  - b) by five members having the right to vote on the resolution and present in person; or
  - c) by any member or members present in person and having not less than one-tenth of the total voting power in respect of the resolution.

Unless a poll is so demanded, a declaration by the Chairman of the meeting that a resolution has on a show of hands been carried or carried unanimously or by a particular majority, or lost, and an entry to that effect in the book containing the minutes of the proceedings of the Company shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.

31. If a poll is demanded on any matter other than the election of a Chairman or on a question of adjournment, it shall be taken in accordance with the manner laid down in Section 168 of the Ordinance at such time, not more than fourteen days from the day on which it is demanded, as the Chairman of the meeting may direct. The results of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The demand for a poll may be withdrawn at any time by the person or persons who made the demand.
32. The demand of a poll shall not prevent the continuance of the meeting for the transaction of any business other than the question on which the poll has been demanded.
33. The Chairman of any meeting shall be the sole judge of the validity of every vote tendered at such meetings. The Chairman present at the taking of poll shall be the sole judge of the validity of every vote tendered at such poll.

### **VOTES OF MEMBERS**

34. On a show of hands every member present in person shall have one vote.
35. On a poll every member present in person shall have one vote. On a poll, votes shall be given personally.
36. Any corporation or body corporate, which is a member of the Company, may by resolution of its Directors or other governing body authorize such person as it thinks fit, to act as its representative at any meeting of the Company or of any class of members of the Company and the persons so authorized shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could exercise if it were an individual member of the Company, present in person. A corporation attending a meeting through such representative shall be deemed to be present at the meeting in person.

### **BOARD OF DIRECTORS**

37. The Board of Directors, subject to the general control and supervision of the General Body shall generally pursue and carry out the objects as set out in the Memorandum of Association of the Company. The Board of Directors shall be responsible for the management and administration of the affairs of the Company in accordance with these Articles of Associations.
38. The affairs of the Company shall be managed by a Board of Directors, which shall have the responsibility to determine the direction and scope of the activities of the Company. It shall also have the responsibility to approve projects and make grants, donations, loans or other financial assistance to Partner-Organizations and to approve and administer the annual and supplementary budgets.

39. The number of directors to be elected shall be fixed according to the provisions of Section 178 of the Ordinance, or from time to time by the Board.
40. The number of first Directors of the Company shall be eighteen, including the seven promoters of the Company. The rest of eleven Directors shall be inducted by the Board within one month of the incorporation of the Company from “ Donors”. All the first director(s) who are subject to retirement in terms of the provisions of the Ordinance, shall hold office until the election of directors at the first annual general meeting unless any of them earlier resigns, becomes disqualified as a director or otherwise ceases to hold office. Following the first election and the first three year term, all subsequent boards shall insofar as is possible comprise of no less than 50% from the **Original** Founder members, no more than 25% of the **Founder Members and Sustaining Members** and no more than 25% from the Government nominated members respectively.
41. Any person who seeks to contest an election to the office of Director shall, whether he is a retiring Director or otherwise, file with the Company, not later than fourteen days before the date of meeting at which elections are to be held, a notice of his intention to offer himself for election as a Director, provided that any such person may, at any time, before the holding of elections withdraw such notice.
42. Retiring Directors shall continue to perform their functions until their successors are elected.
43. The continuing Directors may act notwithstanding any vacancy in their body, but if and so long as their number is reduced below seven the continuing Directors may act for the purpose of filling vacancies in their body or summoning a general meeting of the Company, but for no other purpose.
44. A Director elected by the members in general meeting shall hold office for a period of three years following the date from which his election is effective unless he earlier resigns, becomes disqualified for being a Director or otherwise ceases to hold office.
45. The Directors shall be paid, traveling, boarding, lodging and other expenses properly incurred by them in or about the performance of their duties if any of them has to come to attend the Board or general meeting of the Company from outstation.
46. Subject to the provisions of Section 181 of the Ordinance, the Company may at any time, by special resolution in general meeting, remove a director, appointed under Section 176 or Section 180 or elected in the manner provided for in Section 178 but no such resolution shall be deemed to have been passed if the number of votes cast in favour of such a resolution is 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 the removal of director elected under sub-section (5) of Section 178; or

- ii) the total number of votes for the time being computed in the manner laid down in subsection (5) of Section 178 divided by the number of directors for the time being, if the resolution relates to removal of director appointed under Section 176 or Section 180.
47. A casual vacancy occurring among the elected directors may be filled up by the directors, but a person so appointed in lieu of an elected director shall hold office for the remainder of term of the director in whose place he is appointed. Before filling any casual vacancy on the Board, the directors shall in writing notify their intention of filling such vacancy to the member or members, if any, whose interest were represented by the director vacating office and shall fix a term of not less than fourteen days during which such member or members may recommend a candidate for appointment as Director to fill the vacancy. If the member or members concerned recommend a candidate in writing within the term prescribed, the directors may appoint him as director to fill the casual vacancy on the Board.
48. Any director who intends to be, or is absent for a period of not less than three (3) months from Pakistan, may with the approval of the Board (such approval not to be unreasonably withheld) nominate any person to be his alternate director. Particulars of such nomination should be filed with the Secretary of the Company. Such alternate director during the absence of the appointer from Pakistan shall be entitled to receive notice of and to attend and vote at meeting of directors and shall be subject to the provisions contained in these Articles. He may exercise and perform all such powers, directions and duties as his appointer could have exercised or performed including the power of appointing another alternate director. An alternate director so appointed shall not be entitled to receive any remuneration from the Company nor be required to hold any qualification. Such appointment shall be recorded in the directors minutes book. A director may at any time by notice in writing to the Company remove an alternate director appointed by him or upon his return to Pakistan or on the death of, or retirement or resignation as director of the appointer, the alternate director shall cease to be a director, provided that if any director retires but is re-elected at the meeting at which such retirement took effect, an appointment made by him pursuant to this Article which was in force immediately prior to this retirement and re-election and which has not otherwise ceased to be effective, shall continue to operate after his re-election as if he had not so retired. An alternate director shall not be deemed to be the agent of the director appointing him but shall be reckoned as one with his appointer. All appointments and removals of alternate directors shall be effected by writing under the hand of the director making or revoking such appointment and left at the office of the Company. For the purpose of assessing a quorum in accordance with the provisions of Article 26 hereof, an alternate director shall be deemed to be a director. Any director may act as an alternate director for any one or more directors, as well as being able to act as a director in his own right. An alternate director may resign as such upon giving thirty (30) days prior notice in writing to the Board to this effect. An alternate director need not be a member of the Company.

49. The Directors may from time to time delegate any of their powers to a committee or committees consisting of 3 (three) or more members of their body as they think fit. Any committee so formed shall conform to any regulations that may be imposed upon it by the Directors and shall be governed, in the exercise of the powers so delegated, by the provisions herein contained for regulating meeting and proceedings applicable to the Directors.

#### **MEETINGS OF THE BOARD OF DIRECTORS**

- 50.
- (a) The Board of Directors shall hold at least 4 (four) regular meetings in every year, which shall be called by notice under the signature of the Chief Executive or Secretary.
  - (b) Minutes of the meetings of the Board of Directors shall be recorded by the Chief Executive or by the Secretary or a member of the Board of Directors, appointed by the Chairman. The minutes shall be duly approved or corrected at the following meeting and filed in the permanent records of the Company.
  - (c) Members of the Board of Directors shall be reimbursed for their out of pocket expenses. Save as aforesaid, members of the Board of Directors, shall not receive any compensation for their services to the Company and/or receive any profit out of the business of the Company.
51. Every notice calling for a meeting of the Board of Directors shall state in writing the date, time and place of the meeting and shall be sent to every member of the Board of Directors ordinary seven days before the day appointed for the meeting.
52. Any inadvertent omission to give notice or the non-receipt of notice shall not invalidate the proceedings of the meeting.
53. Five members of whom at least four shall be civil\_society members, present in person shall constitute a quorum. No meeting shall proceed with its business unless a quorum is present at the commencement of the business of the meeting. Quorum shall, however, be necessary for an adjourned meeting.
54. Each member of the Board of Directors shall have one vote. All questions at meetings of the Board of Directors shall be determined by a vote of members present, provided that in case of equality of votes, the Chairman shall have a casting vote.
55. Subject to the provisions of the Ordinance, any business which the Board of Directors may consider necessary to perform, except such as may be required to be placed before the General Meeting of the General Body, may be performed by a resolution in writing circulated among all members of the Board of Directors, and any such resolution so circulated, approved and signed by the majority of the directors or their alternates for the

time being present in Pakistan, shall be as effectual and binding as if it has been passed at the meeting of the directors duly called and constituted.

56. The proceedings of all meetings of the Board of Directors and resolutions passed by circulation shall be recorded in a book which shall be maintained by the Company for the purpose.
57. The Board of Directors shall exercise all executive and financial powers of the Company, subject to such direction as may be issued by the General Body from time to time.
58. In particular and without prejudice to the generality of the foregoing provisions, the Board of directors shall have the powers, subject to the provisions hereof to:
  - i) establish Bye-Laws and Service Rules of the Company;
  - ii) establish operational policies and procedures including eligibility criteria for grants and technical assistance to Partner-Organizations and procedures for periodic auditing, reporting, monitoring and evaluation of the activities funded by the Company;
  - iii) prepare and execute detailed plans and programs for the furtherance of the objects of the Company;
  - iv) consider the annual and supplementary budgets placed before it and pass them with such modifications as may be deemed necessary for being submitted to the General Body;
  - v) prepare the annual report and cause the preparation of the financial statements of the Company for consideration of the General Body;
  - vi) create posts and appoint such staff as may be required for the efficient management of the affairs of the Company and regulate the recruitment and terms and conditions of their services;
  - vii) receive and to have custody of the funds and resources of the Company and manage the properties of the Company;
  - viii) incur expenditure according to the approved budget;
  - ix) establish, maintain, amalgamate and/or close down institutions, offices, hostels, etc., as may be deemed appropriate for the benefit of the Company;
  - x) enter into agreements with the Government and with the approval of the Government with foreign governments and international agencies and organizations and other public or private bodies or organizations or individuals

for securing and/or accepting loans or grants for the Company on mutually agreed terms and conditions, provided that such terms and conditions shall not be contrary to or inconsistent with the objects as detailed in the Memorandum of Association of the Company;

- xi) take over, acquire (by purchase, gift exchange, lease, hire or otherwise) from the Government and with the approval of the Government from foreign Government and international agencies and organizations and other public or private bodies or organizations or individuals, institutions, libraries, laboratories, museums, any immovable or movable properties, endowments or other funds together with any attendant obligations, so that neither the transaction nor the term and conditions whereunder it is concluded, is inconsistent with the object set forth in the Memorandum of Association hereto annexed;
- xii) appoint an Executive Committee of at least 5 directors to carry on the day to day affairs and management of the Company as well as boards, committees, sub-committees and panels consisting of persons who may or may not be members of the Company or employees of the Company to deal with any specific task as may be determined by the Board of Directors; and
- xiii) impose and recover fees and charges for the services rendered by the Company.

59. The Board of Directors may by resolution delegate such administrative, financial and other powers to its Chief Executive, Executive committee, sub-committees, panels and boards or any other officer of the Company on such terms as it may consider necessary and proper. All such actions of committees etc shall be subject to ratification by the Board of Directors.

## **CHAIRMAN**

60.

- a) The directors shall elect from amongst themselves from time to time a Chairman of the Board of Directors for a period of three years. In the event position of the Chairman falls vacant or he is held by the Board as not being able to carry out the duties of his office satisfactorily, the Board shall revoke his appointment and appoint a person to be the Chairman of the Board. The Chairman of the meeting shall be the sole judge of the validity of every vote tendered at such meetings. The Chairman shall have a casting or second vote. The first Chairman shall hold office upto first elections of Directors.
- b) The Chairman shall not receive any compensation from the Company, or any full time perks, except reimbursement of out of pocket expenses incurred in connection with the work of the Company.

## **CHIEF EXECUTIVE**

61. The Chief Executive shall be the Chief Executive of the Company who shall be appointed by the Board of Directors of the Company. The Directors shall within 15 days of incorporation of the Company or from the date of election of directors or the office of the Chief Executive falling vacant, as the case may be, appoint, subject to the provisions of Section 198 of the Ordinance, a Chief Executive of the Company upto the date of first annual general meeting and subsequently he will hold office for a period of three years. The Board may revoke such appointment and appoint another person in place of the Chief Executive so removed or who may vacate office by reason of death, resignation or otherwise as the case may be.
62. The period for which the Chief Executive shall be appointed shall not exceed three years unless he ceases to hold office or a shorter time of appointment is fixed by the directors, or he earlier resigns or his services as Chief Executive has been terminated by the Board in accordance with the provisions of the Ordinance. On the expiry of his term of office, the Chief Executive shall be eligible for re-appointment in the manner provided in these Articles or in accordance with the provisions of the Ordinance. The terms and conditions of appointment of the Chief Executive, including his powers, duties, obligations and remuneration, shall be determined by the Board, subject to the provisions of the Ordinance and these Articles.
63. The Board shall have the powers to assess the performance of the Chief Executive every year and shall replace the Chief Executive, if his performance is found unsatisfactory in the opinion of the Board, subject to section 198 of the Companies Ordinance, 1984.
64. The Chief Executive shall hold office, enjoy and exercise such powers, duties, obligations and privileges as the Board may confer upon him from time to time and shall accordingly in exercise of such powers delegated to him, conform to any limits and restrictions which may be imposed by the Board from time to time in this respect. The Chief Executive may exercise all such powers and do all acts and things on behalf of the Company as he may be authorized to do by the Board.
65. The Chief Executive shall be entitled to remuneration and benefits commensurate with his performance, which determination shall be made by the Board.
66. The Chief Executive may be removed in accordance with the provisions of Section 202 of the Ordinance.
67. The Chief Executive shall also be the head of the Executive Committee and responsible for the day to day management of the Company and without prejudice to the generality of the foregoing, he shall be responsible:
  - i) for ensuring that the Company's Governing Principles are adhered to;

- ii) for the proper administration of the affairs, funds and resources of the Company;
  - iii) to make draw, endorse, sign, accept, negotiate and give all cheques, bills of lading, drafts, orders, bills of exchange, promissory notes, and other negotiable instruments as may be required by and be in the interest of the Company;
  - iv) to secure the fulfillment of any contract, agreements or engagements entered into by the Company by mortgage or charge of all or any of the properties of the Company from time to time or in such manner as he may think fit in the interest of the Company;
  - v) to appoint and at his discretion to remove or suspend managers, secretaries, officers, clerks and employees, either permanent or temporary, as he may 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 he thinks fit;
  - vi) to prescribe the duties of all employees and staff of the Company;
  - vii) to institute, conduct, defend 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 and for the purpose to appoint advocate(s);
  - viii) to refer any claims or demands by or against the Company to Arbitration and observe and perform the awards;
  - ix) for exercising supervision and disciplinary control over the work and conduct of all employees of the Company;
  - x) for co-ordinating, and exercising general supervision over all the activities of the Company;
  - xi) for any other tasks as may be delegated by the Board.
- B.** The Chief Executive may in writing delegate such of his powers, as he may consider necessary to any officer of the Company.

## **PATRONS, ADVISORS AND COMMITTEES**

68. (a) Patron-in-Chief  
There shall be a Patron-in-Chief who shall be so appointed by the Original Founder Members.
- (b) Council of Patrons

- (i) There shall be a Council of Patrons comprising of men and women of the highest integrity, reputation, and stature, who shall be so appointed by the Original Founder Members.
- (c) Council of Advisors  
There shall be Council of Advisors comprising persons who are appointed by the Board as such, and shall include the Honorary Legal Advisor and Honorary Financial Advisor.
- (c) The Executive Committee of the Board of Directors may establish provincial advisory committees in each province, which shall comprise of three representatives of the provincial government, three members of civil society from the province, the General Body members from the province, and necessary management/staff of the Company. The committee shall meet at least once in six months and shall provide feedback and guidance to the Company on its programmes in the respective province.

## **THE SEAL**

- 69. The Directors shall provide for the safe custody of the seal which shall only be used by the authority of the Directors, and every instrument to which the seal shall be affixed in the presence of at least two directors shall either be signed by one Director and countersigned by Secretary or by a Second Director or by some other person appointed by the Directors for the purpose.

## **ACCOUNTS**

- 70. The Directors shall cause proper books of account to be kept as required by Section 230 of the Ordinance.
- 71. The Books of account shall be kept at the registered office of the Company or at such other place as the Board of Directors shall think fit and shall be open to inspection by the members of the Board of Directors during business hours.
- 72. The Board of Directors shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the accounts and books of the Company or any of them shall be open to the inspection of the members of the Company not being members of the Board of Directors and no member (not being a member of the Board of Directors) shall have any right of inspecting any account or book or document of the Company except as conferred by law or authorized by the Board of Directors or by the Company in general meeting.
- 73. The Board of Directors shall as required by Section 233, 234 and 236 of the Companies Ordinance, 1984, cause to be prepared and to be laid before the Company in general

meeting such income and expenditure accounts balance-sheets, and reports as are referred to in those Section.

74. A balance sheet, income and expenditure account and other reports referred to in Article 73 shall be made out in every year and laid before the Company's annual general meeting made up to a date not more than six months before such meeting. The balance sheet and profit and loss account shall be accompanied by a report of the auditors of the Company and the report of Directors.
75. The balance sheet and income and expenditure account shall be audited by the Auditors of the Company and shall be subject to the provisions of Section 236 of the Ordinance and be accompanied by a report of the Directors as to the state and condition of the Company, and the amount, if any, which they propose to carry to one or more reserves according to the provisions in that behalf herein contained. Every report of the Directors, shall be signed by the Directors in accordance with Sections 236 and 241 of the Ordinance.
76. A copy of the balance sheet and income and expenditure, account together with reports of directors and auditors shall, atleast twenty one days preceding the annual general meeting, be sent to the persons entitled to receive notices of general meetings, in the manner in which notices are to be given hereunder and a copy thereof shall be deposited at the registered office of the Company for the inspection of members for a period of twenty one days prior to such meeting.
77. No portion of the Company's income or property or asset shall be applied, paid or transferred by way of dividend, bonus or profit to any of its member or his relatives. The unutilized income of the Company will be kept in a scheduled bank or invested in Government Securities or in approved investments as may be permitted by law for the time being applicable to the Company.

## **AUDIT**

78. Auditors shall be appointed and their duties regulated in accordance with Sections 252, 255 of the Ordinance or any statutory modifications thereof for the time being in force.

## **NOTICES**

79. Subject to the provisions of Section 158 and 159 of the Ordinance at least twenty-one days notice of General meetings shall be given to the Members, (exclusive of the day on which the notice is served or deemed to be served, but inclusive of the day for which notice is given) specifying the place, the day and the hour of meeting. In case of special business the general nature of that business shall be given in the manner hereinafter provided or in such other manner, if any, as may be prescribed by the Company in general meeting or in the manner provided by the Ordinance, to such persons as are under the Ordinance or under these Articles, entitled to receive such notice from the Company.

80. An accidental omission to give notice of a meeting to or the non-receipt of notice of a meeting, by any person entitled to receive notice shall not invalidate the proceedings of the meeting.
81. A notice may be given by the Company to any member either personally or by sending it by post, courier, telefax or telex to his registered address. Where a notice is sent in any manner aforesaid, service of the notice shall be deemed to be effected by properly addressing, prepaying and posting, delivering, transmitting, as the case may be, 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/delivery.
82. Notice of every general meeting shall be given in the manner herein before authorized to every member and auditor of the Company, except those members who have no registered address or have not supplied to the Company an address for the giving of notice to them.
83. With the consent in writing of all the members entitled to receive notice of a particular meeting, that meeting may be convened by such shorter notice and in such manner as those members may deem fit subject to approval of Registrar of Companies.

#### **WINDING UP**

84. The Company shall be wound up voluntarily whenever a special resolution is passed requiring the Company to be so wound up. Sub-clause (v) of the Memorandum of Association of the Company shall have effect as if the provisions thereof were repeated herein.

#### **INDEMNITY**

85. Every Director or officer of the Company and every person employed by the Company as auditors shall be indemnified out of the funds of the Company against all liability incurred by him as such Director, officer or auditor in defending any proceedings, whether civil or criminal, in which judgment is given in his favour, or in which he is acquitted, or in connection with any application under Section 488 of the Ordinance in which relief is granted to him by the court or otherwise permitted by law.

#### **MISCELLANEOUS**

86. If the provisions of these Articles are in any way inconsistent with the provisions of the Companies Ordinance, 1984 or any other law for the time being in force, the provisions of that Ordinance or other law shall prevail, and these Articles shall be read subject to that Ordinance or that other Law.