



Estd. 1942

Habib Insurance Company Limited

Head Office : Habib Square, M.A. Jinnah Road, P.O. Box # 5217, Karachi.

Tel: 32424211, 32421882, 32420516, 32424030, 38 & 39

UAN : 111-030303 Fax : (92-21) 2421600

May 12, 2026

The General Manager
Pakistan Stock Exchange Limited
Stock Exchange Building
Stock Exchange Road
Karachi

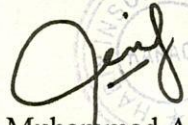
Subject: Alteration in the Memorandum & Articles of Association of the Company

Dear Sir,

The Board of Directors of Habib Insurance Company Limited have proposed at their meeting held on March 27, 2026, that the provisions in the Company's Memorandum and Articles of Association relating to authorized share capital be amended, such that the authorized share capital appearing in Article III of the Articles of Association and clause V of the Memorandum of Association of the Company be changed. The amended copy of the Memorandum & Article of Association of Habib Insurance Company Limited (Duly Certified) is attached herewith.

This change has been considered in view of the decision of the Board of Directors to increase the authorized shares capital of the Company.

Thanking You,
Yours Faithfully,
For and on behalf of Habib Insurance Company Limited


Muhammad Asif
Company Secretary



Memorandum

AND

Articles of Association

OF

Habib Insurance Co., Ltd.

KARACHI.

CERTIFIED TRUE COPY

A handwritten signature in black ink, appearing to be 'Javed', written over the 'CERTIFIED TRUE COPY' stamp.

For & on behalf of:
HABIB INSURANCE CO. LTD.

M. L. M. M.
Company Secretary.



Certificate of Incorporation

NO. 3762, OF 1942-1943

I hereby certify that Habib Insurance Company Limited is this day incorporated under the Indian Companies Act, VII of 1913, and that the Company is Limited.

Given under my hand at Bombay this Twelfth day of December One Thousand Nine Hundred and Forty-Two.

Seal of the Registrar
of Companies,
Bombay.

Sd. Behramji M. Modi
REGISTRAR OF COMPANIES



Certificate of Registration

(Pursuant to the provision of section 15(2) of Indian Companies Act, 1913).

—(1)—

The Habib Insurance Company Limited having by Special Resolution altered the provisions of its Memorandum of Association with respect to transfer of Registered Office from the province of Bombāy to the Province of Sind as confirmed by an order of the High Court of Judicature at Bombay bearing date the 12th. August 1947-

I hereby Certify the Registration of a certified Copy of the said Order

Given under my hand at bombay this Fourteenth day of August One Thousand Nine: Hundred and Forty seven.

Seal of the Registrar
of Companies,
Bombay.

Sd. Behramji M. Modi
REGISTRAR OF COMPANIES
BOMBAY

COMPANY LIMITED BY SHARES

Memorandum of Association

OF

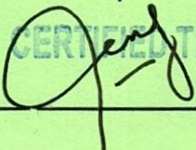
HABIB INSURANCE COMPANY LIMITED

1. The name of Company is "Habib Insurance Company, Limited."
2. The registered office of the Company will be situated in the province of Sind.
3. The objects for which the Company is established are:—
 - (a) (1) To insure against every description of marine risk, which may legally be undertaken, relating to the perils of the sea, fire, war, reprisals, and all other risks of a like nature incidental to the seas, ships, vessels, and craft of all descriptions, and also the freights, goods, merchandise, cargo, earnings, and property whatsoever, in or on board of the same, whether the property of members of the Company, or otherwise howsoever, so far as the same may be effected or made according to law.

(2) To insure all other matters and things which lawfully may or can be from time to time insured, or be the subject of insurance against perils of the sea, and also generally to carry on all other branches and departments of the business of marine insurance.
 - (b) (1) To insure houses, tenements, merchandise, and all other property and effects, real and personal, against loss or damage by fire, storm, accident or otherwise, to grant insurances against injury or damage to or loss of property, directly or indirectly caused by or resulting from fire, lightning or explosions and to carry on the ordinary business of fire insurance in all its branches.

(2) To rebuild, repair, replace or reinstate houses, buildings, machinery and every other description of property which may be insured by the Company, and to carry on any kind of business necessary or expedient for any such purposes

(3) To join or subscribe to any salvage or protection association or committee, whether mutual or otherwise in any way connected with any of the objects of the Company or which may seem to the Company directly or indirectly conducive to its interests.
 - (c) (1) To grant assurances of all kinds payable upon the happening of all or any of the following events, namely, the death or marriage or birth or failure of issue of, or the attainment of a given age by any person or persons, or the expiration of any fixed or ascertainable period, or the occurrence of any contingency or event which would or might be taken to affect the interest (whether in possession, vested, contingent, expectant, prospective or otherwise) of any person or persons in any property, or the loss or recovery of contractual or testamentary capacity in any person or persons.

CERTIFIED TRUE COPY


(2) To grant annuities, immediate or deferred, payable for any fixed or other period, or contingent as to their commencement or determination upon the happening of all or any of the events above-mentioned.

(3) Generally to transact the business of a life assurance company, including the sale and purchase or repurchase of annuities and reversionary interests, and life or other interests of uncertain duration or commencement, and endowments for children, and all other business appertaining to or commonly transacted by life assurance companies.

(1) To grant policies or other instruments of assurance against, or assuring compensation or payment in case of death or injury to health or limb by railway accident or shipwreck, or other perils of the land, water or air or any other accident or misadventure or violence during any journey, voyage or flight by land, water or air, or during any other limited or specified period.

(2) To assure payment during sickness or incapacity, arising from general or other than the above causes.

(3) To grant assurances upon the contingency of injury or total loss by reason of accidents of any description to horses, cattle and other animals, plate and other glass, or real and personal property of any kind.

(4) To guarantee, provide, prepare and supply medical and surgical aid and treatment or any other assistance in illness or confinement and all remedies and requisites in case of accident or illness to any person or the family and household of any person, whom the Company shall insure, or to any person dwelling or staying in the house of such person insured, or to horses, cattle and other animals.

(5) To contribute to the funds of such hospitals or other institutions as efficiently serve or agree to serve the Company's clients in cases of accident or illness, and to pay such institutions for the said services.

(6) To contribute to the funds of societies, institutions or establishments which effect or promote the spread of sanitary science and the practical application thereof to public or private use, and to pay for work done or services rendered by them to the Company or the Company's clients.

(1) To insure all kinds of steam boilers against injury, damage, or loss caused by explosion, and to insure machinery, buildings, and other property against injury, damage, or loss consequent upon boiler explosions or collapse of flues.

(2) To indicate and inspect steam engines in connection with insured boilers.

(3) To inspect boilers and machinery for purchasers and others.

- (4) To insure hoists, lifts and cranes and weighing machines against the consequences of any mechanical defect.
 - (f) (1) To undertake and carry on the business of employer's liability, fidelity, guarantee, third party, burglary or theft, storm, vehicle and mortgage or other investment insurance, or any of them, and to transact all or any other kinds of insurances and in particular –
 - (a) Insurances to protect employers and principals against liability on account of injury, loss or damage, either sustained or caused by workmen, servants, employees, or agents in their employment or acting on their behalf.
 - (b) Insurances to protect and indemnify principals or employers against loss or damage by the breach by their servants or agents of their contract of employment.
 - (c) Insurances to protect and indemnify principals or employers against loss or damage by the fraud, breach of trust or misconduct of their servants, agents, or others acting on their behalf, and to guarantee and provide security for the fidelity and good conduct of persons filling or about to fill offices or appointments and situations of trust or confidence, and also to protect and relieve private sureties against loss arising to them from their liability as cautioners or guarantors for others.
 - (d) Insurances against claims upon the assured for injuries to the persons and property of third parties caused by the assured or his property, or by others for whom he is responsible.
 - (e) Insurances against loss of property by burglary or theft by house-breaking or larceny, and against loss, injury, or damage to property by or resulting from fire or lightning, or against loss, injury, or damage to the property or effects (carried on board the ship) of mariners and marine passengers.
 - (f) Insurances against loss or damage from breakage of plate-glass or any other description of glass, whether in windows, fittings, mirrors, or in whatever way used.
 - (g) Insurances against loss of moneys, principal and interest, lent, invested, or secured on mortgages, debentures, deposits, and loans of every kind to banking, property, investment or financial companies at home or abroad.
 - (h) Insurances against claims upon the assured arising from the dispensing of prescriptions.
 - (i) Insurances against all manner of accidents, liability, and guarantee, and every other description of insurance business-kindred to the above.
 - (2) To acquire or extinguish or otherwise deal with any insurance made with the Company.
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- (3) To grant, purchase, or sell endowments and annuities, either for lives or for years, or on survivorships, and either immediate, deferred, determinable, contingent, or reversionary, and to purchase, invest in and sell life, reversionary, and other estates, interests, and securities, whether in real or personal property, and generally to undertake and transact all matters and business which may be in any way connected with or depend on contingencies.
- (g) (1) To insure or give any guarantee in relation to any stock, shares, debentures, debenture stock, bonds, obligations or securities issued by or having any guarantee of any company or institution or of any authority, supreme, municipal, local or otherwise, or of any person or persons whomsoever, whether corporate or incorporate.
- (2) To insure or give any guarantees against calls and demands for contribution in respect of any liability incident to the ownership of any shares or stock in any company or undertaking.
- (3) To insure or guarantee the holders of or persons interested in or proposing or intending to become holders of any shares, stock or securities issued at a premium or standing at a premium against loss arising from redemption at par, depreciation or otherwise.
- (4) To insure or guarantee the safety of securities and property of all kinds placed on deposit with the Company or elsewhere or entrusted to the Company or other persons or companies for transmission or otherwise howsoever.
- (5) To insure and guarantee the due payment and performance of bills of exchange, promissory notes, debts, contracts and obligations of all kinds on the del credere system or otherwise.
- (h) To re-insure or counter-insure any of the risks undertaken by the Company.
- (i) To effect as agents for others assurances of every kind and against every and any contingency.
- (j) To create or set aside out of the capital or revenue of the Company a special fund or special funds, and to give to any class of its policy holders, annuitants or creditors any preferential right over any fund or funds so created, and for such or any other purposes of the Company to place any portion of the Company's property in the names or under the control of trustees, and to give any class of insurers a right to participate in the profits of the Company or any branch of its business.
- (k) To act as agents for the issue of any bills, bonds, shares, stock, debenture stock, whether or not offered to the public for subscription and to guarantee the subscription of any such securities or shares and to act as trustee, executor or administrator with or without remuneration and to undertake trusts of all kinds and the conduct of any business connected with trusts of any description or the estates of deceased persons and to receive for safe custody.

- (l) To lend and advance money upon or without security including the lending of money upon policies issued by the Company or in respect of which it is liable and to apply any of the funds of the Company in buying up, cancelling, extinguishing or obtaining a release from any policy, contract or liability.
- (m) To advance money to shareholders in the Company and to policyholders of the Company and others upon security of and for the purpose of enabling the person borrowing the same to erect, purchase, enlarge or repair any dwelling house or business premises or to purchase or to take a demise for any terms of years of any property in the countries in which the Company may be doing business upon such terms as the Company may think fit.
- (n) To carry on the business of a loan company in all its branches.
- (o) To promote or finance or to assist in the promotion or financing of business, undertakings and industries of any description, either existing or new, and to develop and form the same.
- (p) To acquire and undertake the whole or any part of the business, property and liabilities of any person, partnership, association or company carrying on any business which the Company is authorised to carry on or possessed of property suitable for the purposes of this Company.
- (q) To enter into working arrangements of all kinds with other companies, corporations, firms or persons and also to make and carry into effect arrangements with respect to union of interests as amalgamation, either in whole or in part, or any other arrangements with any other companies, corporations, firms or persons.
- (r) To purchase, take on lease or in exchange, hire, or otherwise acquire, any real and personal property, and any rights or privileges which the Company may think necessary or convenient for the purposes of its business.
- (s) To construct, maintain and alter any buildings or works, necessary or convenient for the purposes of the Company.
- (t) To appropriate any part or parts of the property of the Company for the purposes of and to build and let or sell shops, offices and other places of business.
- (u) To sell, improve, manage, develop, exchange, lease, mortgage, dispose of, turn to account or otherwise deal with, all or any part of the property and rights of the Company.
- (v) To invest and deal with the moneys of the Company not immediately required in such manner as may from time to time be determined.
- (w) To borrow or raise or secure the payment of money in such manner as the Company shall think fit, and in particular by the issue of debentures, or debenture stock, perpetual or otherwise, charge upon all or any of the Company's property (both present

and future) including its uncalled capital, and to purchase, redeem, or pay off any such securities.

- (x) To establish and support or aid in the establishment and support of associations, institutions, funds, trusts, and conveniences, calculated to benefit employees or ex-employees of the Company or dependents or connections of such persons and to grant pensions and allowances and to make payments towards insurance and to subscribe or guarantee moneys for charitable or benevolent objects or for exhibition or for any public, general or useful object.
- (y) To enter into any arrangements with any authorities, that may seem conducive to the Company's objects or any of them and to obtain from any such authority any rights, privileges and concessions which the Company may think it desirable to obtain and to carry out, exercise and comply with any such arrangements, rights, privileges and concessions.
- (z) To procure the Company to be registered or recognised in any foreign country or place.
- (aa) To promote any company or companies for the purpose of acquiring all or any of the property, rights, and liabilities of this Company or for any other purpose which may seem directly or indirectly calculated to benefit this Company.
- (bb) To sell or dispose off the undertaking of the Company or any part thereof for such consideration as the Company may think fit, and in, particular for shares, debentures or securities of any other company having objects altogether or in part similar to those of this Company.
- (cc) To carry on any other business, which may seem to the Company capable of being conveniently carried on in connection with the above, or calculated directly or indirectly to enhance the value of or render profitable any of the Company's property or rights or be conducive to its interests.
- (dd) To remunerate any person or company for services rendered or to be rendered in placing or guaranteeing the placing of any of the shares in the Company's capital or any debentures, debenture stock or other securities of the Company or in or about the formation or promotion of the Company or the conduct of its business.
- (ee) To do all or any of the above things in any part of the world and as principals, agents, contractors, trustees, or otherwise, and by or through trustees, agents or otherwise, and either alone or in conjunction with others.

ff To undertake and carry on the business of all kinds of General Takaful & General Re-Takaful in Pakistan and/or in any part of the world.

gg To do all such other things as are conducive to the attainments of the above objects.

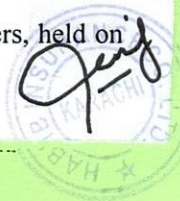
4. The liability of the members is limited.

5. The Share Capital of the Company is Rs. 1,000,000,000 (Rupees One Billion) divided into 200,000,000 (Two hundred million) shares of the denomination of Rs. 5 each.



The said capital may from time to time be increased. The shares in the original or any increased capital may be divided into several classes and there may attached thereto respectively any preferential, deferred, qualified or special rights, privileges or conditions.

(As per resolution passed in the Annual General Meeting of the shareholders, held on April 24, 2026)



6. The Company has power from time to time to increase or reduce its capital and to issue any shares in the original or new capital as ordinary, preferred or deferred shares and to attach to any class or classes of such shares any preferences, rights, privileges or priorities in payment of dividends or distribution of assets or otherwise over any other shares or to subject the same to any restrictions, limitations or conditions and to vary the regulations of the Company, as far as necessary to give effect to the same and upon the subdivision of a share to apportion the right to participate in profits in any manner.

7. The Company shall annually immediately after the time of declaring dividend from its profits made from business other than life assurance business pay to the trustees for the time being of each of the following institutions namely:—

- (1) Mahefile Shahe Khorasan
- (2) Habib Hospital.
- (3) Rehamatbai Maternity Home.
- (4) Habib High School.
- (5) Rehamatbai Habib High School for Girls.

a sum equivalent to one pie in the rupee of its net profits for the previous year from such business and shall also immediately after the profits from life assurance business has been declared in accordance with valuation made for the purpose pay to the trustees of each of the aforesaid institution a sum equivalent to one pie in the rupee of its net profits from such life assurance business appearing from such valuation. In the event of any of the said institutions ceasing to exist or the trustees of any, of the said institutions intimating to the Company that such institutions respectively do not require the sum or any part thereof directed to be paid by this clause to such trustees such sum or such part thereof shall be paid by the Company to such other object of charity as the Company in general meeting may resolve upon. The Company shall forthwith on its incorporation enter into an agreement with Ahmed Habib, Dawood Habib, Mahomedali Habib and Gulamali Habib the present Trustees of the aforesaid institutions agreeing to pay the aforesaid sums in terms of the draft which has for the purpose of identification been subscribed by Mr. Saif F. B. Tyabji, a solicitor of High Court of Bombay with or without modification and it is hereby expressly agreed and declared that in consideration of the services rendered by the said Ahmed Habib, Dawood Habib and Mahomedali Habib in promoting this company and underwriting its shares issue to the extent of Rs. 25,00,000 the said agreement shall not be revoked or cancelled and shall always remain of full effect and enforceable by the Trustees for the time being of the said institutions.

VIII

For & on behalf of:
 HABIB INSURANCE CO. LTD.
 Company Secretary.

We the several persons whose names and addresses are subscribed hereto are desirous of being formed into a company, in pursuance of this Memorandum of Association and we respectively agree to take the number of shares in the capital of the Company set opposite to our respective names..

No.	Names	Address	No. of shares to be taken
1.	Mr. Ahmed S. Jumani	Merchant, Habib Mansion, Warden Road, Bombay.	100
2.	Mr. Ahmed Habib	Merchant, Warden Road, Bombay.	100
3.	Mr. H. C. Mitha	Merchant, 76, Gowalia Tank Road, Bombay.	100
4.	Mr. Huseinali A. Jumani	Merchant, Warden Road, Bombay.	100
5.	Mr. R. G. Saraiya	Merchant 85, Nepean Sea Road, Bombay.	100
6.	Mr. Purshotamdas Harkisondas	Merchant, 16, Apolo Street, Fort, Bombay.	100
7.	Mr. Dawood Habib	Merchant, Habib Mansion, Warden Road, Bombay.	100
8.	Mr. Mohamadali Habib	Merchant, Habib Mansion, Warden Road, Bombay.	100
9.	Mr. Gulamali Habib	Merchant, Habib Mansion, Warden Road, Bombay.	100
10.	Mr. Y. C. Mitha	Merchant, Mayo Road, Bombay.	100
11.	Mr. Bhogilal Chimanlal Shah	Income-tax Expert, 418, Kalbadevi Road, Bombay.	100
12.	Mr. Jugatrai Gulabrai	Service, A 9/10 Panalal Terraces, Bombay 7.	100

Witness

M. R. Muljiani

Dated the 12th December 1942

Note:— By a special resolution dated 30th July 1947 sanctioned by an order of the High Court of Judicature at Bombay, the words "PROVINCE OF SIND" were substituted for the word "BOMBAY" in clause 2, hereof.

Memorandum

AND



Articles of Association

OF

Habib Insurance Co., Ltd.

KARACHI.

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The Companies Ordinance, 1984

COMPANY LIMITED BY SHARES

Articles of Association

(As amended by Special Resolution passed on the 24th of March 1986)

OF

HABIB INSURANCE COMPANY LIMITED

PRELIMINARY

The regulations contained in Table 'A' in the First Schedule to the Ordinance shall not apply to the Company except in so far as expressly incorporated therein.

1. TABLE 'A' Not to Apply.

The Marginal notes hereto shall not effect the construction hereof and in these presents, unless there be something in the subject or context inconsistent therewith:

2. INTERPRETATION

COMPANY	means Habib Insurance Company Limited.
ORDINANCE	means Companies Ordinance 1984 with such statutory modifications as may be made from time to time.
INSURANCE ACT	means the Insurance Act 1938 with such statutory modifications as may be made from time to time.
SECTIONS	means Sections of the Ordinance.
ARTICLES	means the Articles of Association of the Company as originally framed or as altered from time to time by special Resolutions.
THE OFFICE	means the Registered Office for the time being of the Company.
THE AUTHORITY	means the Corporate Law Authority constituted under Section 11.
THE DIRECTORS	means the Directors of the Company for the time being.
THE BOARD	means the Board of Directors for the time being of the Company.
THE REGISTER	means the Register of Members to be kept pursuant to Section 147.
THE SEAL	means the common Seal of the Company.
DIVIDENDS	includes Bonuses.
MONTH	means Calendar Month according the English Calendar.

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PERSONS	include Corporations, Associations and Firms as well as individuals.
IN WRITING AND WRITTEN	include printing, lithography, typewriting and other modes of representing or reproducing words in a visible form.
WORD	importing the singular number only, includes plural number and vice-versa.
GENDER	importing the masculine gender only, includes the feminine gender.

CAPITAL AND SHARES

Authorised Capital	3. The Share Capital of the Company is Rs. 1,000,000,000 (Rupees One Billion) divided into 200,000,000 (Two hundred million) shares of the denomination of Rs. 5 each. (As per resolution passed in the Annual General Meeting of the shareholders, held on April 24, 2026)
Shares under the control of Directors.	4. Subject to the provisions of these Articles the shares shall be under the control of the Directors who may allot or otherwise dispose off the same to such persons on such terms and conditions and at such times as they think fit, and with full power to give any persons the rights to call for the allotment of any shares either at par, or at a premium, for such time and for such consideration as the Directors may deem fit, unless the Company shall in a general meeting decide upon the issue of such shares on other terms.
Underwriting Commission and Brokerage.	5. Subject to the provisions of Section 82 the Company shall pay commission and/or brokerage to any person for subscribing or agreeing to subscribe, whether absolutely or conditionally, for any shares of the Company, or procuring or agreeing to procure subscriptions, whether absolute or conditional, for any shares of the Company.
Holding of Shares upon Trust.	6. No person shall be recognised by the Company as holding any share upon any trust and the Company shall not be bound by or recognise any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share or (except only as by these Articles otherwise provided or as by law required or under an order of court) any other right in respect of any share, except an absolute right to the entirety thereof in the registered holder.
Offer of new Shares	7. No shares shall be offered for subscription except upon the condition that the amount payable on application shall be the full amount of the nominal value of the shares.
Allotment of Shares	8. The Directors shall, as regards any allotment of shares, duly comply with such of the provisions of Section 68 to 73, as may be applicable thereto.
Purchase of or Loans on Company's shares.	9. Except to the extent and in the manner allowed by Section 95, no part of the funds of the Company shall be employed in the purchase of, or in loans upon the security of the Company's shares.

CERTIFICATE OF SHARES

Certificate	10. Every member shall be entitled to receive within 90 days after allotment or within 45 days of the application for registration of transfer one
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certificate for all the shares registered in his name and where applicable in the names of other joint holders of such shares provided always that the Directors may in their absolute discretion issue more than one certificate. Every certificate of such shares shall be under the seal of the Company and shall specify the number and distinctive number of the shares in respect of which it is issued and the amount paid thereto and shall be in such form as the Directors shall prescribe or approve, provided that any two or more joint holders of a share shall for the purpose of this Article be treated as a single member and delivery of a certificate for a share to any one of such several joint holders shall be sufficient delivery to all.

11. If a certificate is worn out, defaced, destroyed or lost or if there is no further space on the back thereof for endorsement of transfer, it shall, if requested, be replaced by a new certificate provided however that such new certificate shall not be granted except upon delivery of the worn out, defaced or used certificate for the purpose of cancellation or upon proof of destruction or loss and such indemnity as the Board may require in the case of the certificate having been destroyed or lost.

Renewal of Certificate

12. If any share stands in the names of two or more persons the person first named in the Register, shall as regards receipt of or giving of receipts for dividends or bonus or service of notices and or other matters connected with the Company except voting at meetings and the transfer of the shares, be deemed the sole holder thereof.

Joint Holders.

TRANSFER AND TRANSMISSION OF SHARES

13. All transfer of shares may be effected by transfer in writing in the usual common form.

Form of Transfer

14. The instrument of transfer of any share in the Company shall be executed both by the Transferor and Transferee, and the Transferor shall be deemed to remain holder of the share until the name of the Transferee is entered in the Register of Members in respect thereof.

Execution of Transfer

15. The Directors shall not refuse to transfer any shares unless the transfer deed is defective or invalid. The Directors may decline to recognise any instrument of transfer unless the duly stamped instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer.

Refusal to Register Transfer

If the Directors refuse to register a transfer of shares, they shall within thirty days after the date on which the transfer deed was lodged with the Company, send to the transferee and the transferor notice of the refusal indicating the defect or invalidity to the transferee, who shall, after removal of such defect or invalidity be entitled to re-lodge the transfer deed with the Company.

16. The Transfer Books and Register of Members may be closed during such time as the Directors think fit, not exceeding in the whole forty-five days in each year, but not exceeding thirty days at a time, provided always at least seven days previous notice by advertisement in newspapers as is specified in Section 151 of the Ordinance shall first be given for such closure.

Closure of Transfer Books and Register of Members.

17. No fees will be charged on the transfer of Shares.

Fees on Transfer.

- Nomination by Shareholders.** 18. The Company shall act in accordance with the provisions of Section 80 of the Ordinance, if and when a member deposits with the Company a nomination conferring on one or more persons the right to acquire the interest in the shares specified therein in the event of this death.
- Custody of Transfer Deeds.** 19. The Directors may cause to be destroyed all transfer deeds lying in the Company for a period as may be determined from time to time.
- Title of shares of deceased holders.** 20. The executors, administrators, heirs, or nominees as the case may be, of a deceased sole holder of a share, shall be the only persons recognised by the Company as having any title to the Share. In the case of a share registered in the names of two or more holders, the survivor or survivors or the executors or administrators of the deceased survivor shall be the only persons recognised by the Company as having any title to the share.
- Registration of persons entitled to shares otherwise than by transfer.** 21. Any person becoming entitled to a share in consequence of the death or bankruptcy of a Member may, upon such evidence as to the title being produced, as may be required by the Directors, and subject as hereinafter provided, elect either to be registered himself as holder of the share or to have some person nominated by him registered as the transferee thereof, but the directors 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 that Member before his death or bankruptcy as the case may be.
- Transfer to Nominee** 22. If the person so becoming entitled shall elect to be registered himself he shall deliver or send to the Company a notice in writing signed by him stating that he so elects. If he shall elect to have another person registered he shall testify his election by executing to that person a transfer of the share. All the limitations, restrictions and provisions of these Articles relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice on transfer as aforesaid as if the death or bankruptcy of a Member had not occurred and the notice or transfer were a transfer signed by that Member.
- Dividend and other advantages before registration of transmission.** 23. Subject to the provisions hereinabove contained 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 were 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 right conferred by membership in relation to meetings of the Company.

INCREASE AND ALTERATION OF CAPITAL

- Power to increase Capital.** 24. The Company may from time to time by ordinary resolution increase the share capital by such sum, to be divided into shares of such amount, as the resolution shall prescribe.
- Further issue of Capital.** 25. Subject to the provisions of the Ordinance, all unissued and any new shares shall, before issue, be offered to the members in proportion, as nearly as the circumstances admit, to the amount of the existing shares held by each Member. The offer shall be made by notice specifying the number of shares offered, and limiting a time within which the offer, if not accepted will be deemed to be declined, and after the expiration of that time, or on the receipt of an earlier intimation from the person to whom the offer is made that he declines to accept the shares offered, the Directors may from time to time, subject to the provisions of sub-section 7 of Section 86,

dispose off the same to such persons, companies or corporations, whether Members or not, in such manner as they, in their absolute discretion, think fit. The Directors may likewise so dispose off any new shares which (by reason of the ratio which the new shares bear to shares held by persons entitled to an offer of new shares) cannot in the opinion of the Directors, be conveniently offered under this Article. Subject as aforesaid, the shares in the capital for the time being shall be at the disposal of the Directors, who may allot or otherwise dispose off the same to such persons, on such terms and conditions, and at such times as they may think fit. Subject to any direction to the Company that may be given by the meeting which sanctioned the increase of the Capital, all new shares shall be subject to the same provisions with reference to transfer and transmission, and otherwise as the shares in the original Share Capital.

26. The Company may by ordinary resolution:-

Division and sub-division of shares.

- (1) consolidate and divide its share capital into shares of larger amount than its existing shares.
- (2) sub-divide its existing shares, or any of them, into shares of smaller amount than is fixed by the Memorandum of Association subject, nevertheless, to the provisions of Section 92.
- (3) cancel any shares which, at the date of the passing of the resolution, 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.

27. The Company may by special resolution reduce its share capital, or any share premium account in any manner and with, and subject to, any incident authorised, and consent required by law.

Reduction of Share Capital

GENERAL MEETINGS

28. The Company shall hold, in addition to any other meeting, a General Meeting, as its Annual General Meeting, within eighteen months from the date of its incorporation and thereafter once at least in every calendar year within a period of six months following the close of its financial year and not more than fifteen months after the holding of its last preceding Annual General Meeting, and shall specify the meeting as such in the notice calling it. Subject to the provisions of Section 158, the Annual General Meeting shall be held at such time and place as the Directors shall determine.

Annual General Meeting

29. All General Meetings other than the Statutory Meeting or Annual General Meetings shall be called Extraordinary General Meetings. The Directors may, whenever they think fit, convene an Extraordinary General Meeting, and Extraordinary General Meetings shall also be convened on such requisition, or in default, may be convened by such requisitionists, as provided by Section 159.

Extra Ordinary General Meeting

30. Twentyone 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 meeting and in case of special business, the general nature of that business, shall be given in the manner provided in Section 50 and sub-section 3 of Section 158 for the General Meeting, to such persons as are, under Section 160 or the regulations of the Company, entitled to receive such notice from the Company but the accidental omission to give notice to, or the non-receipt of notice by, any member shall not invalidate the proceedings at any General Meeting.

Notice of General Meeting

- Speical Business** 31. 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 sheets, and the reports of the Directors and Auditors and other documents which may be required to be annexed to the balance sheet, the election of Directors and the appointment and fixation of the remuneration of the Auditors.
- Quorum** 32. No business shall be transacted at any General Meeting unless a quorum of Members is present. Save as in these Articles otherwise provided, ten members present in person who represent not less than 25% of the total voting power either on their own account or as proxies shall be a quorum.
(As per resolution passed in the Annual General Meeting of the share holders, held on April 21 2003)
- If Quorum not present.** 33. If within half-an hour from the time appointed for the meeting a quorum is not present, the meeting, if convened upon the requisition of or by Members, shall be dissolved, in any other case it shall stand adjourned to the same day in the next week, at the same time and place, and if at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting the Members present, being not less than two, shall be a quorum.
- Chairman of the Meeting** 34. The Chairman of the Board of Directors shall preside as Chairman at every General Meeting. If there is no such Chairman or if at any meeting he is not present within fifteen minutes after the time appointed for holding the meeting or is unwilling to act as Chairman, the Directors present shall choose someone of their number to be Chairman. If no Director is willing to act as Chairman or no Director is present within fifteen minutes after the time appointed for holding the meeting, the Members present shall choose one of their number to be Chairman of the meeting.
- Adjournment of Meetings.** 35. The Chairman of the meeting 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 to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a meeting is adjourned for thirty 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.
- Motion how decided** 36. At any 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 result of the show of hands) demanded. 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 unanimously, or by a particular majority or lost, or not carried by a particular majority, and an entry to that effect in the book containing the minutes of the proceedings of the Company shall, until the contrary is proved, be evidence of the fact, without proof of the number or proportion of the votes recorded in favour of or against such resolution. The demand for a poll may be withdrawn.
- Poll** 37. Except as provided in the following Articles and subject to the provisions of the Ordinance, if a poll is duly demanded it shall be taken in such a manner as the Chairman of the meeting directs, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.
- Poll how taken** 38. A poll demanded on the election of a Chairman or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken at such time, not more than fourteen days from the

date on which it is demanded as the Chairman of the meeting directs, and any business other than that upon which a poll has been demanded may be proceeded with pending the taking of the poll.

39. In the case of an equality of votes, whether on a show of hands or on a poll, the Chairman of the meeting at which the show of hands takes place or at which the poll is demanded shall be entitled to a second or casting vote.

**Chairman's casting
vote**

VOTES OF MEMBERS

40. On a show of hands every Member present in person shall have one vote, and on a poll every Member present in person or by proxy shall have one vote for every share held by him in respect of which he is entitled to vote, provided that for election of Directors the provisions of Section 178 shall apply.

Votes of Members

41. Where there are joint registered holders of any share any one of such persons may vote at any meeting either personally or by proxy in respect of such share as if he were solely entitled thereto, and if more than one of such joint holders be present at any meeting or at any poll personally or by proxy, that one of the said persons so present whose name stands first in the Register in respect of such share shall alone be entitled to vote in respect thereof.

**Votes of Joint
holders.**

42. 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 a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may on a poll vote by proxy, provided that such evidence as the Directors may require of the authority of the person claiming to vote shall have been deposited at the office not less than forty-eight hours before the time for holding the meeting or adjourned meeting at which such person claims to vote.

**Votes of Insane
members.**

43. Any corporation holding shares conferring the right to vote may by resolution of its Directors or other governing body authorise such person as it thinks fit to act as its representative at any meeting of the Company, or at any meeting of holders of the Company, and the person so authorised shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could exercise if it had been an individual member of the Company.

**Where Corporations
hold shares**

44. No objection shall be made to the validity of any vote, except at the meeting or poll at which such vote shall be tendered, and every vote, whether given personally or by proxy or by any means hereby authorised and not disallowed at such meeting or poll, shall be deemed valid for all purposes of such meeting or poll whatsoever. The Chairman of any meeting shall be the sole judge of the validity of every vote tendered at such meeting. The Chairman present at the taking of a poll shall be the sole judge of the validity of every vote tendered at such poll.

Objections

45. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing or, if the appointer is a body corporate, either under seal, or under the hand of an officer or attorney duly authorised. The instrument of proxy need not be witnessed.

**Instrument appointing
a proxy.**

- Who can be appointed a proxy.** 46. A proxy must be a Member of the Company.
- Deposit of instrument of proxy.** 47. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the Office or at such other place within Karachi as is specified for that purpose in the notice of meeting not less than fortyeight hours before the time of holding the meeting or adjourned meeting, at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than fortyeight hours before the time appointed for the taking of the poll, and in default the instrument of proxy shall not be treated as valid.
- Form of proxy** 48. Any instrument appointing a proxy shall be in the following form, or shall contain words to the following effect:-

HABIB INSURANCE COMPANY LIMITED

I, _____ of _____ a member of Habib Insurance Company Limited, hereby appoint _____ of _____ (or failing him _____ of _____) to be my proxy to attend and vote for me at the (Ordinary or Extraordinary, as the case may be) General Meeting of the Company, to be held on the day of _____ and at any adjournment thereof.
As witness my hand this _____ day of _____

Signed by the said.

- Val giv** 49 A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death of the principal or revocation of the proxy, or of any Power of Attorney under which such proxy was signed, or the transfer of shares in respect of which the vote is given provided that no intimation in writing of the death, revocation or transfer shall have been received at the office before the meeting. Validity of Votes given by Proxy
- 49A The provisions and requirements for electronic voting by the members, as prescribed under the applicable laws and regulations from time to time, shall be deemed to be incorporated in these Articles, irrespective of the other provisions of these Articles and notwithstanding anything contradictory therein. Members may be allowed to appoint members as well as non-members as proxies for purposes of electronic voting to the extent permitted under the applicable laws and regulations. Electronic Voting
- Number of Directors** 50. Unless and until otherwise determined by the Company in General Meeting the number of Directors shall not be less than seven or more than twelve. The Company in General Meeting may from time to time increase or reduce the maximum or minimum number of Directors.
- Who can be appointed as a Director** 51. Save as provided in Section 187, no person shall be appointed as a Director unless he is a Member.
- Qualification for a Director.** 52. The qualification of a Director shall be the holding of ordinary shares in the Company of the nominal value of Rs. 10,000. A Director may act before acquiring his qualification, but shall in any case acquire the same within two months from the appointment.
- Alternate Director** 53. Any Director intending to be absent from Pakistan for not less than three months may, with the approval of the Board of Directors, appoint any person to serve as his alternate Director during his absence and such appointee shall be entitled to notices of the meetings of Directors and General Meetings during the absence of the Directors and to attend and vote thereat accordingly but he shall not require any qualification and shall ipso facto vacate office if and when the appointee returns to Pakistan or vacates office as a Director, or remove the appointee from and any appointment

and removal under these Articles shall be effected by notice in writing under the hand of the Director making the same.

54. The remuneration of a Director for attending meetings of the Board or a Committee formed by the Board shall from time to time be determined by the Board of Directors, provided that a Director who is an executive of the Company shall not be entitled to any remuneration for attending meetings of the Board or a Committee formed by the Board.

Remuneration of Directors.

(As per resolution passed in the Annual General Meeting of the share holders, held on March 31 2008)

55. The Directors may repay to any Directors all travelling, hotel and other expenses properly incurred by him in attending and returning from meetings of the Board of Directors or of any Committee of such Board or General Meetings of the Company or in connection with the business of the Company which shall be charged as part of the Company's ordinary working expenses.

Extra Compensation to Directors.

56. Subject to such consents or approvals being granted and within such limits as may be prescribed by the Ordinance or any other law for the time being in force, the Board of Directors may from time to time authorise the payment of remuneration (in addition to the ordinary remuneration referred to in Article 54 and whether payable as salary, commission, bonus, allowances, consultancy fees or otherwise) or the grant of benefits other than remuneration to any Director, either in respect of or in connection with any office of profit held by him under the Company whether as salaried executive, consultant or otherwise for the performance by him of extra service otherwise than in connection with such office of profit and outside the scope of the ordinary duties of a Director.

Special remuneration to Directors

57. Subject to the provisions of Sections 214 and 216 no Director shall be disqualified by his office from contracting with the Company, either as vendor, purchaser or otherwise, nor shall any such contract or any contract or arrangement entered into by or on behalf of the Company in which any Director shall be in anyway interested be avoided, nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason of such Director holding that office, or of the fiduciary relations thereby established, but it is declared that the fact of his having an interest must be disclosed by him at the meeting of the Directors at which the contract or arrangement is determined, if his interest then exists, or in any other case at the first meeting of the Directors after the acquisition of his interest. A general notice that a Director is a member of any specified firm or Company, and is to be regarded as interested in all transactions with that firm or Company shall be a sufficient disclosure under this clause as regards such Director and the said transactions, and after such general notice it shall not be necessary for such Director to give a special notice of any particular transaction with that firm or Company.

Directors may contract with the Company

ELECTION AND RETIREMENT OF DIRECTORS

58. Subject to the provisions of these Articles the Directors shall be elected by the Members in General Meeting.

Directors to be elected in General Meeting.

59. 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 from being a Director or otherwise ceases to hold office.

Period of Office of Director

- Casual Vacancy** 60. Any casual vacancy occurring among the Directors may be filled up by the Directors and the person so appointed shall hold office for the remainder of the term of the Director in whose place he is appointed.
- Notice for seeking Election.** 61. No person shall be eligible for election to the office of Director at any General Meeting unless not less than fourteen or more than twentyone days before the date appointed for the meeting there shall have been left at the office notice in writing, signed by him of his intention to offer himself for election as a Director.
- Election procedure.** 62. The Directors shall, unless the number of persons who offer themselves for election as Directors is not more than the number fixed for election, be elected by the Members in General Meeting from amongst the candidates eligible for election in the following manner, namely:-
- (1) every Member present in person or by proxy or by a representative shall have such number of votes as is equal to the product of the number of shares carrying the right to vote held by him and the number of Directors to be elected;
 - (2) the number of votes calculated in accordance with the preceding clause (1) may be given to a single candidate or may be divided between any two or more candidates in such manner as the person voting may choose; and
 - (3) 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 elected.
- Retirement of a Director before completion of term** 63. A Director may retire from his office upon giving notice in writing to the Company of his intention so to do, and such resignation shall take effect upon acceptance by the Directors.

PROCEEDINGS OF DIRECTORS

- Meetings of Directors.** 64. The Directors may meet together for the despatch of business, adjourn and otherwise regulate their meetings and proceedings as they think fit. Provided always that they shall so meet at least twice a year.
- Quorum.** 65. The quorum necessary for the transaction of the business of the Directors shall not be less than one-third of their number or four whichever is greater. A meeting of the Directors at which a quorum is present shall be competent to exercise all powers and discretions for the time being exercisable by the Directors.
- Directors may summon meetings** 66. The Chairman or Chief Executive may at any time and shall upon the request of any Director convene a meeting of Directors. It shall not be necessary to give notice of a meeting of the Directors to a Director who is not for the time being resident in Pakistan. Questions arising at any meeting shall be decided by a majority of votes and in case of an equality of votes the Chairman shall have a second or casting vote.
- Directors may appoint a Chairman.** 67. The Directors may elect a Chairman of their meetings and determine the period for which he is to hold office, but if no such Chairman is elected, or if at any meeting the Chairman is not present at the time appointed for

acquire at such price and generally on such terms and conditions as they think fit and, subject to the provisions of Section 196 (3) of the Ordinance, to sell, let, exchange or otherwise dispose off absolutely or conditionally any part of the property, privilege and undertaking of the Company upon such terms and conditions and for such consideration as they may think fit.

To pay for property.

- (2) At their discretion to pay for any property, rights or privilege acquired by or services rendered to the Company either wholly or partially in cash or in shares, bonds, debentures or other securities of the Company, and any such shares shall be issued as fully paid up and any such bonds, debentures, or other securities may be either specifically charged upon all or any part of the property of the Company or not so charged.

To secure contracts by mortgage.

- (3) To secure the fulfilment of any contract, agreements or engagements entered into by the Company by mortgage of all or any of the property of the Company for the time being or in such other manner as they may think fit.

To appoint Trustees etc.

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

To draw bills

- (5) To make, draw, endorse, sign, accept, negotiate and give all cheques, bills of lading, drafts, orders, bills of exchange, participation term certificates, musharika certificates, term finance certificates, Government of Pakistan and other Promissory Notes and negotiable instruments or other redeemable capital documents required for the business of the Company.

To borrow with or without security and to make contracts.

- (6) Subject to the provisions of the Ordinance to raise or borrow or secure the payment of any sum or sums of money for the purpose of the Company.

To raise or secure the payment or repayment of such sum or sums in such manner and upon such terms and conditions in all respects as they think fit and in particular by the issue of debentures or debenture stock of the Company charged upon all or any part of the property of the Company (both present and future) other than its uncalled capital for the time being.

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

To appoint officers etc.

- (7) To appoint and at their discretion remove or suspend such Agents, Managers, Advisers, Secretaries, Officers, Clerks and Servants for permanent, temporary or special services as they may from time to time think fit and to determine their powers and duties and fix their salaries or emoluments and to require security in such instances and to such amount as they think fit.

holding the same, the Directors present shall choose one of their number to be Chairman of such meeting.

68. The Directors may delegate any of their powers not required to be exercised in their meeting to committees consisting of such member or members of their body as they think fit, any committee so formed shall in the exercise of the powers so delegated conform to any regulations that may be imposed on it by the Directors.

Directors may
appoint Committees

69. The meetings and proceedings of any such committees shall be governed by the provision herein contained for regulating the meetings or proceedings of the Directors so far as the same are applicable thereto and are not proceeded by any regulations made by the Directors under the last preceding article.

Meetings of
Directors how to
be governed.

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

Acts of Directors
or Committees'
valid.

71. A resolution in writing signed by not less than four Directors for the time being entitled to receive notice of a meeting of Directors shall be valid and effectual as if it had been passed at a meeting of Directors duly convened and held, provided that such resolution does not relate to the matters specified in Section 196(2) of the Ordinance.

Resolution by
Circular

(As per resolution passed in the Annual General Meeting of the share holders, held on April 21 2003)

72. The Directors shall cause minutes to be made in books provided for the purpose and record therein the names of the Directors present at each meeting of the Directors and of any Committee of the Directors and all resolutions and proceedings at all meetings of the Company and of the Directors and of Committees of the Directors.

Minutes of
Directors'
Meetings

Any such minute if purporting to be signed by the Chairman of the meeting at which the proceedings took place, or by the Chairman of the next succeeding meeting, shall be evidence of the proceedings.

POWERS OF DIRECTORS

73. The management of the business of the Company shall be vested in the Directors who in addition to the powers and authorities by these Articles or otherwise expressly conferred upon them may exercise all such powers and do all such acts and things as may be exercised or done by the Company as are not hereby or by the Ordinance expressly directed or required to be exercised or done by the Company in General Meeting, but subject nevertheless to the provisions of the Ordinance and of these Articles and to any regulations from time to time made by the Company in General Meeting; provided that no such regulation shall invalidate any prior act of the Directors which would have been valid, if such regulation had not been made.

General powers of
Company vested in
Directors.

74. Without prejudice to the general powers conferred by the Articles and to any other powers or authorities conferred by these presents on the Directors it is hereby expressly declared that the Directors shall have the following powers, that is to say, power:

Special powers
given to
Directors.

- (1) To purchase or otherwise acquire for the Company any property, rights or privileges which the Company is authorised to

To acquire and
dispose off property

- (8) To institute, conduct, defend, compound or abandon any legal proceedings by or against the Company or its Officers, or otherwise concerning the affairs of the Company, and also to compound and allow time for payment or satisfaction of any debts due, and of any claims or demands by or against the Company. **To bring and defend actions.**
- (9) To refer any claims or demands by or against the Company to arbitration and observe and perform the awards. **To refer to arbitration.**
- (10) To make and give receipts, release, and other discharges for money payable to the Company, and for the claims and demands of the Company. **To give receipts.**
- (11) Subject to the provisions of Sections 208 and 209 of the Ordinance to invest and deal with any of the moneys of the Company not immediately required for the purpose thereof upon such securities (not being shares in this Company) and in such manner as they may think fit, and from time to time to vary or realise such investments. **To invest moneys.**
- (12) To execute in the name and on behalf of the Company subject to the provisions of the Ordinance in favour of any Director or other person who may incur or be about to incur any personal liability for the benefit of the Company such mortgages of the Company's property (present and future) as they think fit, and any such mortgage may contain a power of sale and such other powers, covenants and provisions as shall be agreed upon. **To give security by way of indemnity**
- (13) To give to any person employed by the Company a commission on profits of any particular business or transactions or a share in the general profits of the Company, and such commission or share of profits shall be treated as part of the working expense of the Company. **To give percentages**
- (14) To give, award, or allow any bonus, pension, gratuity or compensation to any employee of the Company, or his widow, children, dependents that may appear to the Directors just or proper, whether such employee, his widow, children or dependents have or have not a legal claim upon the Company. **To give Bonuses, pensions etc.**
- (15) Subject to the provisions of the Ordinance, to set aside before recommending any dividends, any portions of the profits of the Company to form a fund to provide for such pension, gratuities or compensation, or to create any provident or benefit fund in such or any other manner as the Directors may deem fit. **To form a fund for pension etc.**
- (16) The Directors may, before recommending any dividend, set aside out of the profits of the Company such sums as they think proper as a reserve or reserves which shall, at the discretion of the Directors, be applicable for any purpose to which the profits of the Company may be properly applied, and pending such application, may, at the like discretion, either be employed in the business of the Company or be invested, subject to the provisions of the Ordinance, in such investments (other than shares of the Company) as the Directors may from time to time **To establish Reserves Fund**

think fit. The Directors may also without placing the same to reserve carry forward any profits which they may think prudent not to divide.

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| To make and alter rules | (17) To make and alter rules and regulations concerning the time and manner of payment of the contribution of the employees and the Company respectively to any such fund and the accrual, employment, suspension and forfeiture of the benefits of the said fund and the application and disposal thereof, and otherwise in relation to the working and management of the said fund as the Directors shall from time to time think fit. |
| To act in matters of Bankruptcy | (18) To act on behalf of the Company in all matters relating to bankrupts and insolvents. |
| To authorise acceptances etc. | (19) To determine who shall be entitled to sign on the Company's behalf bills, notes, receipts, acceptances, endorsements, cheques, releases, contracts and documents. |
| To appoint Attorneys | (20) From time to time, for the management of the affairs of the Company in different parts of Pakistan and/or elsewhere in such manner as they think fit, to appoint any persons to be the Attorneys and/or Agents of the Company in different parts of Pakistan and/or elsewhere with such powers to sub-delegate and upon such terms as may be thought fit. |
| Delegate powers. | (21) To delegate all or any of the powers hereby conferred upon them to such Managers, Officers, or persons, as they may from time to time think fit. |
| To make byelaws. | (22) From time to time, to make, vary and repeal bye-laws for the regulation of the business of the Company, its officers and employees. |
| To open accounts. | (23) To open accounts with any bank or banks or with any Company, firm or individual and to pay money into or draw money from any such account from time to time as the Directors may think fit. |

POWERS RELATING TO BUSINESS OF INSURANCE

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| Powers relating to Insurance. | 75. In addition to the powers conferred by the preceding clause No. 74, as special powers given to directors it shall be in the power and discretion of the Directors or of such persons as the Directors may appoint for that purpose:- |
| To fix rates of premium etc. | (1) To settle the form of policies, proposals and declarations and all other documents to be used in the business of the Company, to fix the rates of premium and the rates of payment which may be made by the Company for the surrender of policies of any description and from time to time to alter such rates. |
| To receive Proposals. | (2) To receive proposals and to grant or agree to grant assurances of any description. |
| To settle claims. | (3) To consider, pay and settle claims. |

- (4) All insurances, contracts and engagements, which shall be effected, made or entered into by the Company, and all other transactions in the course of the business of the Company shall be effected in such manner and form, at such rates, and upon such terms, conditions and securities and upon payment of such premiums as the Directors may think proper and determine. **Directors to determine conditions etc. of the Policies.**
- (5) The Directors may from time to time vary or alter the limits within which they will accept insurances as well upon any distinct property or securities or class of property as the amount or nature of any kind or species of risks against or with regard to which they will grant policies of insurance, or enter into any other liability in the course of the business of the Company. **Directors may fix limits etc. of Insurances.**
- (6) Policies will be signed by the Chief Executive or such Officers of the Company as may, from time to time, be determined by the Directors or the Chief Executive. **Policies how to be executed.**
- (7) The premiums payable in respect of insurances effected with or contracts or engagements entered into, by the Company shall be paid upon such terms and conditions in all respects as the Directors may think fit to permit. **Premiums how payable**
- (8) The Directors may, upon the application of any person entitled to the benefit of any insurance effected with or contracts entered into, by the Company, alter the same or the terms or the manner at or in which the premiums or other payments in respect of such insurance or contract may be payable, and make such premiums or payments payable at other times or in another manner than may have been originally agreed upon and return premiums paid upon any policy where the Directors consider the same ought not to have been paid or compound for premiums or alter or vary the terms or conditions upon which such insurance may have been effected or grant or enter into a new or other insurance policy or contract in lieu thereof or in exchange therefor or otherwise deal therewith. Provided always that every such alteration shall be evidenced by a memorandum signed in the same manner in all respects, as the instrument so altered may for the time being be required to be signed and sealed. **Power to alter Insurances.**
- (9) The Directors shall have full power and authority to discharge all claims arising from any policies of insurance granted by the Company upon such evidence of the claims as to the Directors may appear sufficient and with or without the personal indemnity of any person with whose character and responsibility the Directors shall be satisfied; and in case upon the application of any person who at the time of making such application shall to the satisfaction of the Directors, prove himself rightfully entitled to receive the sum or sums assured by any policy issued by the Company, which shall have become payable, such person shall be unable to produce the policy or whether producing or not producing the same shall be unable to establish a complete legal title to such policy or to give a discharge at law for the sum thereby assured or payable thereunder, then and in either of such cases if the Directors shall be satisfied that the failure to produce the policy has been occasioned by the loss or mislaying **Power to pay money in certain events.**

of the same and that such defect in the legal title of such person or his inability to give such discharge at law, does not extend to or affect his actual right to the policy or to the money to become payable thereunder, it shall be lawful for the Directors if they shall at their discretion think fit to pay the sum or sums which shall or may become payable under such policy of insurance with or without any such personal indemnity as aforesaid.

Sale of Vessels,
salvage etc.

- (10) The Directors shall also be empowered to sell and dispose off absolutely or otherwise and use and employ for the purposes of the Company in such manner and at such times and subject to such conditions of sale and other restrictions and limitations as they shall think proper all or any of the ships, vessels, craft, rigging, tackle, goods, merchandise, articles and things which shall come to or belong to the Company in respect of any policy by virtue of any abandonment or salvage or in any manner howsoever.

Reinsurances

- (11) The Directors may, from time to time or at any time in their discretion, reduce either wholly or partially the amount or extent of the risk for which the Company may be liable in respect of any policy of insurance or transaction by effecting a policy of insurance or otherwise contracting with any person or Company for that purpose upon such terms as they may arrange in each such case with such other person or company.

CHIEF EXECUTIVE AND MANAGING DIRECTOR

Appointment of
Chief Executive

76. (a) The Directors of the Company shall appoint a Chief Executive within 14 days from the date of election of directors or the office of the Chief Executive falling vacant, as the case may be. The person so appointed may be an elected director, but if he is not already a director, he shall be deemed to be its director and be entitled to all the rights and privileges and subject to all the liabilities of that office. If the Directors appoint a Director to be the Chief Executive such Chief Executive shall be designated as the Managing Director till the next election of Director or till he ceases to hold that office earlier than the next election of Directors.
- (b) Such appointment of Chief Executive shall not be for a period exceeding three years from the date of appointment. Upon expiry of such term, a Chief Executive shall be eligible for re-appointment.
- (c) The terms and conditions of appointment of a Chief Executive shall be determined by the Directors.
- (d) The Chief Executive shall act subject to the restrictions and removal as are provided in Sections 201 to 203 of the Ordinance.

SECRETARY

Appointment

77. The Secretary shall be appointed by the Directors, and any Secretary so appointed may be removed by them. Anything required or authorised to

be done by or to the Secretary by the Ordinance may, if the office of the Secretary is vacant or there is for any other reason no Secretary capable of acting, be done or by or to any Assistant or Deputy Secretary capable of acting, by or to any officer of the Company authorised generally or specially in that behalf by the Directors.

SEAL OF THE COMPANY

78. The Directors shall provide a Common Seal for the purpose of the Company, and shall have power from time to time to destroy the same and substitute a new seal in lieu thereof, and the Directors shall provide for the safe custody of the Seal for the time being and the Seal shall never be used except by the authority of the Directors or a Committee of the Directors previously given. Every deed or other instrument to which the Seal of the Company is required to be affixed shall, unless the same is executed by a duly constituted attorney for the Company, be signed by two directors at least in whose presence the Seal shall have been affixed and countersigned by a sub-officer of the Company as shall from time to time be authorised by the Directors for the purpose, provided nevertheless that certificates of shares may be sealed by such officer as aforesaid in the presence and under the signature of one Director only and of such officer.

The Seal and its Custody and use.

ACCOUNTS

79. The Directors shall cause to be kept proper books of accounts as required under Section 230 of the Ordinance and Section 10 of the Insurance Act.

Books of Account.

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

Place where account books kept.

81. The Directors shall from time to time determine whether and to what extent and at what time and place and under what conditions or regulations the accounts and books and registers or papers of the Company or any of them shall be open to the inspection of Members not being Directors, and no Member (not being a Director) shall have any right of inspecting any account and books or papers or documents of the Company except as conferred by the Ordinance or authorised by the Directors or by the Company in general meeting.

Books of account and their inspection

82. The Directors shall as required by Section-11 of the Insurance Act and Sections 233 to 236 of the Ordinance cause to be prepared and to be laid before the Company in General Meeting such revenue accounts, profit and loss account and balance sheets duly audited and reports as are referred to in those sections.

Balance Sheet and Profit & Loss and Revenue Accounts.

83. A copy of every balance sheet and profit and loss account which is to be laid before the Company in General Meeting, together with copies of the reports of the Directors and the Auditors shall, not less than twenty-one days before the date of the Meeting, be sent to the persons entitled to receive notices of General Meetings and to every holder of debentures in the Company in the manner in which notices are to be given hereunder, provided that this Article shall not require a copy of these documents to be sent to any person of whose address the Company is not aware or to more than one of the joint holders of any shares or debentures.

Copies of audited accounts and reports to be sent to Members.

RETURNS AND REGISTERS

- Returns** 84. The Company shall make the requisite returns in accordance with the provisions of the Ordinance and the Insurance Act.
- Registers** 85. The Company shall maintain registers in accordance with the provision of the Ordinance and the Insurance Act.

DIVIDENDS

- Declaration of Dividends.** 86. No dividend shall be payable except out of the profits of the Company and no dividend shall carry interest as against the Company. The declaration of the Directors as to the amount of the net profits of the Company shall be conclusive. The Company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Directors.
- Interim Dividend.** 87. The Directors may from time to time pay to the Members on account of the next forthcoming dividend such interim dividends as in their judgment the position of the Company justifies.
- Deduction out of Dividend.** 88. The Directors may deduct from any dividend or other moneys payable to any Member on or in respect of a share all sums of money, if any, presently payable by him to the Company on any account in relation to the share of the Company.
- Retention of dividend on shares pending transmission.** 89. The Directors may retain the dividends payable upon shares in respect of which any person is under the transmission clause entitled to become a member, of which any person under the clause entitled to transfer, until such person shall become a member in respect thereof or shall duly transfer the same.
- Payment of Dividend** 90. Any dividend or other moneys payable in cash on or in respect of a share may be paid by cheque or warrant sent by registered post to the registered address of the Member or person entitled thereto and in the case of joint holders who is first named on the Register, or to such person and to such address as the holder or joint holders may in writing direct. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent or to such person as the holder or joint holders may direct and payment of the cheque or warrant if purporting to be duly endorsed shall be a good discharge to the Company. Every such cheque or warrant shall be sent at the risk of the person entitled to the money represented thereby.
- If several persons are registered as joint holders of any share any one of them may give effectual receipt for any dividend or other moneys payable on or in respect of the share.
- Any dividend that has been declared shall be paid within the period laid down in Section 251.
- Unclaimed Dividend.** 91. All unclaimed dividends may be invested or otherwise made use of by the Directors for the benefit of the Company until claimed. No dividend shall bear interest as against the Company.
- Payment of Dividend by issue of specific assets.** 92. A General Meeting declaring a dividend may direct payment of such dividend wholly or in part by the distribution of specific assets, and in particular of paid up shares or debentures of any other Company, and the Directors shall give effect to such resolution and where any difficulty arises

in regard to the distribution they may settle the same as they think expedient and in particular may issue fractional certificates, and may fix the value for distribution of such specific assets or any part thereof and may determine that cash payments shall be made to any Members upon the footing of the value so fixed, in order to adjust the rights of Members, and may vest any specific assets in trustees upon trust for the persons entitled to the dividend as may seem expedient to the Directors, and generally may make such arrangements for the allotment, acceptance and sale of such specific assets or fractional certificates, or any part thereof, and otherwise as they think fit.

CAPITALISATION OF PROFITS AND RESERVES

93. The Company in General Meeting may, upon the recommendation of the Directors, resolve that it is desirable to capitalise any undivided profits of the Company (including profits carried and standing to any reserve or reserves) not required for paying any dividends due on any shares or, subject as hereinafter provided, any sum standing to the credit of share premium account and accordingly that the Directors be authorised and directed to appropriate the profits or sum resolved to be capitalised to the Members in the proportion in which such profits or sum would have been divisible amongst them had the same been applied or been applicable in paying dividends and to apply such profits or sum on their behalf in paying up in full unissued shares or debentures of the Company of a nominal amount equal to such profits or sum, such shares or debentures to be allotted and distributed, credited as fully paid up, to and amongst such Members in the proportion aforesaid provided that the share premium account may, for the purpose of this Article, only be applied in the paying up of unissued shares to be issued to Members as fully paid.

Capitalisation
of undistributed
profits and
reserves.

94. Whenever such a resolution as aforesaid shall have been passed the Directors shall make all appropriations and applications of the profits or sums resolved to be capitalised thereby, and all allotments and issues of fully paid shares or debentures, if any, and generally shall do all acts and things required to give effect thereto, with full power to the Directors to make such provision by the issue of fractional certificates or by payment in cash or otherwise as they think fit in the case of shares or debentures becoming distributable in fraction and also to authorise any person to enter on behalf of all the Members entitled thereto into an agreement with the Company, providing for the allotment to them respectively, credited as fully paid up, of any further shares to which they may be entitled upon such capitalisation and any agreement made under such authority shall be effective and binding on all such Members.

Implementation
of Resolution to
capitalise
profits.

AUDIT

95. Auditors shall be appointed and their duties regulated in accordance with Sections 252 to 257.

Appointment of
Auditors

NOTICES

96. Any notice or document may be served by the Company on any Member either personally or by sending it by post to such Member at his registered address. Where a notice or document is sent by post, service of the notice or document shall be deemed to be effected by properly addressing, prepaying and posting a letter containing the notice, and, unless the contrary

Notices to
Members.



For & on behalf of:
HABIB INSURANCE CO. LTD.
Company Secretary.

is proved, to have been effected at the time at which the letter would be delivered in the ordinary course of post.

Registered address of a Member.

97. A Member whose registered place of address is not in Pakistan may from time to time notify in writing to the Company an address in Pakistan which shall be deemed his registered address within the meaning of the last preceding Article.

Notice where no registered address

98. If a Member has no registered address in Pakistan, and has not supplied to the Company and address within Pakistan for the giving of notices to him, a notice addressed to him or to the share holders generally and published in newspapers in the manner provided in sub-section 3 or Section 50 shall be deemed to be duly given to him on the day on which the advertisement appears.

Notice to Joint holders.

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

Notice in case of transmission of shares.

100. 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, by the title of representatives of the deceased, or assignees 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.

101. Notice of every General Meeting shall be given in such 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 Pakistan for the giving of notice to them, and
- (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.

INDEMNITY

Indemnity to Directors and Officers.

102. Every Director, Agent, Auditors, Secretary and other officers for the time being of the Company shall be indemnified out of the assets of the Company against any liability incurred by him in defending any proceedings, whether civil or criminal, arising out of his dealings in relation to the affairs of the Company, except those brought by the Company against him, in which judgement is given in his favour or in which he is acquitted or in connection with any application under Section 488 in which relief is granted to him by the Court.

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