

The Companies Ordinance, 1984
(Public Company Limited by Shares)

Memorandum & Articles of Association



**Pakistan Railway Advisory And
Consultancy Services Limited**

- i. The name of the Company is "PAKISTAN RAILWAY ADVISORY AND CONSULTANCY SERVICES LIMITED".
- ii. The Registered Office of the Company will be situated in the Province of the Punjab.
- iii. The objects for which the Company is established are:
 1. To carry on the business of surveyors, consultants, advisers, designers, architects, builders, engineers and manufacturers of rolling stock, plant and machinery for maintenance, construction, development and improvement of railways, tramways, bridges, ferries, workshops and any branch of subsidiary businesses commonly carried on in connection therewith
 2. To carry on the business of reservation of passenger seats on modern lines for the Pakistan Railways and to provide such other services to the travelling public as may be deemed necessary.
 3. To carry on the business of advertisements on land and property belonging to or in possession of the Pakistan Railways at such places and in such manner as may be required by the Pakistan Railways and assist Pakistan Railways for the image building.
 4. To carry on the business of providing various services, including commercial management of Trains Ticketing, Reservation, Opening of booking agencies, Catering, Publicity, Carriage of luggage/Parcels in trains and at Railway Stations, Running of Tourist trains, arrange train trips for leisure & pleasure, preservation and increasing of railway heritage and organize running of heritage steam trains on Pakistan Railways network.
 5. To carry out commercial management of freight business on Pakistan Railways, explore new avenues for enhancing the freight traffic by suggesting measures for Pakistan Railways to go into joint venture with private train operators under the open access policy of Pakistan Railways, endeavour to study and prepare the feasibility plan for Pakistan Railways to go into joint ventures with private firms for establishing dry ports and inland container depot/terminals at various locations on the Railway network.
 6. To carry on the advisory business for management and implementation, assistance mainly in the fields of corporate strategy, management and information system, operations improvement, economic and policy studies, training of personnel, property development and real estate management in

such manner as may be required by Pakistan Railways and its subsidiaries.

7. To carry out field surveys, plan and investigate economics of route and alignment for new railway lines and prepare preliminary and feasibility reports.
8. To plan, design and supervise construction of railway lines, railway stations, bridges, overbridges, underbridges, tunnels, culverts, workshops, warehouse, factories, offices, staff quarters, railway facilities at ports and harbours and all works connected therewith.
9. To render technical assistance to foreign countries in connection with:
 - i. designing modernization, improvement and maintenance of railway installations, workshops, tracks, bridges, signaling system, telecommunication network, rolling stock and motive power;
 - ii. organisation and administration of Railway Department;
 - iii. modernization and improvement of train operations ; and
 - iv. establishment, maintenance and running of institutions for training railway personnel.
10. To manufacture, buy & sell, the rolling stock, plant and machinery, tools, goods or things of any description, which in the opinion of the Company may be conveniently dealt with by it in connection with any of its objects.
11. To purchase, take on lease, or otherwise acquire for the purposes of the Company, any estates, lands, buildings, easements or other interests in real estate and to sell, let on lease, or otherwise dispose of or grant rights over any real property belonging to the Company.
12. To purchase, or otherwise acquire, erect, maintain, reconstruct and adapt any offices, workshops, mills, plant, machinery and other things found necessary and convenient for the purposes of the Company.
13. To let on hire the whole or any part of the personal property of the Company on such terms as the Company shall determine.
14. To apply for and take out, purchase or otherwise acquire any designs, trade marks, patents, patent rights or inventions, copyright or secret processes, which may be useful for the Company's objects and to grant licences to use the same.

15. To receive money on deposit, with or without allowance of interest thereon.
16. To invest the moneys of the Company not immediately required in such manner, other than in the shares of this Company, as from time to time may be determined.
17. To draw, accept, make, endorse, discount and negotiate, bills of exchange, promissory notes and other negotiable instruments.
18. To borrow, raise money or secure obligations by the issue of debentures, debenture stock, bonds, mortgages, or any other securities, founded or based upon all or any of the property and rights of the Company or without any such security and upon such terms as to priority or otherwise, as the Company shall think fit.
19. To acquire by subscription, purchase or otherwise and to accept and take, hold and sell, shares or stock in any company, society or undertaking, the objects of which shall, either in whole or in part, be similar to those of this Company, or such as may be likely to promote or advance the interests of this Company.
20. To establish and support or aid in the establishment and support of associations, institutions, funds, trusts and conveniences calculated to benefit employees or Directors or past employees or Directors of the Company or the departments or connections of any such persons, to grant them pensions and allowances and make payments towards their insurance.
21. To carry out all or any of the objects of the Company and do all or any of the above things in any part of the world, either as principal, agent, contractor, or trustee, or otherwise and by or through trustees or agents or otherwise and either alone or in conjunction with others.
22. Generally to do all such other things as may appear to the Company to be incidental or conducive to the attainment of the above objects or any of them.
 - i. The liability of the members is limited.
 - ii. The Authorised Capital of the Company is Rs. 100,000,000/- (Rupees One Hundred Million only) divided into 100,000,000/- ordinary shares of Rs. 1/- each. The Company shall have the power to increase, reduce or reorganize the capital of the Company in accordance with the provisions of the Companies Ordinance, 1984.

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

Names, Addresses and Descriptions	Number of Share taken By each subscriber
1. MR. H. U. BEG Secretary to the Government of Pakistan, Ministry of Railways, Islamabad.	1
2. MR. M. A. AZIZ Chairman Railway Board, Lahore.	1
3. MR. HASAN ZAHEER Additional Secretary Ministry of Railways, Islamabad.	1
4. MR. S. S. ALI WAHIDI Member Engineering Railway Board, Lahore.	1
5. MR. RIYAZ H. BOKHARI Finance Member Railway Board, Lahore.	1
6. MR. GULZAR AHMED Member Traffic Railway Board, Lahore.	1
7. MR. BASHEER IBRAHIM Joint Secretary Ministry of Railways, Islamabad.	1

The Companies Ordinance 1984
(Public Company Limited by Shares)

Articles of Association of Pakistan Railway Advisory and Consultancy Services Limited

Public Company

Public Company

The Companies Ordinance 1984 (Public Company Limited by Shares)

Preliminary

1. The regulations in Table "A" in the First Schedule to the Companies Ordinance, 1984 shall not apply to the Company except as reproduced herein :
2. In these Articles, unless the context or the subject matter otherwise requires :
 - (a) "Articles" means these Articles as originally framed or as from time to time altered in accordance with law.
 - (b) "Board" means a meeting of the Directors duly called and constituted or as the case may be, the Directors assembled at a Board.
 - (c) "Company" means "PAKISTAN RAILWAY ADVISORY AND CONSULTANCY SERVICES LIMITED".
 - (d) "Directors" means the Directors for the time being of the Company or as the case may be, the Directors assembled at a Board.
 - (e) "Month" means calendar month according to the English Calendar.
 - (f) "Office" means the Registered Office for the time being of the Company.
 - (g) "Ordinance" means the Companies Ordinance, 1984 or any modification or re-enactment thereof for the time being in force.
 - (h) "Register" means, unless the context otherwise requires, the register of members to be kept pursuant to Section 147 of the Ordinance.
 - (i) "Seal" means the common or official Seal of the Company.
 - (j) "Section" means Section of the Ordinance.
 - (k) "Special Resolution" means the special resolution of the Company as defined in Section (2)(1)(36) of the Ordinance.
 - (l) Words importing masculine gender include the feminine gender.
 - (m) Words importing singular number include the plural number and vice versa.
 - (n) Expression referring to writing shall, unless the contrary intention appears, be construed as including references to printing, lithography, photography and other modes of representing or reproducing words in a visible form.
 - (o) Words importing persons shall include bodies corporate.
 - (p) The head notes are inserted for convenience and shall not affect the construction of these Articles.
 - (q) Unless the context otherwise requires words or expressions contained in these Articles shall bear the same meaning as in the Ordinance.

Public Company

3. Public Company

The Company is a Public Company within the meanings of Section 2(1)(30) of the Companies Ordinance, 1984.

Capital

4. Capital

The Authorised Capital of the Company is Rs. 100,000,000/- (Rupees One Hundred Million only) divided into 100,000,000 ordinary shares of Rs. 1/- each. The Company shall have the powers to increase, reduce or alter the capital in accordance with law.

5. Allotment of Shares

The Directors shall, as regards any allotment of shares duly comply with all of the Provisions of Section 68 to 73 as may be applicable to the Company.

6. Shares Certificates

Every person whose name is entered as a member in the Register shall, without payment, be entitled to receive within ninety days after allotment or within forty-five days of the application for registration of transfer, a certificate under the Seal specifying the share or shares held by him and the amount paid up thereon. Provided that, in respect of a share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate, and delivery of a Certificate for a share to one of several joint holders shall be sufficient delivery to all.

7. Issuance of New Certificates

If a Share Certificate is defaced, lost or destroyed, it may be renewed on payment of such fee, if any, not exceeding one rupee, and on such terms, if any, as to evidence and indemnity any payment of expenses incurred by the Company in investigating title as the Directors think fit.

8. Bar on use of Company Funds

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.

Transfer of Shares

9. Transfer

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 the share holder until the name of the transferee is entered in the Register of share holders

10. Form of Transfer

Shares in the Company shall be transferred, without fee, in the following form, or in any usual or common form which the Directors shall approve;

I of in consideration of the sum of Rs, Paid to me by of (hereinafter called the "Transferee") do hereby transfer to the Transferee the share(s) numbered to inclusive, in PAKISTAN RAILWAY ADVISORY AND CONSULTANCY SERVICES LIMITED to hold into the transferee, his executors, administrators and assigns, subject to the several conditions on which I held the same at the time of the execution hereof, and I, the Transferee, do hereby agree to take the said share (or shares) subject to the conditions aforesaid.

In witness whereof we set our hands this day of 20

Transferor

Transfree

Signature

Signature

Witnesses

Witnesses

Signature

Signature

Full Address:

Full Address:

11. Non-refusal of Transfer of Shares

The Directors shall not refuse to transfer any fully paid shares unless the transfer deed is defective or invalid. The Directors may also suspend the registration of transfer prior to the determination of entitlement or rights of the shareholders by giving seven days previous notice in the manner provided in the Ordinance. The Directors may decline to recognize 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.

12. Notice in case of Refusal

If the Directors refuse to register a transfer of shares, they shall within thirty (30) 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.

Transmission of Shares

13. Transmission

The executors, administrators, heirs, or nominees as the case may be, of a deceased sole holder of a share shall be the only persons recognized by the Company as having any title to the shares. In the case of a share registered in the names of two or more holders, the survivor or survivors, or executors or administrators of the deceased survivor shall be the only persons recognized by the Company as having any title to the share.

14. Election to Register or Transfer

Any person becoming entitled to a share in consequence of the death or insolvency of a member shall, upon such evidence being produced as may from time to time be required by the Directors, have the right, either to be registered as a member in respect of the share or, instead of being registered himself, to make such transfer of the share as the deceased or insolvent person could have made ; but the 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 the deceased or insolvent person before the death or insolvency.

15. Rights of Person entitled by Transmission

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 by the Company.

Alteration of Capital

16. Power to Increase Capital

The Company may from time to time, by special resolution increase the share capital by such sum, to be divided into shares of such amount, as the resolution shall prescribe.

Offer to existing Members

17. Subject to the Provisions of the Ordinance, all new shares shall, before issue be offered to such persons as at the date of the offer are entitled to receive notices from the Company of General Meetings in proportion, as nearly as the circumstances admit, to the amount of the existing shares to which they are entitled. 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 intimation from the person to whom the offer is made that he declines to accept the shares offered, the Directors may dispose of the same in such manner as they think most beneficial to the Company. The Directors may likewise so dispose of 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 regulation.

18. Conversion of Loan to Ordinary Shares

Subject to the provisions of Section 87 of the Ordinance, the Company may issue ordinary shares or grant option to convert into ordinary shares the outstanding balance of any loans advances or credit or other non-interest bearing securities and obligations or having a term of not less than three years in the manner provided in any contract with any scheduled bank or financial institution to the extent of twenty per cent (20%) of such balance.

19. Provisions applicable to new Shares

The new shares shall be subject to the same provisions with reference to transfer, transmission and otherwise as the shares in the original share capital.

20. Consolidation and Subdivision

The Company may, by ordinary resolution

- (a) Consolidate and divide its share capital into shares of larger amount than its existing shares ;
- (b) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the Company's Memorandum of Association, subject, nevertheless, to the provisions to clause (d) of sub-section (1) of Section (92).
- (c) Cancel any shares which at the date of passing of the resolution have not been taken or agreed to be taken by any person.

21. Reduction of Share Capital

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

General Meetings

22. Statutory Meeting

The Statutory General Meeting of the Company shall be held within the period required by Section 157.

23. Annual General Meeting

A General Meeting to be called Annual General Meeting, shall be held in accordance with provisions of Section 158, within eighteen months from the date of incorporation of the Company 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 as may be determined by the Directors.

24. Other Meetings

All General Meetings of the Company other than the Annual General Meetings shall be called Extraordinary General Meetings.

25. Extraordinary General Meeting

The Directors may whenever they think fit, call an Extraordinary General Meeting, and Extraordinary General Meetings shall also be called on such requisition, or in default, may be called by such requisitionists, as is provided by Section 159. If at any time there are not within Pakistan sufficient Directors capable of acting to form a quorum, any Director of the Company may call an Extraordinary General Meeting in the same manner as nearly as possible as that in which Meetings may be called by the Directors.

Notice and Proceedings of General Meetings

26. Notice of Meeting

Twenty one days notice at 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 by the Ordinance for the General Meeting, to such persons as are, under the Ordinance or the regulations of the Company, entitled to receive such notices 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.

27. Special Business

All business shall be deemed special that is transacted at an Extraordinary General Meeting, and also all that is transacted at an Annual General Meeting, with the exception of declaring a dividend, the consideration of the accounts, balance sheet and the reports of the Directors and auditors, the election of Directors, the appointment of and the fixing, of the remuneration of the auditors.

28. Quorum

No business shall be transacted at any General Meeting unless a quorum of members is present at that time when the meeting proceeds to business. Two members present personally who represent not less than twenty five per cent of the total voting power, either on their own account or as proxies shall be a quorum.

29. Effect of Quorum Not Being Present

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 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.

30. Chairman of Meeting

The Chairman of the Board of Directors, if any, shall preside as Chairman at every General Meeting of the Company, but if there is no such Chairman, or if at any meeting he is not present within fifteen minutes after the time appointed for the meeting, or is unwilling to act as Chairman, any one of the Directors present may be elected to be Chairman, and if none of the Directors is present, or willing to act as Chairman, the members present shall choose one of their member to be Chairman.

31. Adjournment

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 but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting.

32. Voting

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 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 of the proceedings of the Company shall be conclusive evidence of the fact, without proof of the number or proportion or the votes recorded in favour of, or against, that resolution.

33. Demand for Poll

A Poll may be demanded only in accordance with the provisions of Section 167.

34. If a Poll is duly demanded it shall be taken in accordance with the manner laid down in Section 168 and the result of the Poll shall be deemed to be the resolution of the meeting at which the Poll was demanded.

35. Manner of taking Poll

A Poll demanded on the election of Chairman or on a question shall be taken at once.

36. Time of taking Poll

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 have and exercise a second or Casting vote.

Votes of Members

37. Casting Vote

On a show of hands every member present in person shall have one Vote except for election of Directors in which case the provisions of Section 178 shall apply. On a Poll every member shall have voting rights as laid down in Section 160.

38. Voting by Joint Holders

In case of Joint holders, the Vote of the senior who tenders a Vote, whether in person or by proxy, shall be accepted to the exclusion of the Votes of the other Joint holders; and for this purpose seniority shall be determined by the order in which the names stand in the register.

39. Member of Unsound Mind

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

40. Voting by Corporation Representations

On a poll vote may be given either personally or by proxy. Provided that nobody corporate shall vote by proxy as long as a resolution of its Directors in accordance with the provisions of Section 162 is in force.

41. Proxy to be in Writing

The instrument appointing a Proxy shall be in writing under the hand of the appointer or of his attorney duly authorized in writing. A Proxy must be a member of the Company

42. Instrument appointing Proxy to be deposited

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 Registered Office not less than forty eight hours before the time for holding the meeting at which the person named in the instrument proposes to vote & in default the instrument of proxy shall not be treated as valid.

- 43.** An instrument appointing a proxy may be in the following form, or a form as near thereto as may be.

**Pakistan Railway Advisory and
Consultancy Services Limited**

44. Form of Proxy

I/We of (full address) being the member(s) of PAKISTANRAILWAY ADVISORY AND CONSULTANCY SERVICES LIMITED hereby appoint Mr. / Mrs. / Miss of (who is also member of the Company vide Registered Folio No. (being member of Company) as my /our Proxy to attend at and vote for my / us and on my / our behalf at the Annual / Extra Ordinary General Meeting of the Company to be held at on at and at any adjournment thereof.

45. Revocation of Authority

A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal or revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the share in respect of which the proxy is given, provided that no intimation in writing of such death, insanity, revocation or transfer as aforesaid shall have been received by the Company at the office before the commencement of the meeting or adjourned meeting at which the proxy is used.

Directors

46. Number of Directors

Unless otherwise determined by the Company in General Meeting the number of Directors shall not be less than seven.

47. First Directors

The following are the First Directors of the Company who shall hold office till the first Annual General Meeting.

- | | |
|-------------------------|-------------------------|
| 1. Mr. H. U. Beg. | 5. Mr. Riyaz H. Bokhari |
| 2. Mr. M. A. Aziz | 6. Mr. Gulzar Ahmed |
| 3. Mr. Hasan Zaheer | 7. Mr. Basheer Ibrahim |
| 4. MR. S. S. Ali Wahidi | |

Qualification of Directors

48. Save as provided in Section 187, no person shall be appointed as a Director unless he is a member of the Company and holds shares of the minimum value of Rs.5,000/- in his own name relaxable in the case of Directors representing interest holding shares.

49. Remuneration of Directors

The remuneration of a Director for performing extra services, including holding of the office of Chairman, and the remuneration to be paid to any Director for attending the meetings of the Directors or a committee of Directors shall from time to time be determined by the Board of Directors in accordance with law.

Chairman

50. Chairman

The Directors may from time to time appoint one of their members to be the Chairman of the Company for a period not exceeding three years on such terms and conditions as they deem fit. The Chairman shall preside over the meetings of the Board of Directors and members of the Company. In his absence, the Directors may elect one of them to preside over the Board Meeting. The questions arising at the meeting of the Directors shall be decided by a majority of votes. In the case of equality of votes, the Chairman, or the Director presiding over the meeting, as the case may be, shall have a casting vote.

Chief Executive

51 Chief Executive

The first Chief Executive of the Company will be appointed by the Board of

Directors within fifteen days from the date of incorporation of the Company who shall hold office till the first Annual General Meeting.

Powers and Duties of Directors

52. General Management powers

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

Borrowing Powers

53. Borrowing Powers and giving of Securities

The Board may from time to time borrow any money for the purposes of the Company from its members or from any other person, firms, companies, corporations, Government Agencies, institutions or the Directors may themselves lend moneys to the Company.

54. Raising Moneys

The Board may raise and secure payment of such sums of money in such manner and upon such terms and conditions in all respects as it may think fit, and in particular by the issue of TFC's bonds, perpetual or redeemable debentures or by mortgage or charge or other security on the whole or any part of the property, assets and rights of the Company (both present and future), of the Company.

55. Conditions of Bond/Securities

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

56. Special Powers to Issue Securities

Any TFC's, bonds, debentures or other securities may be issued with any special privileges as to redemption, surrender, drawing, convertibility into shares, attending and voting at General Meetings of the Company, appointment of Directors, and otherwise, provided that debentures with the right to vote or to be converted into shares shall be issued with the consent of the Company in General Meeting in terms of Section 114 of the Ordinance.

57. Power to appoint Attorney

The Directors may from time to time, by Power of Attorney under the Company's seal, appoint any person or persons to be the Attorneys of the Company for such purposes and with such powers, authorities, and discretions (not exceeding those vested in, or exercisable by, the Directors under these presents) and for such period and subject to such conditions as the Directors may from time to time think fit. Any such attorney(s) may, if authorised by the Directors, delegate all or any of the powers vested in him/them

58. Duties of Directors

The Directors shall duly comply with the provisions of the Ordinance and in particular with the provisions in regard to the registration of the particulars of mortgages and charges affecting the property of the Company or created by it, to the keeping of a register of the Directors, and to the sending to the Registrar of an annual list of members and a summary of particulars relating thereto and notice of any consolidation or increase of share capital, or subdivision of shares, and copies of Special Resolutions and a copy of the register of Directors and notifications of any changes therein.

59. Minutes Books

The Director shall cause minutes to be made in books provided for the purpose of:

- (a) all appointments of officers made by the Directors;
- (b) the names of the Directors present at each meeting of the Directors and of any Committee of the Directors;
- (c) all resolutions and proceedings at all meetings of the Company and of the Directors and of Committees of Directors;
- (d) and every Director present at any meeting of Directors or Committee of Directors shall sign his name in a book to be kept for that purpose.

Disqualification of Directors

60. Disqualification of Directors

No person shall become a Director of the Company if he suffers from any of the disabilities or disqualifications mentioned in Section 187 and, if already a Director, shall cease to hold such office from the date he so becomes disqualified or disabled or provided, however, that no Director shall vacate his office by reason only of his being a member of any company which has entered into contracts with, or done any work for the Company but such Director shall not vote in respect of any such contract or work, and if he does so his vote shall not be counted.

Proceedings of Directors

61. Meeting of Directors

The Directors may meet together for the despatch of business, adjourn and otherwise regulate their meetings, as they think fit. The quorum for Directors shall not be less than one-third or two, whichever is greater. Questions arising at any meeting shall be decided by a majority of votes. In case of an equality of votes, the Chairman shall have and exercise a second or casting vote. A Director may, and the secretary on the requisition of a Director shall, at any time, summon a meeting of Directors. It shall not be necessary to give notice of a meeting of Directors to any Director for the time being absent from Pakistan.

62. Chairman of Directors Meetings

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 within ten minutes after the time appointed for holding the same or is unwilling to act as Chairman, the Directors present may choose one of their number to be Chairman of the meeting.

63. Committee

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 restrictions that may be imposed on them by the Directors.

64. Chairman of Committee Members

A Committee may elect a Chairman of its meetings, but, if no such Chairman is elected, or if at any meeting the Chairman is not present within ten minutes after the time appointed for holding the same or is unwilling to act as Chairman, the members present may choose one of their member to be Chairman of the meeting.

65. Proceedings of Committee Members

A Committee may meet and adjourn as it thinks proper. Questions arising at any meetings shall be determined by a majority of votes of the members present. In case of an equality of votes, the Chairman shall have and exercise a second or casting vote.

66. Validity of Directors Act

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

67. Resolution in Writing

A resolution in writing circulated to all the Directors signed by all the effectual Directors or affirmed by them through telex or telegram shall be as valid and as if it had been passed at a meeting of the Directors duly convened & held.

Election and Removal Of Directors

68. Election & Term of Directors

At the first Annual General Meeting of the Company, all the Directors shall stand retired from office, and thereafter shall be re-elected in their place in accordance with Section 178 for a term of three years.

69. Eligibility for Re-election

A retiring Director shall be eligible for re-election.

70. Mode of Election

The Directors of the Company, unless the number of persons who offer

themselves to be elected is not more than the number of Directors fixed by the Board of Directors, shall be elected to office by the members in General Meeting in the following manner:

- (a) A member shall have such number of votes as is equal to the product of the number of voting shares or securities held by him and the number of Directors to be elected.
- (b) A member may give all his votes to a single candidate or divide them between more than one of the candidates in such manner as he may choose.
- (c) The candidate who gets the highest number of votes shall be declared elected as Director and then the candidate who gets the next highest number of votes shall be so declared and so on until the total number of Directors to be elected has been so elected.

71. Change in Number of Directors

Subject to the provisions of the Ordinance, the Company may from time to time in General Meeting increase or decrease the number of Directors.

72. Filling of Casual Vacancy

Any Casual vacancy occurring on the Board of Directors may be filled up by the Directors, but the person so chosen shall be subject to retirement at the same time as if he had become a Director on the day on which the Director in whose place he is chosen was last elected as Director.

73. Removal of Director

The Company may remove a Director but only in accordance with the provisions of the Ordinance.

Nominee Director

- 74. In addition to the elected Directors, the Financial Institutions shall be entitled, during the currency of their respective loan(s) to the Company, to appoint one person on the Board of Directors of the Company to be called Nominee Director and to recall and/or replace such a person from time to time. Such Nominee Director on the Board of Directors of the Company may not be holder of Share(s) in the Capital of the Company and the Articles 67 to 72 and other regulations and or rules pertaining to the election, retirement, qualification and/or disqualification of the Director shall not apply to him.

The Seal

75. Common Seal

The Directors shall provide a Common Seal of the Company which shall not be affixed to any instrument except by the authority of a resolution of the Board or by a committee of Directors authorised in that behalf by the Directors, and two Directors or one Director and the secretary of the Company shall sign every instrument to which the Common Seal is affixed.

76. Official Seal

The Directors may provide for the use in any territory, district or place not situated in Pakistan, of an Official Seal which shall be a facsimile of the Common Seal of the Company, with the addition on its face of the name of every territory, district or place where it is to be used. The provisions of Section 213 shall apply to the use of the Official Seal.

Dividends and Reserves

77. Declaration of Dividends

The Company in General Meeting may declare dividends but no dividend shall exceed the amount recommended by the Directors.

78. Interim Dividends

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

79. Dividends Payable out of Profits

No dividend shall be paid otherwise than out of profits of the year or any other undistributed profits.

80. Dividends Payable on Amount Paid on Shares

Subject to the rights of persons (if any) entitled to shares, all dividends shall be declared and paid according to the amounts paid on the shares, but if and so long as nothing is paid upon any of the shares in the Company, dividends may be declared and paid according to the amounts of the shares.

81. Reserve Fund

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 meeting contingencies, or for equalizing dividends, or for any other purpose to which the profits of the Company may be properly applied, and pending such application may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Directors may, subject to the provisions of the Ordinance, from time to time think fit.

82. Profit carried Forward

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

83. Capitalization of Reserve

Any General Meeting may resolve that any moneys, investments, or other assets forming part of the undivided profits of the Company standing to the credit of any reserve or other fund or in the hands of the Company and available for dividend (or representing premiums received on the issue of shares and standing to the credit of the shares premium account) be capitalized and distributed amongst such of the shareholders as would be entitled to receive the same if distributed by way of dividend and in the same proportions on the footing that they become entitled thereto as capital and that all or any part of such capitalized fund be applied on behalf of such shareholders in paying up in full, any unissued shares, debentures or debenture-stock of the Company which shall be distributed accordingly and that such distribution or payment shall be accepted by such shareholders in full satisfaction of their interest in the said capitalized sum.

84. Effect of Transfer

A transfer of shares shall not pass the right to any dividend declared thereon before the registration of the transfer.

85. Dividends to Joint Holders

If several persons are registered as joint holders of any share, any one of them may give effectual receipt for any dividend payable on the shares

86. Notice of Dividend

Notice of any dividend that may have been declared shall be given in the manner hereinafter mentioned to the persons entitled to share therein.

87. Period for Payment of Dividend

The dividend shall be paid within the period laid down in Section 251.

- 88.** All dividends unclaimed for six years after having been declared shall be kept in trust by the Company but may be invested or otherwise made use of by the Directors for the benefit of the Company until claimed.

Accounts

89. Books of Account

The Directors shall cause to be kept proper Books of Account as required under Section 230.

90. Place where Books kept

The Books of Account shall be kept at the Registered Office of the Company or at such other place as the Directors shall think fit and shall be open to inspection by the Directors during business hours.

91. Inspection by Members

The Directors shall from time to time determine whether and to what extent and at what time and places and under what conditions or regulations the accounts and books or papers of the Company or any of them shall be open to the inspection of members not being Directors, and no member (not being a Director) shall have any right of inspecting any Account and Book or papers of the Company except as conferred by law or authorised by the Directors or by the Company in General Meeting.

92. Annual Accounts

The Directors shall as required by Sections 233 and 236 cause to be prepared and to be laid before the Company in General Meeting such Profit and Loss Accounts and Balance Sheets and reports as are referred to in those sections.

93. Balance Sheet and Profit and Loss Account

A Balance Sheet, Profit and Loss Account, and other reports referred to in the preceding Article shall be made out in every year and laid before the Company in the Annual General Meeting made upto 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.

94. Copy of Accounts to be sent to Members

A copy of the Balance Sheet and Profit and Loss Account and reports of Directors and auditors shall, at least twenty one days preceding the meeting, be sent to the persons entitled to receive notices of General Meetings in the manner in which notices are to be given as hereinafter provided.

95. When Accounts Settled

Every Account of the Directors when audited and approved by a General Meeting shall be conclusive except as regards any errors discovered therein within three months next after the approval thereof. Whenever any such error is discovered within that period the account shall forthwith be corrected and thenceforth shall be conclusive.

96. Compliance with Ordinance

The Directors shall in all respect comply with the provisions of Sections 230 to 236

Audit

97. Audits

Once at least every year the accounts of the Company shall be audited and the correctness of Profit and Loss Account and Balance Sheet ascertained by one or more Auditors. The Auditors shall be appointed and their duties regulated in accordance with Sections 252 to 255 of the Companies Ordinance 1984.

Secretary

98. Secretary

The Board may appoint a Secretary of the Company who shall perform such functions and duties as are required in these Articles, or as may be directed by the Board.

Notices

99. Notice to Members etc.

Notices shall be given by the Company to Members and Auditors of the

Company and other persons entitled to receive notices in accordance with Section 50.

Secrecy

100. Secrecy

Every Director, Manager, Adviser, Auditor, Trustee, Member of a Committee, Officer, Servant, Agent, Accountant or other person employed in the business of the Company shall, if so, required by the Directors, before entering upon his duties, sign a declaration pledging himself to observe a strict secrecy respecting all transactions of the Company with its customers and the state of accounts with individuals and in matters relating thereto, and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when required to do so by the Directors or by any General Meeting or by any Court of Law and except so far as may be necessary in order to comply with any of the provisions in these presents.

101. Members access to Company premises

No member or other person (not being a Director) shall be entitled to enter upon the property of the Company or examine the Company's premises or properties without the permission of the Directors, and to require discovery of or any information respecting any detail of the Company's trading or any matter which is or may be in the nature of a trade secret, mystery of trade, or secret process or of any matter whatsoever which may relate to the conduct of the business of the Company and which in the opinion of the Directors will be inexpedient, in the interest of the members of the Company to communicate.

Reconstruction

102. Reconstruction

On any sale of the undertakings of the Company the Directors or the liquidators on a winding up may, if authorised by a Special Resolution, accept fully paid shares, debentures or securities of any other company, either then existing or to be formed for the purchase in whole or in part of the property of the Company, and the Directors (if the profits of the Company permit), or the liquidators (in a winding up), may distribute such shares or securities, or any other properties of the Company amongst the members without realization, or vest the same in trustees for them and any Special Resolution may provide for the distribution or appropriation of the cash, shares or other securities.

benefits or property, otherwise than in accordance with the strict legal rights of the members or contributories of the Company for the valuation of any such securities or property at such price and in such manner as the meeting may approve and all holders of shares shall be bound to accept and shall be bound by any valuation or distribution so authorised and waive all rights in relation thereto save only such statutory rights (if any) as are, in case the Company is proposed to be or in the course of being wound up, incapable of being varied or excluded by these presents.

Winding Up

103. Division and Distribution of Assets upon Dissolution

If the Company is wound up, the liquidator may, with the sanction of a Special Resolution of the Company and any other sanction required by Ordinance, divide amongst the members in specie or kind the whole or any part of the assets of the Company (whether they consist of property of same kind or not) and may, for such purpose, set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members. The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trust for the benefit of the contributories, as the liquidator with the like sanction, shall think fit, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

Indemnity

104. Indemnification

Every officer or agent for the time being of the Company may be indemnified out of the assets of the Company against any liability incurred by him in defending any proceedings, whether civil or criminal, arising out of his dealings in relation to the affairs of the Company, except those brought by the Company against him, in which judgment is given in his favour or in which he is acquitted, or in connection with any application under Section 488 in which relief is granted to him by the Court.

Arbitration

105. Difference to be Referred to Arbitration(s)

Whenever any difference arises between the Company on the one hand and

any of the members, their executors, administrators or assignees on the other hand, touching the true intent or construction, or the incident or consequences of these Articles or of the statutes or touching anything there or thereafter done, executed, omitted or suffered in pursuance of these Articles or of the statutes or touching any breach or alleged breach of these Articles, or any claim on account of any such breach or alleged breach, or otherwise relating to the premises, or to these Articles or to any statute affecting the Company or to any of the affairs of the Company, every such difference shall, as a condition precedent to any other action at law be referred in conformity with the Arbitration Act, 1940, or any statutory modification thereof and any rules made thereunder, to the decision of an Arbitrator to be appointed by the parties in difference or if they cannot agree upon a single Arbitrator to the decision of two Arbitrators of whom one shall be appointed by each of the parties in difference, or in the event of the two Arbitrators not agreeing, then of an umpire to be appointed by the two Arbitrators, in writing, before proceeding on the reference, and such decision shall be final and binding on the parties

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

Names, Addresses and Descriptions	Number of Share taken By each subscriber
1. MR. H. U. BEG Secretary to the Government of Pakistan, Ministry of Railways, Islamabad.	1
2. MR. M. A. AZIZ Chairman Railway Board, Lahore.	1
3. MR. HASAN ZAHEER Additional Secretary Ministry of Railways, Islamabad.	1
4. MR. S. S. ALI WAHIDI Member Engineering Railway Board, Lahore.	1

Names, Addresses and Descriptions**Number of Share taken
By each subscriber**

- | | | |
|----|---|---|
| 5. | MR. RIYAZ H. BOKHARI
Finance Member Railway Board,
Lahore. | 1 |
| 6. | MR. GULZAR AHMED
Member Traffic
Railway Board, Lahore. | 1 |
| 7. | MR. BASHEER IBRAHIM
Joint Secretary Ministry of
Railways, Islamabad. | 1 |



Pakistan Railway Advisory And
Consultancy Services Limited