

THE COMPANIES ACT, 2017

(COMPANY LIMITED BY SHARES)

MEMORANDUM OF ASSOCIATION OF PAKISTAN MERCANTILE¹ EXCHANGE LIMITED

I. NAME

The name of the Company is PAKISTAN MERCANTILE² EXCHANGE LIMITED, hereinafter referred to as the "Company".

II. REGISTERED OFFICE

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

III. OBJECTS

The objects for which the Company is established are as follows:-

- (1) To establish, conduct, regulate and control trade or business of futures commodity contracts in or outside Pakistan and to perform all allied and incidental functions in order to facilitate, set up and carry on the business of all kinds of commodities.
- (2) To maintain high standards of commercial honour and integrity, to promote and inculcate honourable practices and just and equitable principles of trade and business, to discourage and to suppress malpractices, to settle and decide points of practice, disputes, questions of usage, custom and courtesy in the conduct of trade and business.
- (3) To make and adopt regulations for grant and regulating the mode in which and conditions subject to which the Company may grant Licenses to the brokers to operate and conduct the business as the "Brokers Licencee" of the Company.
- (4) To construct, provide and maintain suitable buildings or works necessary for a Commodity Exchange and to regulate admission of Brokers to and prohibition of the use thereof and the nature and times of such user whether in the case of the general body or particular classes or any individual or firm or company; to provide forms of contracts compulsory or permissive and regulate the making, carrying out and enforcement or cancellation of contracts; to adjust by arbitration or otherwise controversies between persons engaged in the Commodity Trade; to establish just and equitable principles in the said Trade; to maintain uniformity of control of the said Trade; to fix or adopt standards of classification of Commodity; to acquire, preserve and disseminate useful information connected with the Commodity interest throughout all markets; to decrease or insure the local risk attendant upon business; and generally, to control, promote and regulate the Commodity Futures Trade in Pakistan; improve its stability and augment the facilities with which it may be conducted.
- (5) To establish and maintain or to arrange with or through a bank a Clearing House for the purpose of trade and dealing with Commodity Futures transactions, and to

¹ Replaced with National Commodity vide special resolution dated January 07, 2011

² Replaced with National Commodity vide special resolution dated January 07, 2011

- regulate admission to and prohibition of the user thereof and frame regulations under which such Clearing House shall function.
- (6) To regulate the handling exportation from and importation of Commodities into Pakistan.
 - (7) To indemnify shipowners, master proters and other such persons against claims in respect of any Commodity exported from or imported into Pakistan, in such manner and by such instruments as the Company may deem advisable.
 - (8) To levy, take, recover, and receive rates, tolls, charges and other sums of money; on, for and in respect of Commodity in which the Company and its Brokers are in any way interested or concerned.
 - (9) To facilitate the due shipment and delivery of Commodity and to consider all questions as to the loading, carriage by land or sea, delivery and insurance of Commodity and to take such action therein as the Company may think fit.
 - (10) To bring, prosecute or defend, or aid in bringing, prosecuting or defending any suits, actions, proceedings, applications or arbitrations on behalf of Brokers or otherwise as the Directors of the Company may think proper or conducive to the objects of the Company.
 - (11) To obtain Acts of sanctions of the Government of Pakistan or the Provincial Governments or any other Government agency for enabling the Company to carry all or any of its objects into effect, or for amending the laws affecting any persons dealing in or handling Commodity and to promote, support or oppose legislative or other measures affecting the aforesaid trade or interest.
 - (12) To prescribe the principle of framing of contracts with a view to eliminate the temptation and possibility of speculative manipulation.
 - (13) To make and adopt from time to time Rules and Regulations for the control and regulation of trade, Brokers and of Commodity dealings in Pakistan and without prejudice to this generality for the maintenance and use or prohibition of the use of Clearing House or Clearing Houses, whether in the case of the general body or particular classes or any individual or firm or company using the same and the nature and times of such user; determining the classes of contracts and the obligations in respect of which differences shall be paid through a Clearing House; fixing and declaring market rates and settlement dates; the opening and closing of markets in Commodity and the times during which they shall be open or closed; the making, performance and determination of contracts and the consequences of death, supervening incapacity, insolvency, or breach of contracts; the forms of contracts to be used whether permissive or compulsory; the prohibition of specified classes of dealings and the time during which such prohibition shall operate; the prevention of and dealing with "Corners" or "Bear Raids" in any and every kind of Commodity and Commodity transactions so as to prevent or stop or mitigate undue speculation inimical to the Trade as a whole; the course of business between Brokers inter se or between any of them on the one hand and their constituents on the other hand, the forms of contracts between them and their rights and liabilities to each other in respect of dealings in commodities; the fixing of brokerage, commission and such other charges; the levying, compelling

payment of and recovering fines, fees, penalties and subscriptions in connection with any of the objects of the Company before or after mentioned: the arbitration and settlement of all manner of disputes or difficulties in connection with the said Trade; disciplinary Regulations including provision for suspension and expulsion of the Brokers; the appointment of Committees for the furtherance of any of the object or powers, express or implied of the Company including without prejudice to this generality Daily Rates Committees, Arbitration Committees, Appeal Committees, Trade Supervision Committees, Clearing House Committees, Standards Committees, Building Committees, Rules and Regulations Committees, or any other Committees requisite or expedient for the purposes of the Company or any of them, and to determine their powers, duties and remuneration, if any, and the conditions under which they are to hold office and operate.

- (14) 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, and in particular any land, buildings and easements.
- (15) To build, acquire and manage Commodity warehouses, to warehouse Commodity and to undertake the transport of Commodity to and from such warehouse and elsewhere in Pakistan.
- (16) To insure, sell, improve, manage, develop, lease, mortgage, dispose of, or otherwise deal with all or any part of the property of the Company.
- (17) To insure the property of Company or Brokers against loss by fire.
- (18) To communicate with Chambers of Commerce and other Mercantile and Public Bodies in and outside Pakistan and concert and promote measures for the protection of the Commodity trade.
- (19) To license brokers, upon such terms and conditions as the Company may prescribe from time to time.
- (20) To provide for weighing, measuring or sampling of commodities either by licensing weighmen, measurers or samplers or by engaging servants under the Company to carry out any or all of these functions upon such terms and conditions to be observed by the licensees and with such fees payable by Brokers for these services as may be determined from time to time by the Company.
- (21) To establish and support or aid in the establishment and support of Associations, institutions, funds, trusts, and conveniences calculated to benefit the Brokers, servants or ex-servants of the Company or the dependents or connections of such persons, and to grant pensions and allowances and to make payments towards insurance and to subscribe or guarantee money for any charity or benevolent object or for any exhibition or for any public general or useful object.
- (22) To subscribe to become a member of, and cooperate with any other Company whether incorporated or not whose objects are altogether, or in part, similar to those of this Company and to procure from and communicate to any such Company such information as may be likely to forward the objects of the Company.

- (23) To invest or advance the moneys of the Company upon such securities or without any security, and with or without profit, as may from time to time be determined.
- (24) To receive money on deposit at profit or otherwise.
- (25) To raise money in such other manner as the Company shall think fit, and in particular by the creation and issue of debentures or debenture stock charged upon all or any of the Company's property (both present and future).
- (26) To enter into partnership, or into any arrangement for sharing profits, union of interests or cooperation with any person, firm, company, association, or institution or public body, or administration carrying on or interest in, or about to carry on, or be interested in any business which this Company is authorized to carry on, or any business or transaction capable of being conducted so as directly or indirectly to benefit this Company and to take or otherwise to acquire and hold shares or stocks or debentures or bonds of or in any such concern.
- (27) To promote any other company for the purpose of acquiring all or any part of property and liability of this Company, or of advancing directly or indirectly the objects or interest thereof and to take or otherwise acquire and hold shares, stocks or debentures in any such company and to guarantee the payment of any debentures or other securities issued by any such Company.
- (28) To take or otherwise acquire and hold shares in any other Company having objects altogether or in part similar to those of this Company, or carrying on any business capable of being conducted so as directly or indirectly to benefit this Company or the Brokers.
- (29) To purchase and otherwise acquire and undertake all or any part of the business, property, and liabilities of any person or Company carrying on any business which this company has to carry on, or possess property suitable for the purpose of this Company.
- (30) To sell 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.
- (31) To enter into any arrangements with any Government, and any local or other Authorities Railway, Municipal or otherwise which may seem conducive to the Company's objects or any of them, and to obtain from any such Government, or Authority any powers, rights, licenses, privileges, or concessions which the Company may think fit and desirable to obtain; and to carry out, exercise and comply with any such arrangements, rights, licenses, privileges and concessions.
- (32) To assign, seal, execute and deliver all instruments, deeds, documents and writings whatsoever usual, necessary or expedient in relation to the Company or its affairs or interests whether as grantors, consenters, or otherwise and to do the foregoing and all such other things as are incidental or conducive to the attainment of the above objects or any of them in any capacity whether as principals, or agents, or trustees or beneficiaries or otherwise.

- (33) To initiate, facilitate, promote, assist, undertake and manage all activities in relation to commodity, facilitating intra and inter market dealings and generally to facilitate clearing and settlement of transactions in Commodity dealings of all kinds.
- (34) To settle disputes and to decide all questions of trading, clearing and settlement methods, practices, usages, or custom in the conduct of trade and business of the Company, of clearing members and of all other concerned persons.
- (35) To fix, prescribe, charge, recover, receive security deposits, admission fee, fund subscriptions, subscription from clearing members of the Company and also to fix, prescribe, charge, recover and receive deposits, margins, penalties, ad-hoc levies and other charges.
- (36) To take part in the management of or setting up of an advisory or research division or divisions and to act as consultants and advisers in the field of clearing and settlement and to enter into an association or other arrangement with any other Commodity Exchange or other person or entity dealing in Commodities.
- (37) To acquire, preserve, and disseminate useful information connected with the business of the Company.
- (38) To subscribe to, become a member of, subsidize and cooperate with any association, whether incorporated or not, whose objects are altogether, or in part, similar to those of the Company, and to procure from, and communicate to any such association, such information as may be likely to further the objects of the Company.
- (39) To promote and undertake the formation and establishment of such institutions, business, pools, combines, syndicates as may be considered to be conducive to the interests of the Company.
- (40) To employ experts, consultants, advisers and appoint agents (not being managing agents) and constituted attorneys in connection with the business of the Company.
- (41) To give guarantees and indemnities for the payment of money or the performance of contracts or obligations and to enter into undertakings, obligations, agreements, contracts and other instruments in connection with the business of the Company.
- (42) To borrow any moneys for the purposes of the Company from the members or from any other persons, firms, companies, corporations, Government agencies, institutions or banks, multilateral and/or other international financial institutions and banks and secure the payment of money in such manner as the Company shall think fit.
- (43) To carry on such other business which the Company is capable of doing in connection with any business of the Company or calculated directly or indirectly to enhance the value of, or render profitable, any of the Company's property or rights for the time being.



- (44) To grant funds, donations, annuities, pensions, allowances, gratuities, bonuses to any employee or employees of the Company or any dependent thereof or to any charitable, religious, social, scientific, educational, industrial institutions or organizations.
- (45) Subject to the provisions of the Companies Ordinance, 1984, to receive, declare and distribute profits and to capitalize such portion of the profits of the Company as are not distributed among the members of the Company in the form of dividends and as the Directors of the Company may think fit, and to issue bonus shares, as fully paid-up, in favor of the members of the Company and to sell, improve, manage, develop, exchange, lease, mortgage, enfranchise, dispose of, turn to account or otherwise deal with, all or any part of the property, assets or undertaking of the Company for such consideration as the Company may think fit, and in particular for shares, stocks, debentures, or other securities of any other company whether or not having objects altogether or in part similar to those of the Company, and to distribute among the members in specie any property of the Company, or any proceeds of the sale or disposal of any property of the Company, whether or not such property or proceeds, are obtained in winding-up.
- (46) To amalgamate, consolidate, or merge, either in whole or in part, with any other company or entity carrying on business of a similar nature to that which this Company is authorized to carry on.
- (47) To invest surplus funds of the Company in any manner as the Company deems fit.
- (48) To do all and everything necessary, suitable or proper or incidental or conducive to the accomplishment of any of the purposes or the attainment of any of the objects or the furtherance of any of the powers hereinbefore set forth, either alone or in association with other corporate bodies, firms, or individuals and to do every other act or thing incidental or appurtenant to or arising out of or connected with the business or powers of the Company or part thereof, provided the same be lawful.

It is expressly declared that the several sub-clauses of this clause and all the powers expressed therein are to be cumulative but in no cases unless the context expressly so requires is the generality of any one sub-clause to be narrowed or restricted by the name of the Company or by the particularity of expression in the same sub-clause or by the application of any rule of construction such as the ejusdem generis rule, and accordingly none of such sub-clauses or the objects therein specified or the power thereby conferred shall be deemed subsidiary or auxiliary merely to the objects mentioned in any other sub-clause of this clause, and the Company shall have full power to exercise all or any of the powers conferred by any part of this clause in any part of the world.

IV. LIABILITY

The liability of Members is limited.

V. SHARE CAPITAL

³ The authorised share capital of the company is Rs 1,000,000,000 (Rupees One Billion) divided into 100,000,000 (One Hundred Million) ordinary shares of Rs 10 each. The

³ Clause V was replaced vide special resolution dated May 10, 2019

We, the several persons whose names and addresses are subscribed below, 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 our respective names.

Sr. No.	Name and Surname Present and former in full (Block Letters)	Father's Name Name in Full	Nationality with any former Nationality	Occupation	Residential Address	Number of Shares taken by each Subscriber	Signatures
1.	Mr. SALIM CHAMDIA Nominee-KSE	A. GHAFFAR CHAMDIA	Pakistani	Business	5-A, 32nd Street, Saba Avenue, Phase-V, Extension, D.H.A., Karachi	1 (One)	Sd/-
2.	Mr. ABDUL MAJEED ADAM Nominee-KSE	ADAM	Pakistani	Business	F-26, Taj Mahal, Faiz Muhammad Fateh Ali Road, Near Haggani Chowk, Karachi	1 (One)	Sd/-
3.	Mr. ABID ALI HABIB Nominee-KSE	ABA ALI HABIB	Pakistani	Business	F-51, Block-8, Kehkashan, Clifton, Karachi	1 (One)	Sd/-
4.	Mr. ARIF Nominee-KSE	H. YOUSUF SAYA	Pakistani	Business	C-91, Dhoraji Colony, Karachi	1 (One)	Sd/-
5.	Mr. HAROON IQBAL Nominee-KSE	IQBAL	Pakistani	Business	93, Khayaban-e-Amir Khusro Road, D.H.A, Phase-VI, Karachi	1 (One)	Sd/-
6.	Mr. MUNAF Nominee-KSE	USMAN MEHENTI	Pakistani	Business	206, UBL Flat Gurumandir, Karachi	1 (One)	Sd/-
7.	Mr. ZAFAR MOTI Nominee-KSE	SIDDIQUE MOTI	Pakistani	Business	C-35, Dhoraji Colony, Karachi	1 (One)	Sd/-
8.	Mr. MUHAMMAD YACOOB MEMON Nominee-KSE	ABDUL HABIB	Pakistani	Service	345-B, Adamjee Nagar, Karachi	1 (One)	Sd/-
TOTAL NUMBER OF SHARES TAKEN						8 (Eight)	

Dated the 20th day of April 2002

Witness to above signatures:

Signature: Sd/-

Name: Ghulam Hussain

Father's Name: Haji Dawood

Occupation: Service

Full Address: Karachi Stock Exchange (Guarantee) Limited, Karachi

Certified to be true Copy
31-8/02
Additional Joint Registrar of Companies
Karachi