

THE COMPANIES ORDINANCE, 1984

**[COMPANY LIMITED BY SHARES PURSUANT TO THE ORDER NO. 1/2016 OF THE
SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN DATED JANUARY
11, 2016 APPROVING SCHEME OF INTEGRATION DATED OCTOBER 28, 2015
BETWEEN KARACHI STOCK EXCHANGE LIMITED AND LAHORE STOCK
EXCHANGE LIMITED]**

**MEMORANDUM OF ASSOCIATION
OF
LSE FINANCIAL SERVICES LIMITED**

1. NAME

The name of the Company is "*LSE Financial Services Limited*".

2. REGISTERED OFFICE

The Registered Office of the Company will be situated in the province of Punjab.

OBJECTS

The objects for which the Company is established are and it is expressly declared that the several sub-clauses of this clause and all the powers thereof are to be cumulative and in no case is the generality of any one sub-clause to be narrowed or restricted by any particularity of any other sub-clause nor is any general expression in any sub-clause to be narrowed or restricted by any particularity of expression in the same sub-clause or by the application of any rule of construction *ejusdem generis* or otherwise and that any reference to the superseded/rescinded statutes or regulatory authorities shall be construed to be reference to the modified/ substitute statutes and regulatory authorities in place for the time being.

To carry on the following activities subject to requisite approval/registration/licensing requirement of relevant regulatory authority.

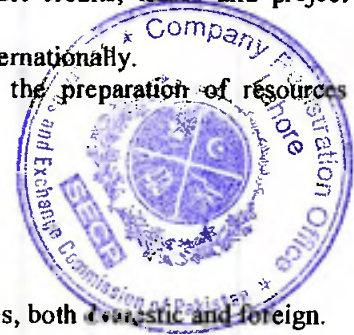
- (i) To carry on investment finance business in Pakistan and any other part of the world.
- (ii) To operate as a Non-Banking Finance Company and to engage in one or more forms of business including investment finance services, leasing, discounting services, and housing finance services in Pakistan and in any other part of the world.

Subject to law, to issue short-term paper of its own or certificates of deposit or investment not less than 30 days maturity.

To trade in commercial paper issued by its clients, Government securities, promissory notes, bankers' acceptances and other money market instruments, acting either through a subsidiary as a broker or acting on its own account.

To assist in the issue of commercial paper, including introduction of companies to the money market, preparation of documentation, distribution and market-making.

- 3.5 To act through a subsidiary as a broker or on its own account in the Call Money Market.
- 3.6 To provide professional analysis of securities to both institutional and individual investors, in accordance with law.
- 3.7 To issue long-term certificates of deposit or Investment and underwriting of stocks and shares, short and long term Participation Term Certificates and such other negotiable term obligations of corporations and financial institutions, Acting singly or jointly as manager, underwriter and distributor of such issues and taking an active part in all stages of preparation for such issues either public issues or private placements.
- 3.8 To provide margin loans to individual and institutional investors.
- 3.9 To offer cash management accounts, security management accounts and to enable clients to shift at their discretion among various investment alternatives.
- 3.10 To make investments in projects through underwriting of public issue of stocks and shares and securities, short-term and long-term Participation Term Certificates and Term Finance Certificates of varying features.
- 3.11
- (i) To guarantee and counter-guarantee loans and obligations, including establishment of documentary credits.
 - (ii) To open letters of credit, both foreign and inland.
- 3.12 To provide all types of corporate financial services; to act as advisors and financial agents for and to assist companies, corporations, firms, businesses, undertakings, entities, governments, governmental, local and municipal agencies and institutions and other persons in
- (i) Obtaining direct bank loans, syndicated loans, export credits, leases and project finances both domestically and abroad.
 - (ii) Private placement of debt equity, domestically and internationally.
 - (iii) Corporate or financial restructuring as well as in the preparation of resources mobilization plans.
 - (iv) Mergers, acquisitions, divestitures and privatizations.
 - (v) Book Building of listed companies
- 3.13 To assist companies with cash management systems.
- 3.14 To prepare feasibility, market or industry studies for companies, both domestic and foreign.
- 3.15 To raise equity, such as through venture capital, for new and existing companies, by acting as a financial intermediary.
- 3.16 To carry on the following activities subject to requisite approval of the stock exchange(s)/Securities and Exchange Commission of Pakistan (SECP) or the relevant regulatory authority:
- (i) Act as authorized seller for securities and certificates, denominated in local or foreign currency, issued by Federal or Provincial Governments, statutory bodies, and state-owned corporations, including instruments of National Savings Schemes (NSS).
 - (ii) Provide safe deposit vaults to clients.
 - (iii) Handle payments and collections for clients.



- (iv) Act as custodian for securities owned or held by clients pursuant to their instructions and provide each or any of the following services; custody of securities, placing or execution of orders for purchase or sale of securities, receipt of dividends and other income on securities, execution of voting and other rights in connection with securities, holding the securities in the name of investment finance companies on behalf of their clients and transacting aforesaid activities through nominees, agents or attorneys.

3.17 To carry on any or all of the following businesses:

- (i) To carry on and undertake the business of leasing and lease operations of all kind, purchasing, selling, hiring or letting on hire all kinds of property, plant, machinery and equipment and to provide assistance to others for the acquisition of property, plant and equipment of every kind and description on lease and to deal in all kinds of movable and immovable property including land, buildings, plant, machinery, equipment, ships, aircraft, automobiles, computers and all consumer, commercial and industrial items and to lease out or otherwise deal with them in any manner whatsoever and to provide leasing and related advisory and counselling services, and to carry on and undertake the business of hire purchase, purchasing, selling on hire purchase of all kinds of property, plant and machinery and equipment and to deal in all kinds of movable or immovable property, and to purchase properties movable or immovable for being leased out or for being sold on hire purchase basis or on deferred payment basis.
- (ii) To undertake all or any one or more of the business of buying, selling, leasing, letting on hire, hire purchase or easy payment system or manufacturing and contractors of and dealers in industrial machinery and equipment, business appliance, installations, fittings, agricultural implements, and machinery of all sorts, vehicles of all kinds and descriptions, and all other property of all kinds whatsoever, whether movable or immovable.
- (iii) To carry on the business of a leasing company, hire purchase company and finance company, and to undertake and/or arrange or syndicate all types of leasing and hire purchase business relating to all kinds of machinery, tools, plant, equipment, implements, agricultural implements, automobiles, ships, vehicles, aircraft, rolling stock, computers, storage tanks, toll roads, communication equipment, factories, appliances, apparatus, utensils, furniture, requisites and accessories, properties both movable and immovable, and all other consumer, commercial, industrial and domestic articles goods and things of whatsoever nature or description.

3.18 To enter into financing contracts and to mobilize resources in local and foreign currencies consistent with the objects of the Company.

✓ 3.19 To undertake, carry on and execute operations which may seem to be capable of being conveniently carried on in connection with any of these objects or calculated directly or indirectly to enhance the value of or facilitate the realization of or render profitable any of the Company's property or rights.

3.20 To undertake and execute any trusts, the undertaking whereof may seem desirable, either gratuitously or otherwise and in particular to act as depository of any shares or securities and as agents for transmission or collection of money and the purchase, sale, improvement or development and management of projects and enterprises and property or any company, firm or person.

- 3.21 To act as trustees of any deeds constituting or securing any term participation certificates, notes, bonds or other securities and obligations issued or guaranteed by any company constituted or carrying on business in Pakistan and term participation certificates, notes, bonds and other obligations and securities issued or guaranteed by any Government, State, Dominion, Sovereign, Ruler, Commissioner, Public Body or Authority, Supreme, Municipal, Local or otherwise, financial institution, firm or person and to deal with and turn to account the same provided always that no unlimited liability on the company shall be incurred thereby.
- 3.22 To act as trustees of any deeds constituting or securing any term participation certificates or other securities or obligations and to undertake and execute any other trusts, and also to undertake the office of or exercise the powers of executors, administrators, receivers, treasurers, custodians and trust corporations.
- 3.23 To amalgamate with or enter into partnership or any joint venture or profit sharing arrangement with, or cooperate or participate in any way with any company or person carrying on or proposing to carry on any business within the objects of the Company.
- 3.24 To procure the registration or recognition of the Company in, or under the laws of Pakistan, and any place outside Pakistan.
- 3.25 To take such steps as may be necessary to give the Company the same rights and privileges in any part of the world as are possessed by local companies or partnerships of a similar nature.
- 3.26 To appoint trustees (whether individuals or bodies corporate) to hold securities on behalf of and to protect the Interests of the Company.
- 3.27 To prosecute and execute directly, or by contributions or other assistance or participation, any such or any other works, undertakings, projects or enterprises, in which, or for the prosecution whereof, or on the security whereof or of any profits or emoluments derivable therefrom, the Company shall have invested money, encumbered capital, or engaged its credit.
- 3.28 To carry on any operations or activities whatsoever which can, in the opinion of the Company, be advantageously or conveniently carried on by the Company by way of extension of, or in connection with, any such business as aforesaid or is calculated directly or indirectly to develop any branch of the Company's business or to increase the value of, or turn to account, any of the Company's assets, property or rights.
- 3.29 To hold in the names of other persons property, valuable, money and profit subject to Section 209 of the Companies Ordinance, 1984.
- 3.30 To borrow and raise money and to secure and discharge any debt or obligation or binding on the Company after the commencement of business for the objects of the Company in such manner as may be thought fit, and in particular by mortgages of or charges upon the undertaking and all or any of the immovable and movable property (present and future), of the Company, or by the creation and issue, on such terms as may be thought expedient, of term participation certificates or other securities of any description, and to issue any other Company's shares, stocks, securities or other obligations for such consideration (whether for cash, services rendered or property acquired or otherwise) and on such terms as may be thought fit.
- 3.31 To sell, improve, manage, develop, exchange, mortgage (with or without a power of sale) let on rent, share profit, royalty or otherwise to grant licenses, easements, options, servitudes

- and other rights over and in any other manner to deal with or dispose of the undertakings, immovable and movable property, assets, rights and effects of the Company, or any part thereof, for such consideration as may be thought fit, and in particular for stocks, equity funds and other funds, fully paid-up shares, debenture stock or other obligations or securities of any other company.
- 3.32 To obtain or acquire by application, purchase, license or otherwise, and to exercise and use and grant licenses to others to exercise and use patent rights, *brevets d'invention*, concessions or protection in any part of the world for any invention, mechanism or process, secret or otherwise, and to declaim, alter or modify such patent rights or protection, and also to acquire use and register trade-marks, trade names, registered or other designs, rights of copyright or other rights or privileges, in relation to any business for the time being carried on by the Company.
- 3.33 To draw, make, endorse, accept, discount, execute and issue bankers acceptances, commercial paper, promissory notes, bills of exchange, bills of lading, warrants, terms participation certificates, and other negotiable or transferable instruments for the objects of the Company.
- 3.34 To acquire and dispose of or to otherwise take over, undertake and carry on, wholly or in part for shares or cash or otherwise howsoever and as a going concern or otherwise, all or any part of the projects, enterprises, business, property, good-will, assets and liabilities of any person or company engaged in the manufacturing, trading, transportation and dealing otherwise in the industrial, agricultural, mineral consumers and other products of all kinds in satisfaction or settlement of claims, **subject to prior approval of SECP.**
- 3.35 To establish or promote, or concur or participate in establishing or promoting ~~any company~~ whose objects shall include the acquisition of all or any of the property or liabilities of the Company, or the promotion of which may seem directly or indirectly calculated to benefit the Company.
- 3.36 To enter into any arrangement with any Government or Authorities, Federal, Provincial, Autonomous, Semi-Autonomous, Municipal, Local or otherwise, that may seem conducive to the Company's objects or any of them, and to obtain from ~~any~~ such Government or Authority all rights, privileges and concessions which the Company may think desirable to obtain and to carry out, exercise and comply with any such arrangements, ~~rights, privileges and concessions.~~
- 3.37 To remunerate any person or company rendering services to the Company, either by cash payment or by the allotment to him or them of shares or securities of the Company, credited as paid up in full, or otherwise as may be approved from time of time by the Board.
- 3.38 To remunerate the Directors, officials and servants of the Company and others out of or in proportion to the returns or profits of the Company or otherwise as the Board may think proper, and to formulate and carry into effect, any scheme for sharing the profits of the Company with employees of the Company or any of them, **subject to prior approval of SECP.**
- 3.39 To pay all or any expenses incurred in connection with the promotion, formation, launching and incorporation of the Company, or to contract with any person or company to pay the same, and to pay commissions to brokers and others for underwriting, placing, selling or guaranteeing the subscription of any shares, mutual funds, modarabas, equity funds, debentures, debentures stock or other securities of the Company.
- 3.40 To erect, construct, lay down, enlarge, alter and maintain any buildings and works necessary and convenient for the Company's business.

- 3.41 To invest and deal with the moneys of the Company, not immediately required, upon such investments and in such manner as may from time to time be determined by the Board.
- 3.42 To adopt such means of making known the business of the Company as may seem expedient, and in particular but not by way of limitation, by advertising in the press, on the radio, television or cinema, by circulars, by purchases and exhibitions of works of art or interest, or by publication of booklets and periodicals, and by granting prizes awards and donations.
- 3.43 To establish agencies and branches with the prior approval of the ~~the~~ Securities and Exchange Commission of Pakistan, in Pakistan and abroad and to appoint agents and others to assist in the conduct or extension of the Company's business and to regulate and discontinue the same.
- 3.44 To subscribe or guarantee money for any national, charitable, benevolent, public, general or useful objects, or for any exhibition.
- 3.45 To support and subscribe to any charitable or public object and any institution, society or club, which may be for the benefit of the Company or its employees, or may be connected with any town or place where the Company carries on business, to give pensions gratuities, or charitable aid to any person or persons who may have served the Company, or to the spouses, children or other relatives of such persons, and to form and contribute to provident and benefit funds for the benefit of any persons employed by the Company.
- 3.46 To underwrite the shares, stock or securities of any other company and to pay underwriting commission and brokerage on any shares, stock or securities issued by the Company.
- 3.47 To comprise or compound all actions, suits or other proceedings and differences or disputes to arbitration and to adjust or settle all accounts or claims relating thereto.
- 3.48 To carry on the following activities and functions in respect of housing finance services:
- (i) To provide long term finance for the purpose of constructing, purchasing or making any additions, alterations or improvement to or in any property.
 - (ii) To arrange for the insurance of pledged property from the present approved insurance companies.
 - (iii) To raise funds, in addition to share capital for the objects of the Company from:
 - a. Commercial paper, any security and deposits of not less than 30 days maturity approved by the Commission;
 - b. Foreign debentures both short and long term;
 - c. Issuance of redeemable capital (Participation Term Certificates or Term Finance Certificates, etc.);
 - d. Lines of credit;
 - e. Re-discount facilities;



- f. Loans on mark up from other NBFCs providing housing finance services; and
- g. Make investment in government securities, approved securities and such other approved modes as may be allowed to NBFCs from time to time.
- 3.49 To undertake the business of custodial services in respect of securities and to become an account holder/participant, eligible pledgee, Delivery Versus Payment (DVP) account holder with a central depository.
- 3.50 To act as primary dealer in government securities.
- 3.51 To act as an insurance agent for insurance companies.
- 3.52 To amalgamate with or enter into partnership or profit sharing arrangement with or co-operate with or subsidise or assist in any way any company, association or person, or arrangement in the nature of a partnership, co-operation or union of interests, with any person or persons, company or association engaged or interested or about to become engaged or interested in the carrying on or conduct of any business or enterprise which the Company is authorized to carry on or conduct or from which the Company would or might derive any benefit, whether direct or indirect.
- 3.53 To guarantee, indemnify or become liable for the payment of money or for the performance of any obligation by any other company, firm or person and to give any kind of security for payment of such money or the performance of such obligation by such other company, firm or person to the extent of underwriting for securities business.
- 3.54 To enter into any partnership, arrangement or arrangements for sharing profits, union of interests, reciprocal concessions, or co-operation with any company, firm or person, carrying on or proposing to carry on any business within the objects of the Company and to acquire and hold, sell, deal with or dispose of shares, stock or securities of any such company and to guarantee the contracts or liabilities of, or the payment of the dividends, interest or capital of any shares, stock or securities of and to subsidize or otherwise assist any such company.
- 3.55 To do all such lawful things as are incidental or conducive to the attainment of the above objects or any of them.
- 3.56 To do all or any of the above things and all such other things, as are incidental or as maybe thought conducive to the attainment of the above objects or any of them in Pakistan or any other part of the world either as principals, agents, trustees, contractors or otherwise and either alone or in conjunction with others and either by or through agents, contractors, trustees or otherwise and to do all such things as are incidental or conducive to the attainment of the above objects, and each of the above objects shall be construed as an independent object.
- 3.57 To act as trustee to the investment trust scheme and to provide specific trustee related services to such schemes established under the Non-Banking Finance Companies and Notified Entities Regulations, 2008, as may be amended from time to time.
- 3.58 To act as trustee to the voluntary pension schemes and to provide specific trustee related services to such schemes established under the Voluntary Pension System Rules, 2005, as may be amended from time to time.
- 3.59 To act as trustee to the real estate investment trust schemes and provide specific trustee related services to such schemes established under the Real Estate Investment Trust Regulations, 2008, as may be amended from time to time.

- 3.60 To act as custodian and provide all kind of custodian services to agents, representative, managers of companies, corporations, financial institutions, investment advisers, asset management companies, investment finance companies, banks, trusts or any other persons or authority.
- 3.61 To act as transfer agent/share registrar of securities companies listed on stock exchange, non listed companies and mutual funds and to provide all kinds of services related with the functions of a share registrar.
- 3.62 To apply for and to obtain assistance (financial, technical or of any other type) from Government or other organizations, companies, firms or individuals, national and international, for developing all or any of the business of the Company.
- 3.63 To carry on the business of Non-Banking Finance Company till the time the Company shall remain in existence.
- 3.64 No sale, transfer or disposal of assets of the Company shall be made without prior approval of the Securities and Exchange Commission of Pakistan.
- 3.65 It is hereby undertaken that the Company shall not engage in banking business or Forex, illegal brokerage, or any business of managing agency or in any unlawful business and that nothing contained in the object clauses shall be so construed to entitle it to engage in such business directly or indirectly and the Company shall not launch multi-level marketing (MLM), Pyramid and Ponzi schemes.
- 3.66 Notwithstanding anything stated in any object clause, the Company shall obtain such other approval or license from the Competent Authority, as may be required under any law or the time being in force, to undertake a particular business.

4. INVESTMENT POLICY

The Investment Policy of the Company shall be as stated in the Articles of Association.

5. LIMITED LIABILITY

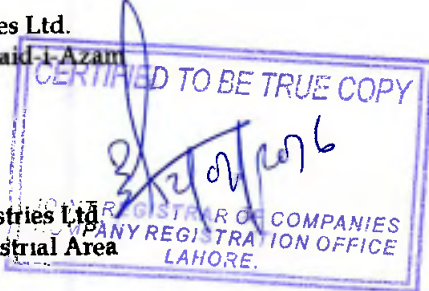
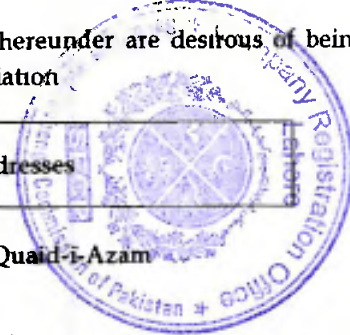
The liability of the members is limited.

6. CAPITAL

The capital of the Company is Rs.2,000,000,000 (Rupees Pak. Rupees Two Billion only) divided into 200,000,000 (Two Hundred Million) shares of Rs.10/- (Rupees Ten) each. The Company shall have the powers to increase, reduce or re-organize the capital of the Company and divide shares in the capital for the time being into several kinds, including ordinary and Preference Shares, and several classes in each kind of share capital and attach thereto such rights, privileges and conditions as may be provided in the Articles of Association of the Company classes constituting ordinary shares in accordance with the Companies Ordinance, 1984.

We, the several persons whose names and addresses are subscribed hereunder are desirous of being formed into an Association in pursuance of this Memorandum of Association

Names	Addresses
1. Mr. Naseer A. Shaikh	48 Shahrah-i-Quaid-i-Azam Lahore
2. Mian Rafique Saigol	6 Egerton Road Lahore
3. Mian Tajammal Hussain	23 E II, Gulberg III Lahore
4. Mr. Aslam Amin	30 Mall Mansion Shahrah-i-Quaid-i-Azam Lahore
5. Mr. Nisar Ahmad	Saleem Building 9 Maclagan Road Lahore
6. Mr. Pervez Ahamd	Mall Mansion Shahrah-i-Quaid-i-Azam Lahore
7. Syed Babar Ali	Packages Ltd., Amer Siddu Ferozepur Road Lahore
8. V-Adm. H.M. Siddique Choudhri	Beco Industries Ltd. Shahrah-i-Quaid-i-Azam Lahore
9. Mian Mohammad Bashir	45 The Mall Lahore
10. Ch. Nazar Muhammad	Service Industries Ltd Gulberg Industrial Area Lahore



Dated the 5th day of October, 1970

Witness to the above signatures:

Razaq Ali
48 Shahrah-i-Quaid-i-Azam
Lahore