

**PROCEDURE  
FOR OBTAINING LICENCE BY**

**AN  
ASSOCIATION  
NOT FOR PROFIT OBJECTS  
UNDER SECTION 42 OF THE  
COMPANIES ACT, 2017**

**&**

**ITS INCORPORATION  
AS A COMPANY  
LIMITED BY GUARANTEE**

A not-for-profit objects association (commonly known as a section 42 company) may be registered as a company under the provisions of the Companies Act, 2017 (the 'Act').

Any such association is required to obtain licence under Section 42 of the Act read with Associations with Charitable & Not for Profit Objects Regulations, 2018 (the 'Regulations') from the Securities and Exchange Commission of Pakistan (the 'Commission'), prior to its registration as a company limited by guarantee.

The procedure for obtaining licence and subsequent incorporation of such association as a company is provided hereinafter.

**STEP-WISE PROCEDURE / CHECKLIST FOR GRANT OF LICENCE AND  
INCORPORATION UNDER SECTION 42 OF THE COMPANIES ACT, 2017**

**Step 1: Availability of Name**

**A. Physical submission of application for Name Availability**

1. Download and fill the Inc-Form-1. <https://www.secp.gov.pk/company-formation/formsapplications-schedule-of-filling-of-returns/applications/>
2. Submit the Inc-Form-1 with the registrar at Business Centre, M-Floor, NICL Building, 63-Jinnah Avenue, Islamabad

The registrar, if satisfied shall issue name availability letter and reserve the name for a period of sixty days from the date of issuance of the name availability letter.

OR

**B. Online submission of application for Name availability**

File online company name reservation application through eService Portal. Create user ID by login to eServices at <https://eservices.secp.gov.pk/eServices/>. Fill-in application form for name reservation, submit the process and pay the requisite fee.

**Step 2: Application for grant of licence**

1. Promoters or members of an association desirous of obtaining a licence under section 42 may file the application physically through duly authorized representative with the subject:

*“Application for Grant of Licence under section 42 to M/s ,, ..... <Association Foundation>” (Proposed)”*

2. The application must be addressed to:

**The Director/Head of Department  
Licensing Department  
Securities and Exchange Commission of Pakistan  
63-Jinnah Avenue  
NIC Building, Blue Area  
Islamabad**

3. Following documents in terms of the Associations with Charitable and Not for Profit Objects Regulations, 2018 must be submitted for grant of license:

- i. Application for grant of license on the prescribed **NFP Form 1** attached with the Regulations along with the covering letter addressed to the Director Licensing Department;
- ii. Resume of all promoters/proposed directors/CEO according to **APPENDIX-A TO NFP FORM-1**;
- iii. An affidavit / undertaking from each promoter to the effect that he has sufficient skills, expertise and resources for the attainment of objects of the proposed association. Moreover,

the said undertaking should indicate that the promoter shall contribute a reasonable amount (e.g. Rs.200,000/-) as start-up donation having regard to the circumstances of the case. The amount shall be deposited in the company's account within a period of six months of the date of its incorporation which shall not be refundable to the promoters, directly or indirectly through any means, affidavit affirming correctness of contents of the application, affirming that promoters are not defaulters of loans etc, duly attested by an Oath Commissioner. as per **APPENDIX-B TO NFP FORM 1**;

- iv. Letter of Authority on stamp paper of appropriate value made by all the promoters in favour of a person to present the application before the Commission on their behalf, and to make other amendments, additions, corrections etc. in the documents and also to collect the licence from the Commission and duly attested by Notary Public as **APPENDIX-C TO NFP FORM 1**;
- v. Original paid bank Challan of Rs.25,000/- as licensing fee in the designated bank branches;
- vi. Copy of name availability letter (as obtained from the Commission's Business Center);
- vii. Draft Memorandum and Articles of the proposed association (Format provided in Table F to the Companies Act, 2017 and specimen also attached with these guidelines);
- viii. Copies of Computerized National Identity Cards (CNICs) of all Pakistani promoters/proposed directors/CEO and in case of foreigners, copy(ies) of their passport(s)

4. The Commission on being satisfied, after such enquiry and obtaining such further information, as it may consider necessary, that it shall be in the public interest so to do, may grant the licence applied for, subject to such conditions as it may deem fit to impose.

### **Step 3: INCORPORATION OF ASSOCIATION AS A COMPANY**

After grant of license the proposed association shall submit, within 60 days, either through physical application or through online (eService Portal) following documents with the Commission's Business Center for incorporation of the Company:

- i. **Application form / Inc. form-II**
- ii. Approved copies of Memorandum & Articles of Association.
- iii. C.N.I.C/passports copies of Promoters and witnesses.
- iv. A copy of licence issued by SECP.
- v. Copies of NTN certificates of directors in term of section 153 of the Companies Act, 2017
- vi. Special Power of Attorney on Stamp paper duly notarized.
- vii. Copy of Name Availability Letter issued by SEC.

- viii. Paid Challan of necessary registration and filing fee Rs.50500/- (offline) and in case of online Rs.25250.

## **DISCLAIMER**

*The aforesaid procedure has been provided with the intention to create awareness about licensing of an association not for profit objects. However, the procedure does not tell everything and the opinions or legal interpretations referred therein are circumstantial and may vary under different situations. If the reader is in doubt or dealing with any specific condition, it is recommended to refer to the Companies Act, 2017 and allied laws or consult an adviser for seeking professional advice.*

## **Important**

- ☐ There must be at least 3 subscribers/ members/promoters of the company, preferably graduate and must have sufficient skills, expertise and financial resources for attainment of object(s) of the proposed company.
- ☐ Each promoter shall contribute a reasonable amount as start-up donation having regard to objects of the association.
- ☐ All conditions of licence shall be mentioned in the Memorandum of Association of the company.
- ☐ Specimen of the standardized Memorandum & Articles of Association (for Associations to be licensed under section 42 of the Companies Act, 2017) has been provided in these guidelines. The promoters may adopt the standardized object clause(s) according to their requirements/activities viz-a-viz profile, qualification and experience of the promoters/directors/CEO in the relevant field. However, the Memorandum and Articles of Association of the proposed Association will be examined in light of the Companies Act 2017 and the regulations made thereunder i.e. the Associations with Charitable and Not for Profit Objects, Regulations 2018.
- ☐ License once granted by the Commission under section 42 of the Act shall be perpetual unless revoked by the Commission.

**COMPANIES (INCORPORATION) REGULATIONS, 2017****[See Section 10 of the Act and Regulation 3]****APPLICATION FOR RESERVATION OF NAME***(To be completed by applicant in block letters.)*

1. Fee Payment Details 1.1 Challan No

1.2 Challan Amount (Rs.)

2. Propose three options for name reservation in the order of priority.  
*(mandatory in case of combined application. Fee will be charged for one name only instead of three names.)*

|          |
|----------|
| Option 1 |
| Option 2 |
| Option 3 |

*(Please enter the name without kind of company e.g. (Pvt.) Limited, Limited etc.).  
(Maximum 70 characters)*

*(As required under proviso (i) to sub-section (1) of section 26 of the Act, the proposed name shall always commensurate with the principal line of business of the company as mentioned in memorandum of association)*

3. Kind of proposed company

|    |  |  |
|----|--|--|
| a. | Private Limited Company  |  |
| b. | Single Member Company  |  |
| c. | Public Limited Company   |  |
| d. | Association Not for-profit under section 42 of the Companies Act, 2017 |  |
| e. | Other (Please specify)   |  |

4. Principal line of business for proposed company (Brief object as per clause 3 (i) of the Memorandum may be mentioned)

5. Meaning / Significance of proposed name (describe relevancy of proposed name with company's principal line of business)

6. If any company or entity exists with identical or similar name, please mention your relationship with such company or entity along with board resolution/ NOC showing no objection on registration of a company with similar name.

|   |   |  |   |       |        |  |          |  |   |  |  |  |  |  |  |  |  |  |  |  |  |  |
|---|---|--|---|-------|--------|--|----------|--|---|--|--|--|--|--|--|--|--|--|--|--|--|--|
| 7.  | Declaration   | I do hereby solemnly and sincerely declare that the information provided in the form is true and correct and nothing is concealed and that the proposed name, if reserved, shall be used only for the purpose of registration of company   |   |       |        |  |          |  |   |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 8.  | Name of Proposed Subscriber/Authorized Intermediary   |  |   |       |        |  |          |  |   |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 9.  | Signatures  |  |   |       |        |  |          |  |   |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 10.   | Registration No of Authorized Intermediary, if applicable   |  |   |       |        |  |          |  |   |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 11.   | N.I.C No. where the applicant is proposed subscriber<br><i>(Passport No. in case of foreign national)</i> | <table border="1" style="margin: auto;"> <tr> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> </tr> </table>   |   |       |        |  |          |  |   |  |  |  |  |  |  |  |  |  |  |  |  |  |
|   |   |  |   |       |        |  |          |  |   |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 12.   | Contact details of the applicant, i.e. address, email and cell No. etc.                                   | <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 15%; padding: 5px;">Address:</td> <td style="height: 60px;"></td> </tr> <tr> <td style="padding: 5px;">Email:</td> <td style="height: 25px;"></td> </tr> <tr> <td style="padding: 5px;">Cell No.</td> <td style="height: 25px;"></td> </tr> </table>   | Address:  |       | Email: |  | Cell No. |  |   |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Address:  |   |  |   |       |        |  |          |  |   |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Email:  |   |  |   |       |        |  |          |  |   |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Cell No.  |   |  |   |       |        |  |          |  |   |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 13.   | Date  | <table border="0" style="margin: auto;"> <tr> <td style="text-align: center; padding: 0 10px;">Day</td> <td style="text-align: center; padding: 0 10px;">Month</td> <td style="text-align: center; padding: 0 10px;">Year</td> </tr> <tr> <td style="text-align: center;"> <table border="1" style="display: inline-table; width: 40px; height: 20px;"> <tr><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td></tr> </table> </td> <td style="text-align: center;"> <table border="1" style="display: inline-table; width: 40px; height: 20px;"> <tr><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td></tr> </table> </td> <td style="text-align: center;"> <table border="1" style="display: inline-table; width: 100px; height: 20px;"> <tr> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> </tr> </table> </td> </tr> </table> | Day   | Month | Year   | <table border="1" style="display: inline-table; width: 40px; height: 20px;"> <tr><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td></tr> </table>  |          |  | <table border="1" style="display: inline-table; width: 40px; height: 20px;"> <tr><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td></tr> </table> |  |  | <table border="1" style="display: inline-table; width: 100px; height: 20px;"> <tr> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> </tr> </table> |  |  |  |  |  |  |  |  |  |  |
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**COMPANIES (INCORPORATION) REGULATIONS, 2017****[See Section 16 of the Act and Regulation 5]****APPLICATION FOR COMPANY INCORPORATION****PART-I***(To be completed by the applicant in block letters)*1.1 Name of the Company 1.2 Fee Payment Details 1.2.1 Challan No 1.2.2 Challan Amount (Rs.) **PART-II****Section – A - Company information**2.1\* Correspondence Address City  District  Province Telephone Number  Email Address Mobile Number 

\*Information regarding Correspondence address is to be provided only if the company does not have a place as its registered office at the time of Incorporation of company.

2.2 Registered office Address, if any City  District  Province Telephone Number  Website(if any) Mobile Number  Email Address 2.3 Principal line of business (Brief objects as per clause 3 (i) of the Memorandum may be mentioned) **Section – B – Capital Structure**

|     | Class/ Kind        | Face Value           | Number of shares     | Total Amount         |
|-----|--------------------|----------------------|----------------------|----------------------|
| 2.4 | Authorized Capital | <input type="text"/> | <input type="text"/> | <input type="text"/> |
|     |                    | <input type="text"/> | <input type="text"/> | <input type="text"/> |
| 2.5 | Paid Up Capital    | <input type="text"/> | <input type="text"/> | <input type="text"/> |
|     |                    | <input type="text"/> | <input type="text"/> | <input type="text"/> |



**Section – C – Special business information\***

(Applicable in case of Banking Company, Non-banking Finance Company, Insurance company, Modaraba management company, Stock Brokerage business, forex, managing agency, business of providing the services of security guards and any other business restricted under any other law or as may be notified by the Commission)

- 2.6 Nature of business in case of specialized business requiring license / permission / approval (please specify and also attach NOC / approval of the relevant authority)

\*(Additional documents will be required by the registrar)

**Section – D – Company subscribers, directors, chief executive officer, and in case of single member company, nominee****2.7 State Number of directors fixed by subscribers:**

[Please note that as per law a company must have minimum director as follows:]

| <b>Kind of Company</b>         | <b>Minimum number of directors required by law</b> | <b>No. of proposed directors</b> |
|--------------------------------|--|----------------------------------|
| <i>Single Member Company</i>   | 01   |                                  |
| <i>Private Limited Company</i> | 02   |                                  |
| <i>Public Limited Company</i>  | 03   |                                  |

**2.8 Details of subscribers, directors and chief executive officer \***

| <b>Name and surname (present and former) in full</b> | <b>Father's / Husband's Name in full</b> | <b>NIC/NICOP (in case of Pakistani national) or Passport No (in case of foreigner)</b> | <b>** Incorporation/ Registration Number</b> | <b>Nationality (with former nationality and nationality of the origin, if different)</b> | <b>***Occupation</b> | <b>Residential address/ registered office address or principal office (in case of a subscriber other than a natural person)</b> | <b>NTN (in case of director, where applicable)</b> | <b>Designation (Director/ Subscriber/ CEO) Please specify</b> | <b>No of shares subscribed (for subscriber)</b> | <b>***Signatures</b> |
|--|--|--|--|--|----------------------|---|--|---|---|----------------------|
|  |  |  |  |  |                      |   |  |   |   |                      |
|  |  |  |  |  |                      |   |  |   |   |                      |

\* Add details as applicable

\*\* Applicable on subscribers other than natural persons

\*\*\*Please also mention names of other companies where directorship is held.

\*\*\*\* Signature of subscribers and consent to act as director or chief executive as the case may be. In case of online submission, the document will be signed electronically.

**2.9 Details of Nominee (only in case of single member company - Nominee shall not be a person other than relatives of the member- namely, a spouse, father, mother, brother, sister and son or daughter)**

Name of Nominee

NIC of Nominee

Residential address of Nominee

|   |                      |
|---|----------------------|
| Telephone number of Nominee             | <input type="text"/> |
| Email address of Nominee                | <input type="text"/> |
| Relationship of Nominee with subscriber | <input type="text"/> |
| Signature of Nominee                    | <input type="text"/> |

**Section – E- If the company limited by shares intends to adopt tables contained in First Schedule to the Act, tick the relevant table.**

- ☐ Table A- Part I (Articles of association of company limited by shares)
- ☐ Table A- Part-II (Articles of association of single member company limited by shares)

**Section – F- The company limited by shares in case it has not adopted articles of association contained in First Schedule to the Act , company limited by guarantee and unlimited company shall attach the articles of association.**

**PART-III**

**Declaration under section 16**

| 3.1   | Declarant Name  | <input type="text"/>   |     |  |  |  |       |  |  |  |      |  |  |  |  |  |  |  |
|-------|---|--|-----|--|--|--|-------|--|--|--|------|--|--|--|--|--|--|--|
| 3.2   | Declarant Profession / Designation<br>(Please check relevant box) | <input type="checkbox"/> Authorized Intermediary<br><input type="checkbox"/> a person named in the articles as Director of the proposed company  |     |  |  |  |       |  |  |  |      |  |  |  |  |  |  |  |
| 3.3   | Declaration   | <div style="border: 1px solid black; padding: 10px;"> <p>I do hereby solemnly and sincerely declare that:</p> <p>a) I have been authorized as declarant by the subscribers;</p> <p>b) all the requirements of the Companies Act, 2017, and the regulations made there under in respect of matters precedent to the registration of the said Company and incidental thereto have been complied with</p> <p>c) I make this solemn declaration conscientiously believing the same to be true.</p> </div>  |     |  |  |  |       |  |  |  |      |  |  |  |  |  |  |  |
| 3.4   | Declarant Signature   | <input type="text"/>   |     |  |  |  |       |  |  |  |      |  |  |  |  |  |  |  |
| 3.5   | Registration No of authorized intermediary, if applicable         | <input type="text"/>   |     |  |  |  |       |  |  |  |      |  |  |  |  |  |  |  |
| 3.6   | Date  | <table border="1" style="display: inline-table; margin-right: 20px;"> <tr> <th colspan="2">Day</th> </tr> <tr> <td style="width: 30px; height: 30px;"></td> <td style="width: 30px; height: 30px;"></td> </tr> </table> <table border="1" style="display: inline-table; margin-right: 20px;"> <tr> <th colspan="2">Month</th> </tr> <tr> <td style="width: 30px; height: 30px;"></td> <td style="width: 30px; height: 30px;"></td> </tr> </table> <table border="1" style="display: inline-table;"> <tr> <th colspan="4">Year</th> </tr> <tr> <td style="width: 30px; height: 30px;"></td> <td style="width: 30px; height: 30px;"></td> <td style="width: 30px; height: 30px;"></td> <td style="width: 30px; height: 30px;"></td> </tr> </table> | Day |  |  |  | Month |  |  |  | Year |  |  |  |  |  |  |  |
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| Month |   |  |     |  |  |  |       |  |  |  |      |  |  |  |  |  |  |  |
|       |   |  |     |  |  |  |       |  |  |  |      |  |  |  |  |  |  |  |
| Year  |   |  |     |  |  |  |       |  |  |  |      |  |  |  |  |  |  |  |
|       |   |  |     |  |  |  |       |  |  |  |      |  |  |  |  |  |  |  |

**Enclosures:**

- (i) Original paid bank challan evidencing payment of fee;
- (ii) Memorandum of Association;
- (iii) Articles of Association, where applicable;
- (iv) Copies of valid NIC/NICOP of the subscribers/directors/chief executive officer or copy of Passport in case of a foreigner;
- (v) Copy of valid NIC/NICOP of Nominee only in case of single member company or copy of Passport in case of a foreigner;
- (vi) Copy of valid NIC of witness in case of physical filing;
- (vii) NOC/Letter of Intent/ License (if any) of the relevant regulatory authority in case of specialized business;
- viii) Authority letter for filing of documents for the proposed company as per requirement of clause (vi) of sub-regulation (2) of regulation 5;
- (ix) Copy of valid NIC/Passport of person duly authorized by the Board of directors of a body corporate which is a subscriber along with copy of Board resolution and attendance sheet. In case of a subscriber which is a limited liability partnership, copy of valid NIC/ Passport of designated partner empowered to act as such, along with copy of instrument empowering him;
- (x) In case the subscriber is a foreign company or a foreign body corporate, the profile of the company, detail of its directors, their nationality and country of origin, certified copy of its charter, statute or memorandum and articles etc.
- (xi) In case of foreign subscriber/ officer, an undertaking on stamp paper of requisite value duly signed, notarized and witnessed to the effect that in case name of subscriber/officer is not security cleared by MoI, the subscriber/officer and the company, shall take immediate steps for replacement and shall transfer shares if any, held by the subscriber.

Witness to above signatures: *(For the documents submitted in physical form)*

|                              |  |
|------------------------------|--|
| Signatures                   |  |
| Full Name (in Block Letters) |  |
| Father's/ Husband's name     |  |
| Nationality                  |  |
| CNIC No.                     |  |
| Usual residential address    |  |

**THE COMPANIES ACT, 2017**  
**ASSOCIATIONS WITH CHARITABLE AND NOT FOR PROFIT OBJECTS**  
**REGULATIONS, 2018**  
*[See Regulation 4]*

**APPLICATION FOR GRANT OF LICENSE UNDER SECTION 42 OF THE ACT**  
**PART-I**

*(To be completed by the applicant in block letters.)*

1. Fee Payment Details      1.1 Challan No       1.2 Challan Amount (Rs.)

**PART-II**

**2.1 Proposed Name of the association**

Name

**2.2 Whether the association is already registered -**      Yes ☐      No ☐

If yes, state the following:

|   |  |                                    |
|---|--|------------------------------------|
| i. Name of existing registered entity       |  |                                    |
| ii. Entity registered as                    |  | State whether society, trust, etc. |
| iii. Registration authority                 |  |                                    |
| Status of existing entity                   | a. Take over by proposed company <input style="width: 80px; height: 20px;" type="text"/> |                                    |
| iv. after incorporation of proposed company | b. Closure of existing entity <input style="width: 80px; height: 20px;" type="text"/>    |                                    |

**2.3 Particulars of promoters/proposed directors/proposed CEO:**

| Name and surname (present and former) in full | Father's Name in full | CNIC/NICOP (in case of Pakistani national) or Passport No (in case of foreigner) | * Incorporation/ Registration Number | Nationality (with former nationality and nationality of the origin, if different) | Occupation | Residential address/ registered office address (in case of a subscriber other than a natural person) | NTN (in case of director, where applicable) | Designation (Director/ Subscriber/ CEO) Please specify | Nature of directorship (appointed, nominee/ independent/ other) | Name of entity nominating the director** | No of shares subscribed, only in case of company having share capital (for promoter) |
|---|-----------------------|--|--------------------------------------|---|------------|--|---|--|---|--|--|
|   |                       |  |                                      |   |            |  |   |  |   |  |  |
|   |                       |  |                                      |   |            |  |   |  |   |  |  |

\* Applicable to subscribers other than natural persons

\*\*applicable in case of nominee director

#### 2.4 Details of donation by promoters and other persons:

| S#  | Funds/donations                           | Name of donor | CNIC No./passport No. (in case of foreign national) of donor | Amount |
|-----|---|---------------|--|--------|
| 1.  | Donations and grant – Local (if any       |               |  |        |
| i.  | In cash                                   |               |  |        |
|     |   |               |  |        |
|     |   |               |  |        |
| ii. | In kind                                   |               |  |        |
|     |   |               |  |        |
|     |   |               |  |        |
| 2.  | Donations and Grants – Foreign (if any)*  |               |  |        |
| i.  | In cash                                   |               |  |        |
|     |   |               |  |        |
|     |   |               |  |        |
| ii. | In kind                                   |               |  |        |
|     |   |               |  |        |
|     |   |               |  |        |
| 3.  | Members' donations — Start-up (mandatory) |               |  |        |
| i.  |   |               |  |        |

|     |  |  |  |  |
|-----|--|--|--|--|
| ii  |  |  |  |  |
| iii |  |  |  |  |
|     |  |  |  |  |

Note: minimum required start-up donation shall be in the form of cash only to be deposited through proper banking channel

\*Attach letters of consent/letters of intent/letters of commitment in support of above statement

## 2.5 Declaration by the applicant

reby solemnly and sincerely declare that:

- d) I have been authorized as declarant by the promoters;
- e) all the requirements of the Companies Act, 2017, and Associations With Charitable and Not For Profit Objects Regulations, 2018 have been complied with;
- f) I make this solemn declaration conscientiously believing the same to be true.

## PART-III

### 3.1 Signature

|  |
|--|
|  |
|--|

### 3.2 Name of Authorized Promoter/ Authorized Intermediary

|  |
|--|
|  |
|--|

### 3.3 Registration No of Authorized Intermediary, if applicable

|  |
|--|
|  |
|--|

### 3.4 Contact details of the applicant, i.e. address, email and cell No. etc.

Address:

Email:

Cell No.

### 3.5 Date

Day

Month

Year

|  |  |
|--|--|
|  |  |
|--|--|

|  |  |
|--|--|
|  |  |
|--|--|

|  |  |  |  |
|--|--|--|--|
|  |  |  |  |
|--|--|--|--|

## Enclosures:

1. copy of national identity card (NIC)/ NICOP/valid passport (in case of foreigner) of each promoter, proposed directors and proposed chief executive officer;

2. curriculum vitae of each promoter, proposed directors and proposed chief executive officer as per **Appendix-A to NFP Form 1** ;
3. an affidavit by each promoter, proposed directors and proposed chief executive officer as per **Appendix-B to NFP Form 1**;
4. a copy of the draft memorandum and articles of association as per Table F of the First Schedule to the Act;
5. a letter of authority as per **Appendix-C to NFP Form 1** by all the promoters in favor of either one of them or an authorized intermediary to present the application before the Commission on their behalf, and to make other amendments, additions, corrections etc., in the documents and also to collect license;
6. copy of availability of name letter issued by the Commission's Business Center indicating that the proposed name is available;
7. original paid bank challan as evidence of payment of fee specified in seventh schedule of the Act;
8. If the association is already registered under any other law for the time being in force, the following shall also be annexed with the application:
  - (i) a copy of the audited balance sheet, income and expenditure account and the annual report on the working of the association for the financial year immediately preceding the date of the application;
  - (ii) copy of certificate of registration or any document evidencing registration under any other law, duly certified by relevant authority ;
  - (iii) resolution of all existing members for the proposed change of status along with names of proposed members of the section 42 company being formed;
  - (iv) list of members of the association, duly certified by relevant authority;
  - (v) latest copy of its constitution or charter or statute, duly certified by relevant authority;
  - (vi) list of all pending disputes among the members and pending court cases filed by or against the association with brief description thereof, if any.

## THE COMPANIES ACT, 2017

## ASSOCIATIONS WITH CHARITABLE AND NOT FOR PROFIT OBJECTS

## REGULATIONS, 2018

## [Regulations 4, and 10]

**Information to be provided by promoters, proposed directors/directors, proposed chief executive officer/chief executive officer of the Company**

## 1 Profile

|       |   |   |
|-------|---|---|
| 1.1   | Name in Full including former name:             |   |
| 1.2   | Father's Name                                   |   |
| 1.3   | Nationality                                     |   |
| 1.4   | NIC No/Passport No(in case of foreign national) |   |
| 1.5   | Contact details:                                |   |
| 1.5.1 | Residential Address                             |   |
| 1.5.2 | Business Address                                |   |
| 1.5.3 | Telephone Number                                |   |
| 1.5.4 | Mobile Number                                   |   |
| 1.5.5 | Fax Number                                      |   |
| 1.5.6 | Email address                                   |   |
| 1.6   | Academic and Professional Qualifications        |   |
| 1.7   | Status  | Promoter <input type="checkbox"/><br>Director <input type="checkbox"/> Chief Executive Officer <input type="checkbox"/> |

## 2 Experience Detail:

| S# | Name of organization | Designation | Work responsibilities related to objects of proposed company (mention reference of clause number of draft MoA) | From (period latest to old) | To |
|----|----------------------|-------------|--|-----------------------------|----|
|    |                      |             |  |                             |    |
|    |                      |             |  |                             |    |
|    |                      |             |  |                             |    |

Note: If needed, separate extra sheets can be used for each item



**APPENDIX-B TO NFP FORM 1**

**THE COMPANIES ACT, 2017**

**ASSOCIATIONS WITH CHARITABLE AND NOT FOR PROFIT OBJECTS**  
**REGULATIONS, 2018**  
**[Regulations 4, and 10]**

**AFFIDAVIT / UNDERTAKING**

I, Mr./Miss./Mrs. (name of promoter/member/proposed director/director/proposed chief executive officer/chief executive officer) son/daughter/wife of (father/husband name), resident of \_\_\_\_\_ and holding NIC/Passport No \_\_\_\_\_, do hereby state on solemn affirmation as under that I:-

- (a) am eligible to act as (promoter/member/director/chief executive officer) of M/s. \_\_\_\_\_ (proposed) according to fit and proper criteria specified in the Regulations;
- (b) have sufficient skills, expertise and resources for the attainment of object of the association/company;
- (c) shall contribute a reasonable amount but not less than Rs.200,000/- as startup donation to the association/company. The same shall be deposited in the company's account within a period of six months of its incorporation which shall be used for the attainment of its object(s) and shall not be refundable to the promoters, directly or indirectly;
- (d) shall ensure that the funds raised shall be spent for objects of the association/company and for other ancillary purposes;
- (e) am fully aware of the affairs of the association/company; and
- (f) am fully aware of the contents of application for grant of license under these Regulations and whatsoever stated in the application and accompanied documents is true and correct and nothing has been concealed in the application.

Deponent

Signature: \_\_\_\_\_

Dated: \_\_\_\_\_

Witness to the above:

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

NIC: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

Attested by an  
Oath  
Commissioner  
under his seal

[To be filed on stamp paper of requisite value duly verified by an Oath Commissioner]

**THE COMPANIES ACT, 2017**  
**ASSOCIATIONS WITH CHARITABLE AND NOT FOR PROFIT OBJECTS**  
**REGULATIONS, 2018**

**[Regulation 4]**

**LETTER OF AUTHORITY**

We, the undersigned promoters of the association M/S  
 <.....>, do hereby authorize  
 <.....> one of the promoters of the association; or  
 <.....> a registered intermediary;

whose specimen signature is appended herein below to present us before the Securities and Exchange Commission of Pakistan to submit application/ documents for grant of license under section 42 of the Companies Act, 2017, and to make necessary amendments required by the SECP, to collect license, and to sign and give necessary explanation on our behalf in relation to the above and the allied matters.

|            | Name | Signature |
|------------|------|-----------|
| Promoter-1 |      |           |
| Promoter-2 |      |           |
| Promoter-3 |      |           |

Note: If the promoter is a subscriber other than a natural person, Board resolution authorizing the person/intermediary to be annexed.

|         |  |  |
|---------|--|--|
| Witness |  |  |
|---------|--|--|

\_\_\_\_\_  
 Name and signature of authorized  
 promoter/registered intermediary

Seal and  
signature of  
Notary Public

**MEMORANDUM OF ASSOCIATION  
OF  
XYZ ASSOCIATION / FOUNDATION**

- I.** The name of the Company is “**XYZ ASSOCIATION / FOUNDATION**”.
- II.** The Registered Office of the Company will be situated in Islamabad Capital Territory / the Province of -----
- III.** The object (s) for which the Company is established is/are as follows:
- A) General - Charitable/Philanthropic activities –**
- 1) To distribute free ration, food and clothes to the poor, needy, destitute and persons suffering from catastrophes, natural calamities/tragedies, accidents etc., irrespective of cast and creed and religion.
  - 2) To establish, maintain, run, manage and administer programmes providing relief and financial help (other than loan) to the poor, needy and the destitute, for alleviation of their standard of life.
- B) Health related Services/activities:-**
- 1) To aid, assist, set up, maintain, administer and run hospitals, nursing homes, mother and child care centres, clinics, dispensaries, immunization and vaccination centres and places of medical aid, convalescent homes, family planning centres, X-ray clinics, radio therapy centres, pathological and clinical laboratories, blood banks, eye banks or other centres connected with the care of the human body, both in urban and rural areas subject to approval/permission, NOC, if any, from relevant authorities/government departments, etc.
  - 2) To provide free or at subsidized rates medicines, laboratory tests facilities or assistive devices to the poor, needy, crippled or disabled persons or to provide financial help to them (other than loan) for their laboratory tests, medicines or assistive devices etc., irrespective of cast creed and religion.
- C) Education:-**
- 1) To establish, manage, maintain, own, administer, promote and subsidize educational institutions, computer literacy centres, schools, colleges, institutions for study and research, centres of learning, reading rooms, and other institutions for basic education, adult literacy, advanced studies and other educational fora with the permission of competent authority but not to act as a degree awarding institute.
  - 2) To provide free or at subsidized rates, books and stationary items to the students of poor families irrespective of cast creed and religion.

- 3) To provide scholarships to students and grant aid including supply of books, stipends, medals, prizes, grants, awards, medicines, educational career support, bursaries and other incentives for purposes of advancement of knowledge, education and literacy.

**D) Special Education activities:-**

To establish, own, maintain, erect, construct, furnish, equip, promote, organize, manage and run institutions for special education and to provide grants and facilities for education and training to the persons who are mute, deaf, dumb or blind, crippled or otherwise physically or mentally handicapped and to provide books, proper medical attendance, nursing, food, medicine, drugs and special appliances of educational, surgical, or other nature.

**E) Vocational training/Institute**

- 1) To establish promote, run, manage and maintain vocational educational and training and skills development institute in order to reduce unemployment, raise income, and improve the standard of living and enabling the unemployed people to get quality jobs and to earn their livings through such hands-on career development skills.
- 2) To work for employable skills development and capability enhancement of the youth for improving their quality of life, including developing, building and enhancing their skills to attain self-sufficiency.

**F) Research related activities:-**

To undertake steps for promotion of research and to make available key knowledge tools such as a well-equipped library; database and electronic connectivity, a website for research publications and interaction; to organize and set up a think tank; and to enable discussion/dialogue for promoting quality research.

**G) Islamic Religious activities:-**

To promote the real values of Islam and in view thereof to initiate research, analytical study, seminars, talks and discussions and to promote public awareness, education and understanding of Islamic ideology, economic system and philosophy and to encourage research scholars, specialists, experts, writers, speakers, thinkers for free intellectual interaction and to develop consensus and understanding in vital Islamic issues, **but not to act as or establish, run or manage Deeni Madrassa without prior permission/NOC from relevant Government departments.**

**H) Women Empowerment:-**

To work for the cause of women empowerment that helps in boosting the status of women through literacy, education, training and awareness; to strive for eradication of all forms of exploitation and discrimination against women.

**I) Social Infrastructure and Human Resource Development :-**

To work for development of human resources, promotion of social and economic well being of the masses, improvement of social status, social mobilization for prosperous society, and elimination of gender discrimination particularly in the rural areas of Pakistan.

**J) Arts, Sciences and Literature activities:-**

To promote and foster study in arts, sciences, literature and to give literary, arts and sciences awards, scholarships and prizes for its encouragement.

**K) Culture and heritage activities:-**

To undertake, aid, support, assist, promote, manage, research and encourage projects or programmes concerned or dealing with the restoration, conservation, revitalization, preservation and reuse of architectural structures, buildings, forts, palaces, mausoleums, monuments, mosques, places of historical or cultural significance, archaeological sites, town squares, markets, gardens and parks in Pakistan.

**L) Environment Protection:**

To work for the protection, conservation, rehabilitation and improvement of the environment, in particular climate change mitigation, education, international understanding and development cooperation; to work for the prevention and control of every kind of pollution; to create awareness about environmental risks and concerns in the country and the benefits associated with the developmental projects addressing environmental challenges and to provide assistance to individuals, local groups, in understanding environmental issues; to raise awareness and educate the public in particular through seminars, workshops, campaigns.

**M) Sports related activities:-**

To promote and develop centres for sports and sporting activities and encourage talent thereto and through them endeavour to bring about national integration and provide fields, grounds and other facilities and amenities including coaching and training facilities in developed and developing areas of the country and to promote and organize activities such as, trekking, mountaineering, hunting, archery, camping, fishing, rock climbing and other outdoor sports, subject to approval/permission/NOC from relevant authorities/government departments, Pakistan Sports Board etc., if required.

**IV.** In order to achieve its object, the company shall exercise the following powers:

- (1) To appeal, solicit or accept contributions, donations, grants and gifts, in cash or in kind, from lawful sources and to apply the same or income thereof for the objects of the company.
- (2) To open and operate bank accounts in the name of the company and to draw, make, accept, endorse, execute and issue promissory notes, bills, cheques and other instruments.
- (3) To acquire, alter, improve, charge, take on lease, exchange, hire, sell, let or otherwise dispose of any movable or immovable property and any rights and privileges whatsoever for any of the objects or purposes specified herein above. Provided that the company shall not undertake the business of real estate or housing schemes.
- (4) To borrow or raise money, with or without security, required for the purposes of the company upon such terms and in such manner as may be determined by the company for the promotion of its objects.
- (5) To mortgage the assets of the company and / or render guarantee for the performance of any contract made, discharge of any obligation incurred or repayment of any moneys borrowed by the company.
- (6) To purchase, sell, exchange, take on lease, hire or otherwise acquire lands, construct, maintain or alter any building and any other moveable or immovable properties or any right or privileges necessary or convenient for the use and purposes of the company.
- (7) To nominate delegates and advisors to represent the company at conferences, government bodies and other gatherings.
- (8) To co-operate with other charitable trusts, societies, associations, institutions or companies formed for all or any of these objects and statutory authorities operating for similar purposes and to exchange information and advice with them.
- (9) To pay out of the funds of the company the costs, charges and expenses of and incidental to the formation and registration of the company.
- (10) To invest the surplus moneys of the company not immediately required, in such a manner as may from time to time be determined by the company.
- (11) To create, establish, administer and manage funds including endowment fund conducive for the promotion of the objects of the company.
- (12) To enter into agreements, contracts and arrangements with organizations, institutions, bodies and individuals for the purpose of carrying out the functions and activities of the company.
- (13) To take such actions as are considered necessary to raise the status or to promote

the efficiency of the company.

- (14) To conduct, hold and arrange symposia, seminars, conferences, lectures, workshops and dialogue and to print, publish and prepare journals, magazines, books, circulars, reports, catalogues and other works relating to any of the objects of or to the work done by the company, subject to the permission, if required of the relevant authorities.
  - (15) To do all other such lawful acts and things as are incidental or conducive to the attainment of the above objects or any one of them.
- V.** The company shall achieve the above said objects subject to the conditions specified in Associations with Charitable and Not for Profit Objects Regulations, 2018 and any additional condition mentioned in the license.
- VI.** The territories to which the object of the company shall extend are declared to include whole of Pakistan.
- VII.** The liability of the members is limited.
- VIII.** Every member of the company undertakes that he shall contribute to the assets of the company in the event of its being wound up while he is a member or within one year afterwards, for payment of the debts or liabilities of the company contracted before he ceases to be a member and the costs, charges and expenses of winding up and for adjustment of the rights of the contributories among themselves an amount of rupees\_\_\_\_\_ but not less than one hundred thousand rupees or such other amount as may be notified by the Commission.
- IX.** In the case of winding up or dissolution of the company, any surplus assets or property, after the satisfaction of all debts and liabilities, shall not be paid or disbursed among the members, but shall be given or transferred to some other company established under section 42 of the Companies Act, 2017, preferably having similar or identical objects to those of the company and with the approval required under the relevant provisions of the Income Tax Ordinance, 2001 and under intimation to the Securities and Exchange Commission of Pakistan.

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.

| <i>S. No.</i> | <i>Name and surname (present &amp; former) in full (in Block Letters)</i> | <i>NIC No. (in case of foreigner, Passport No)</i> | <i>Father's/ Husband's Name in full</i> | <i>Nationalit y (ies) with any former Nationalit y</i> | <i>Occupation</i> | <i>Usual residential address in full or the registered/princip al office address for a subscriber other than natural person</i> | <i>Signatures</i> |
|---------------|---|--|---|--|-------------------|---|-------------------|
| <i>1</i>      |   |  |   |  |                   |   |                   |
| <i>2</i>      |   |  |   |  |                   |   |                   |
| <i>3</i>      |   |  |   |  |                   |   |                   |

Dated the \_\_\_\_ day of \_\_\_\_\_, 20\_\_

Witness to above signatures: (For the documents submitted in physical form)

|                                     |  |
|-------------------------------------|--|
| <i>Signature</i>                    |  |
| <i>Full Name (in Block Letters)</i> |  |
| <i>Father's/ Husband's name</i>     |  |
| <i>Nationality</i>                  |  |
| <i>Occupation</i>                   |  |
| <i>NIC No.</i>                      |  |
| <i>Usual residential address</i>    |  |



**ARTICLES OF ASSOCIATION  
FOUNDATION**

1. In these Articles, unless the context or the subject matter otherwise requires:
- (a) “the company” means “**Foundation**”.
  - (b) “the office” means the registered office for the time being of the company.
  - (c) “the directors” mean the directors for the time being of the company.
  - (d) “the seal” means the common seal or official seal of the company as the case may be.
  - (e) “the Act” means the Companies Act, 2017.
  - (f) “the Commission” means the Securities and Exchange Commission of Pakistan.
  - (g) “the registrar” means the registrar of companies as defined in the Companies Act, 2017.
  - (h) “the register” means the register of the members to be kept in pursuant to section 119 of the Act.
  - (i) “chief executive” means the chief executive of the company.
  - (j) “secretary” means the company secretary of the company.
  - (k) “memorandum” means the memorandum of association of the company.
  - (l) “person” includes an individual, company, corporation and body corporate.
  - (m) “articles” means the articles of association of the company.
  - (n) “board” means the board of directors of the company.
  - (o) “year” used in the context of financial matters shall mean financial year of the company.
  - (p) Expressions referring to writing shall be construed as including references to typewriting, printing, lithography, photography and other modes of representing or reproducing words in visible form.
  - (q) Words importing the singular number include the plural number and vice versa and words importing the masculine gender include the feminine gender.
  - (r) Unless the context otherwise requires words or expressions contained in these Articles shall be of the same meaning as in the Act or any statutory modification thereof in force at the date at which these Articles become binding on the company.

**MEMBERSHIP**

2. The number of members with which the company proposes to be registered is \_\_\_\_\_ (---), but the minimum number of members shall not be, at any time, less than three (3). However, the directors may, from time to time, whenever the company or the business of the company requires, increase the number of members.
3. The company in general meeting may from time to time lay down the qualifications and conditions subject to which any person or class of persons shall be admitted to membership of the company.
4. The rights and privileges of a member shall not be transferable and shall cease on his death or

otherwise ceasing to be a member.

5. The subscribers to the memorandum and such other persons as the directors shall admit to membership shall be members of the company.
6. One person shall have the right to hold one membership.

#### **ADMISSION TO MEMBERSHIP**

7. The application for seeking membership of the company shall be required to be seconded by an existing member whereupon the board of directors shall decide the matter of his admission as member or otherwise within ninety days of making of such application. No minor or lunatic shall be admitted as a member of the company.
8. Every person, upon applying for admission to membership, shall submit to the company an undertaking on the stamp paper of appropriate value that:
  - (a) I have not been associated with any money laundering or terrorist financing activities and neither have approved receipt of nor received such monies and likewise neither have approved disbursement of nor disbursed such monies in any manner for money laundering or terrorist financing purposes; and
  - (b) I have not been associated with any illegal banking business, deposit taking or financial dealings or any other illegal activities.
9. The board shall subject to the Articles, accept or reject any application for admission to membership. The board's decision shall be final and it shall not be liable to give any reasons thereof.

#### **CESSATION / EXPULSION FROM MEMBERSHIP**

10. A member renders himself liable to expulsion or suspension by the board if:
  - (a) he refuses or neglects to give effect to any decision of the board; or
  - (b) he infringes any of the regulations of the articles; or
  - (c) he is declared by a court of competent jurisdiction to have committed a fraud, or to be bankrupt, or to be insane or otherwise incompetent; or
  - (d) he is held by the Committee of the company to have been guilty of any act discreditable to a member of the company; or
  - (e) he is acting or is threatening to act in a manner prejudicial to the objects, interest or functioning of the company or any other institute, body corporate, society, association or institution in which the company has an interest.
11. The company in general meeting may, on an appeal of the aggrieved member and after giving an opportunity of hearing, annul or modify the decision of the board with regard to expulsion of the member by resolution supported by two-thirds majority. The person expelled shall be reinstated as a member from the date of the resolution of the general meeting annulling the decision of the board.
12. Termination of membership shall occur automatically:
  - (a) in the event of the death of a member; and

- (b) in the event a member fails to pay any amount due by him to the company within three (3) months after such obligation has become due.

## **GENERAL MEETINGS AND PROCEEDINGS**

### **ANNUAL GENERAL MEETING**

13. A general meeting to be called annual general meeting, shall be held, in accordance with the provisions of Section 132, within sixteen months (16) months from the date of incorporation of the company and thereafter once at least in every calendar year within a period of four (4) months following the close of its financial year as may be determined by the directors.

### **OTHER GENERAL MEETINGS**

14. All other meetings of the members of the company other than an annual general meeting shall be called “extraordinary general meetings”.

### **EXTRAORDINARY GENERAL MEETINGS**

15. The directors may, whenever they think fit, call an extraordinary general meeting, and extraordinary general meeting shall also be called on such requisition(s), as is provided by section 133 of the Act.

### **NOTICE OF GENERAL MEETINGS**

16. Twenty-one (21) 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 Act for the general meeting, to such persons as are, under the Act or the Articles 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.

### **SPECIAL BUSINESS**

17. All business that is transacted at an extra ordinary general meeting and that is transacted at an annual general meeting with the exception of the consideration of the financial statements and the reports of the director and auditors, the election of directors, the appointment of and the fixing of remuneration of the auditors shall be deemed special business.

### **QUORUM**

18. No business shall be transacted at any general meeting unless a quorum of members representing not less than two (2) members or twenty-five percent of the total number of members of the company, whichever is greater, is present personally or through video-link at the time when the meeting proceeds to business-
- (a) in the case of company having share capital, unless the articles provide for a larger number,

two members present personally, or through video-link who represent not less than twenty-five percent of the total voting power, either of their own account or as proxies.

#### **EFFECT OF QUORUM NOT BEING PRESENT**

19. 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 and 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 in person or through video-link, being not less than two, shall be a quorum.

#### **CHAIRMAN OF MEETING**

20. The chairman of the board of directors, shall preside as chairman at every general meeting of the company, but if he is not present within fifteen minutes after the time appointed for the meeting, or is unwilling to act as chairman, any of the directors present may be elected to be the chairman and if none of the directors present is willing to act as chairman, the members present shall choose one of their number to be the chairman.

#### **ADJOURNMENT**

21. 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 from which the adjournment took place. When a meeting is adjourned for fifteen (15) days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

#### **VOTING**

22. At any general meeting a resolution put to the vote to the meeting shall be decided on a show of hands and a declaration by the chairman that a resolution has 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 of the votes recorded in favour of or against that resolution.

#### **CASTING VOTE**

23. In the case of an equality of votes, the chairman of the meeting shall have and exercise a second or casting vote.

#### **VOTES OF MEMBERS**

24. (1) Votes may be given on any matter by the members either personally or through video-link

or by proxy or by means of postal ballot.

(2) At any general meeting, the company shall transact such businesses only through postal ballot as may be notified by the Commission.

### **OBJECTION TO VOTE**

25. No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given and tendered, and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection made in due time shall be referred to the chairman of the meeting, whose decision shall be final and conclusive.

### **MANAGEMENT AND ADMINISTRATION**

26. There shall be, for the overall management of the company's affairs, a board of directors, which will be elected from amongst the members.
27. One term of the board of directors would be for three years.
28. No person shall be appointed as a director if he is ineligible to hold office of director of a company under section 153 of the Act.
29. No member / person shall hold more than one office in the company, such as those of Chief Executive / director or company secretary simultaneously.

### **FIRST DIRECTORS**

30. The following subscribers of the memorandum of association shall be the first directors of the company, so, however, that the number of directors shall not in any case be less than that specified in section 154 and they shall hold office until the election of directors in the annual general meeting:
1. MS.
  2. MS.
  3. MR.

### **NUMBER OF DIRECTORS**

31. The number of directors shall not be less than three (3). The directors of a company shall, subject to section 154, fix the number of elected directors of the company not later than thirty-five days before the convening of the general meeting at which directors are to be elected, and the number so fixed shall not be changed except with the prior approval of a general meeting of the company such that the minimum number of directors shall not be, at any time, less than three (3). A retiring director shall be eligible for re-election.

### **PROCEDURE FOR ELECTION OF DIRECTORS**

32. (i) The directors of the company shall be elected in accordance with provisions of sub-sections (1) to (6) of section 159 of the Act.

- (ii) If the number of persons who offer themselves to be elected is not more than the number of directors fixed by the directors under sub-section (1) of section 159, all persons who offered themselves shall be deemed to have been elected as directors.

#### **CASUAL VACANCY AND ALTERNATE OR SUBSTITUTE DIRECTORS**

33. (a) Any casual vacancy occurring among the directors may be filled up by the directors within thirty days of the vacancy and the person so appointed shall hold office for the remainder of the term of director in whose place he is appointed.
- (b) An existing director may, with the approval of the board of directors, appoint an alternate director to act for him during his absence from Pakistan of not less than ninety days. The alternate director so appointed shall ipso facto vacate office if and when the director appointing him returns to Pakistan.
- (c) A person shall be eligible for appointment against casual vacancy or to act as alternate director only if he is a member and is not already a director of the company.

#### **REMOVAL OF DIRECTOR**

34. The company may remove a director through a resolution passed in a general meeting of members in accordance with section 163 of the Act.

#### **CHAIRMAN OF THE BOARD**

35. The directors may elect one of their members as the Chairman of the board. The Chairman of the board shall preside at all meetings of the board but, 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 in person or through video-link may choose one of their member to be chairman of the meeting.

#### **DUTIES AND POWERS OF THE BOARD**

36. The board shall conduct and manage all the business affairs of the company, exercise all the powers, authorities and discretion of the company, obtain or oppose the application by others for all concessions, grants, charters and legislative acts and authorization from any government or authority, enter into such contracts and do all such other things as may be necessary for carrying on the business of the company, except only such of them as under the statutes and Articles are expressly directed to be exercised by general meetings and (without in any way prejudicing or limiting the extent of such general powers) shall have the following special powers and duties:
- (a) To present to the general meeting of the company any matters which the directors feel are material to the company, its objects or interests or affecting the interests of members and make suitable recommendations regarding such matters.
- (b) To regulate, through articles, the admission of members.
- (c) To appoint, remove or suspend the legal advisors, bankers, or other officers on such terms and

conditions as they shall think fit and as may be agreed upon.

- (d) To determine the remuneration, terms and conditions and powers of such appointees and from time to time, revoke such appointments and name another person of similar status to such office except for the auditor in which case the relevant provisions of the Act shall be followed.
- (e) To delegate, from time to time, to any such appointee all or any of the powers and authority of the board and to reconstitute, restrict or vary such delegations.
- (f) To appoint any qualified person as a first auditor(s) subject to provisions of the Act;
- (g) To agree upon and pay any expenses in connection with the company's objects and undertakings and pay all the expenses incidental to the formation and regulation of the company.
- (h) To constitute from time to time committee(s) from among themselves or co-opt other persons for the purpose and delegate to them such functions and powers as the board may deem fit to carry out the objects of the company.
- (i) Subject to the provisions of section 183 of the Act, the directors may exercise all the powers of the company to borrow and mortgage or charge its undertaking, property and assets (both present and future) or issue securities, whether outright security for any debt, liability or obligation of the company.

#### **PROCEEDINGS OF THE BOARD**

- 37. The board shall meet at least once in each quarter of every year, subject thereto meetings of the board shall be held at such time as the directors shall think fit. All meetings of the board shall be held at the registered office of the company or at such other place as the board shall from time to time determine. The meetings of the board shall be called by the chairman on his own accord or at the request of the chief executive (or any three directors) by giving at least seven (7) days' notice to the members of the board.
- 38. At least one-third ( $1/3^{\text{rd}}$ ) of the total number of directors or two (2) directors whichever is higher, for the time being of the company, present personally or through video-link, shall constitute a quorum.
- 39. Save as otherwise expressly provided in the Act, every question at meetings of the board shall be determined by a majority of votes of the directors present in person or through video-link, each director having one vote. In case of an equality of votes or tie, the chairman shall have a casting vote in addition to his original vote as a director.
- 40. The directors shall cause records to be kept and minutes to be made in book or books with regard to-
  - (a) all resolutions and proceedings of general meeting(s) and the meeting(s) of directors and committee(s) of directors, and every member present at any general meeting and every director present at any meeting of directors or committee of directors shall put his signature in a book to be kept for that purpose;
  - (b) recording the names of the persons present at each meeting of the directors and of any

- committee of the directors, and the general meeting; and
- (c) all orders made by the directors and committee(s) of directors:

Provided that all records related to proceedings through video-link shall be maintained in accordance with the relevant regulations specified by the Commission which shall be appropriately rendered into writing as part of the minute books according to the said regulations.

#### **RESOLUTION THROUGH CIRCULATION**

41. A resolution in writing signed by all directors for the time being entitled to receive notice of the meeting of directors or affirmed by them in writing shall be as valid and effectual as if it had been passed at a meeting of the directors duly convened and held.

#### **CHIEF EXECUTIVE**

42. The directors may appoint a person to be the Chief Executive of the company and vest in him such powers and functions as they deem fit in relation to the management and administration of the affairs of the company subject to their general supervision and control. The Chief Executive, if not already a director, shall be deemed to be a director of the company and be entitled to all the rights and privileges and subject to all the liabilities of that office.

#### **QUALIFICATION OF THE CHIEF EXECUTIVE**

43. No person who is not eligible to become a director of the company under section 153 of the Act, shall be appointed or continue as the Chief Executive of the company.

#### **REMOVAL OF CHIEF EXECUTIVE**

44. The directors by passing resolution by not less than three-fourths of the total number of directors for the time being or the company may by a special resolution passed in a general meeting remove a chief executive before the expiry of his term in office.

#### **MINUTE BOOKS**

45. The directors shall cause records to be kept and minutes to be made in book or books with regard to-
- (a) all resolutions and proceedings of general meeting(s) and the meeting(s) of directors and committee(s) of directors, and every member present at any general meeting and every director present at any meeting of directors or committee of directors shall put his signature in a book to be kept for that purpose;
  - (b) recording the names of the persons present at each meeting of the directors and of any committee of the directors, and the general meeting; and
  - (c) all orders made by the directors and committee(s) of directors:



Provided that all records related to proceedings through video-link shall be maintained in accordance with the relevant regulations specified by the Commission which shall be appropriately recorded into writing and made part of the minute books according to the said regulations.

#### **SECRETARY**

46. The Secretary shall be responsible for all secretarial functions and shall ensure compliance with respect to requirements of the Act concerning the meetings and record of proceedings of the board, committees and the general meeting of members, review the applications for admission to membership and the recommendations accompanying the same to ensure that they are in the form prescribed, ensure that all notices required by these Articles or under the Act are duly sent and that all returns required under the Act are duly filed with concerned Company Registration Office.

#### **COMMITTEES**

47. The directors may delegate any of their powers to committees consisting of such member or members of their body as they think fit and they may from time to time revoke such delegation. Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may from time to time be imposed on it by the directors.

#### **CHAIRMAN OF COMMITTEE MEETINGS**

48. 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 fifteen (15) minutes after the time appointed for holding the same or is unwilling to act as chairman, the members present may choose one of them to be the chairman of the meeting.

#### **PROCEEDINGS OF COMMITTEE MEMBERS**

49. A committee may meet and adjourn as it thinks proper. Questions arising at any meeting 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.

#### **VALIDITY OF DIRECTORS' ACTS**

50. 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.

#### **THE SEAL**

51. The directors shall provide for the safe custody of the seal, which shall not be affixed to any

instrument except by the authority of a resolution of the board or by a committee of directors authorized 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 seal shall be affixed.

### **FINANCES**

52. The funds of the company shall be applied in defraying the expenses and shall be applicable in or towards the acquisition by purchase, lease or otherwise and furnishing and maintenance of suitable premises and assets for the use of the company and shall be subject to the general control and direction of the board.
53. No person, except persons duly authorized by the board and acting within the limits of the authority as conferred, shall have authority to sign any cheque or to enter into any contract so as thereby to impose any liability on the company or to pledge the assets of the company.

### **ACCOUNTS**

#### **BOOKS OF ACCOUNT**

54. The directors shall cause to be kept proper books of account as required under Section 220 of the Act so that such books of account shall be kept at the registered office or at such other place as the directors think fit as provided in the said section 220 and shall be open to inspection by the directors during business hours.

#### **INSPECTION BY MEMBERS**

55. The directors shall from time to time determine the time and places for inspection of the accounts and books of the company by the members not being directors, and no member (not being a director) shall have any right to inspect any account and book or papers of the company except as conferred by law or authorized by the directors or by the company in general meeting.

#### **ANNUAL ACCOUNTS**

56. The directors shall as required by section 223 of the Act cause to be prepared and to be laid before the company in annual general meeting such financial statements duly audited and reports of the auditors and the directors as are required under the Act.

#### **COPY OF ACCOUNTS TO BE SENT TO MEMBERS**

57. A copy of financial statements alongwith the reports of directors and auditors of the company shall, at least twenty-one (21) clear days before the holding of the general meeting, be sent to all the members and the persons entitled to receive notices of general meetings, in the manner in which notices are to be given as provided in section 55 of the Act.

### **AUDIT**

58. Auditors shall be appointed and their duties regulated in accordance with Sections 246 to 249 of the

Act.

#### **NOTICE TO MEMBERS**

59. Notice shall be given by the company to members and auditors of the company and other persons entitled to receive notice in accordance with section 55 of the Act.

#### **INDEMNITY**

60. 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 492 in which relief is granted to him by the Court.

#### **SECRECY**

61. Every director, secretary, auditor, trustee, member of a committee, officer, servant, agent, accountant, or other person employed in the business of the company shall observe strict secrecy representing all transactions of the company, and the state of account with individuals and in matters relating thereto and shall not reveal any of the matters which may come to his knowledge in the discharge of his duties except when required so to do by the directors or the company in general meeting or by a court of law, and except so far as may be necessary in order to comply with any of the provisions herein contained.

#### **WINDING UP**

62. In the case of winding up or dissolution of the company, any surplus assets or property, after the satisfaction of all debts and liabilities, shall not be paid or disbursed among the members, but shall be given or transferred to some other company established under section 42 of the Act, preferably having similar or identical objects to those of the company and with the approval required under the relevant provisions of the Income Tax Ordinance, 2001 and under intimation to the Securities and Exchange Commission of Pakistan.
63. With regard to winding up, the company shall comply with the relevant provisions of the Act and the conditions of licence granted under section 42 of the Act or any directions contained in a revocation order passed by the Commission under the said section 42.

#### **SUPPLEMENTARY PROVISIONS RELATING TO TAX**

64. The company shall abide by and adhere to the following rules:
- (i) The company shall get its annual accounts audited from a firm of Chartered Accountants.
  - (ii) The company shall, in the event of its dissolution, after meeting all liabilities, transfer all its assets to an Institution, fund, trust, society or organization, which is an

approved non-profit organization, and intimation of such transfer will be given to Commissioner, Federal Board of Revenue, within ninety days of the dissolution.

- (iii) The company shall utilize its money, property or income or any part thereof, solely for promoting its objects.
- (iv) The company shall not pay or transfer any portion of its money, property or income, directly by way of dividend, bonus or profit, to any of its members(s) or the relative or relatives of member or members.
- (v) The company shall maintain its banks accounts with a scheduled bank or in a post office or national saving organization, National Bank of Pakistan or national commercialized banks.
- (vi) The company shall regularly maintain its books of accounts in accordance with generally accepted accounting principles and permit their inspection to the interested members of the public, without any hindrance, at all reasonable times.
- (vii) Without prejudice to the powers conferred on the Commission under section 42 of the Act, the association shall not change its memorandum and articles of association without approval of Commissioner, Income Tax, if it has been approved by him as a non-profit organization.
- (viii) The company shall restrict the surpluses or monies validly set apart, excluding restricted funds, up to twenty five percent (25%) of the total income of the year. Provided that such surpluses or monies set apart are invested in Government Securities, a collective investment scheme authorized or registered under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003, mutual funds, a real estate investment trust approved and authorized under Real Estate Investment Trust Regulations, 2015 or scheduled banks.

We, the several, persons whose names and addresses are subscribed below are desirous of being formed into a company in pursuance of these articles of association.

| <i>S. No.</i> | <i>Name and surname (present &amp; former) in full (in Block Letters)</i> | <i>NIC No. (in case of foreigner, Passport No)</i> | <i>Father's/ Husband's Name in full</i> | <i>Nationality (ies) with any former Nationality</i> | <i>Occupation</i> | <i>Usual residential address in full or the registered/principal office address for a subscriber other than natural person</i> | <i>Signatures</i> |
|---------------|---|--|---|--|-------------------|--|-------------------|
| <i>1</i>      |   |  |   |  |                   |  |                   |
| <i>2</i>      |   |  |   |  |                   |  |                   |
| <i>3</i>      |   |  |   |  |                   |  |                   |

Dated the \_\_\_\_ day of \_\_\_\_\_, 20\_\_

Witness to above signatures: (For the documents submitted in physical form)

|                                     |  |
|-------------------------------------|--|
| <i>Signature</i>                    |  |
| <i>Full Name (in Block Letters)</i> |  |
| <i>Father's/ Husband's name</i>     |  |
| <i>Nationality</i>                  |  |
| <i>Occupation</i>                   |  |
| <i>NIC No.</i>                      |  |
| <i>Usual residential address</i>    |  |

**Check List for License under Section 42 of the Companies Act, 2017**

| <b>S. No.</b> | <b>Checks</b>  | <b>Submission<br/>Yes/No</b> | <b>Page No(s).</b> |
|---------------|--|------------------------------|--------------------|
| 1             | Application fee  |                              |                    |
| 2             | Availability of name of proposed Section 42 company  |                              |                    |
| 3             | NFP Form 1 – signed by an authorized promoter or licensed intermediary   |                              |                    |
| 4             | Copies of CNICs of promoters/donors/witnesses  |                              |                    |
| 5             | Resumes/CVs of the Promoters/Directors on Appendix-A to NFP Form-1   |                              |                    |
| 6             | Attested Affidavits & Notarized Letter of Authority (signatures of the promoters / witnesses should match with their CNICs)  |                              |                    |
| 7             | Board resolution if the promoter is a subscriber other than a natural person,  |                              |                    |
| 8             | Copy of draft Memorandum of Association and Articles of Association  |                              |                    |
| 9             | NOC/approval/notification for Public Sector Company  |                              |                    |
| 10            | NOC, in case proposed promoter is a Government Servant   |                              |                    |
| 11            | Letters of consent / letters of intent from the donors   |                              |                    |
| 12            | If the association is already registered under any other law, copies of the following documents are annexed  |                              |                    |
|               | vii) Annual report, audited balance sheet, income and expenditure account etc.   |                              |                    |
|               | iii) Existing certificate of registration duly certified by relevant authority   |                              |                    |
|               | ix) resolution by all existing members for the proposed change of status to section 42 company being formed and that the existing entity shall be dissolved within 90 days after incorporation of section 42 company |                              |                    |
|               | (x) list of members of the association, duly certified by relevant authority   |                              |                    |
|               | xi) latest copy of its constitution or charter or statute, duly certified by relevant authority  |                              |                    |
|               | xii) list of all pending disputes  |                              |                    |
| 13            | Proof of relevant qualification / Experience of the promoters and chief executive  |                              |                    |
|               | (i) Education  |                              |                    |
|               | (ii) Experience  |                              |                    |
|               | (iii) Educational degree(s) of CEO   |                              |                    |