

SECURITY INVESTMENT BANK LIMITED
PREPARED BY LEGAL COUNSEL RIZWAN AHMED (BARRISTER AT LAW)
STATEMENT IN COMPARATIVE FORM

The following is a statement in comparative form showing the existing provision of the Memorandum of Association as is proposed to be altered and the provision as would appear after the proposed alteration has been made, indicating the clause of sub-section (1) of Section 32 of the Companies Act, 2017 under which alteration is considered permissible by the Company along with brief reasons explaining how the Company considers it permissible.

Existing provision	New provisions	Relevant Section	Reasons
<p><u>Sub-Clause 1 of Clause III:</u></p> <p>“Subject to an in accordance with all applicable laws, rules and regulations and in particular, the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (hereinafter referred to as “the NBFC Rules”), to carry on the businesses of Investment Finance Services, Leasing, Housing Finance Services, Venture Capital Investment, Discounting Services, and other allied and incidental forms of businesses and services, as a Non-Banking Finance Company (NBFC) in Pakistan and in other parts of the world, subject to the fulfillment of the capital adequacy requirements and the approvals from the Securities and Exchange Commission of Pakistan (hereinafter referred to as “the Commission”) and other appropriate regulatory approvals.”</p>	<p>The existing sub-Clause (1) of Clause III of the Memorandum of Association be replaced by the following:</p> <p>“Subject to an in accordance with all applicable laws, rules and regulations and in particular, the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (hereinafter referred to as the “NBFC Rules”), to carry on, [based on and in conformity with the principles of Islamic Shariah], the businesses of Investment Finance Services, Leasing, Housing Finance Services, Venture Capital Investment, Discounting Services, and other allied and incidental forms of businesses and services, as a Non-Banking Finance Company (NBFC) in Pakistan and in other parts of the world, subject to the fulfillment of the capital adequacy requirements and the approvals from the Securities and Exchange Commission of Pakistan (hereinafter referred to as the “Commission”) and other appropriate regulatory approvals</p>	<p>Section 32(1)(b) of the Companies Act, 2017</p>	<p>The new wording in Clause III(1) of the Memorandum of Association of the Company is necessary to give effect to change in principal line of business of the Company to Islamic Shariah principles and to allow Islamic Shariah-compliant investments, facilities, instruments and transactions. The proposed business can conveniently, efficiently and advantageously be combined with the existing business of the Company.</p>

Security Investment Bank Limited
Amendment/Alteration in Articles of Association
(Prepared by Legal Council Rizwan Ahmed)
(Barrister at Law)

Annex A

To consider and if thought fit, to approve the alteration in Articles of Association of the Company, with or without any amendments, modifications or alterations, in light of the Companies Act, 2017, appended as Annex A. as follows:

- (i) The title "*The Companies Ordinance, 1984*" in the heading be substituted with "*The Companies Act, 2017*".
- (ii) In Article 2, a new definition of "Act" be inserted at as sub clause (a) which provides:

"Act" means the Companies Act, 2017 and any statutory amendment or re-enactment thereof from time to time.
- (iii) In Article 2, a new definition of "*Central Depository Company*" be inserted at as sub clause (ai) which provides:

"Central Depository" means a central depository as defined in clause (cc) of section 2 of the Securities and Exchange Ordinance, 1969 (XVII of 1969), and registered with the Commission under section 32A of that Ordinance.
- (iv) In Article 2, sub clause (c), the words "*/President*" appearing twice be deleted.
- (v) In Article 2, sub clause (j), the definition of "*Ordinance*" be deleted and substituted with "*Not Used*".
- (vi) In Article 2, sub clause (l), the words "*Section 147 of the Ordinance*" be substituted with "*Section 119 of the Act*".
- (vii) In Article 2, a new sub clause (oi) be inserted which provides:

"Shariah" means the injunctions of Islam as laid down in the Holy Quran and Sunnah.
- (viii) In Article 2, sub clause (p), the words "*clause (36) of Section 2(1) of the Ordinance*" be substituted with "*clause (66) of Section 2(1) of the Act*".
- (ix) In Article 4, the words "*Section 146 of the Ordinance*" be substituted with "*Section 19 of the Act*".
- (x) In Article 7, the words "*Section 84 of the Ordinance*" be substituted with "*Section 82 of the Act*".
- (xi) In Article 8, the word "*Ordinance*", wherever appearing, be substituted with "*Act*".
- (xii) In Article 9, the words "*Sections 68 to 73 of the Ordinance*", be substituted with "*Sections 67 to 70 of the Act*".

- (xiii) In Article 10, the words “*provision of Section 82 of the Ordinance*” be substituted with “*provisions of the Act*”.
- (xiv) In Article 15, the words “*Section 95(2) of the Ordinance*” be substituted with “*Section 86(2) of the Act*”.
- (xv) In Article 19, the words “*ninety days*” and “*forty five days* ” be substituted with “*thirty days*” and “*fifteen days*” respectively.
- (xvi) In Article 21, the body be substituted as follows:

“Shares in the Company shall be transferred in accordance with the Central Depositories Act and the Central Depository Regulations and any other applicable laws. If the shares of the Company are not registered in the Central Depository, the same may be transferred either pursuant to the process in these Articles or pursuant to a process approved by the Directors. The instrument of transfer of any share in the Company shall be duly stamped and executed both by the transferor and transferee, and the transferor shall be deemed to remain holder of such share until the name of the transferee is entered.”

- (xvii) In Article 22, the body be substituted as follows:

“The instrument of transfer of any share shall be in writing in the following form or in any usual or common form which the Directors shall approve:

Is/or/o..... (hereinafter called “the Transferor”) in consideration of the sum of Rupees paid to me bys/o r/o..... (hereinafter called “the Transferee”), do hereby transfer to the said Transferee the share (or shares) with distinctive numbers fromto inclusive and / or CDC Participant I.D. No. Sub- Account No., in Security Investment Bank Limited, to hold unto the said Transferee, his executors, administrators and assigns, subject to the several conditions on which I held the same at the time of execution hereof, and I, the said Transferee, do hereby agree to take the said shares (or shares) subject to the conditions aforesaid.

Transferor's Signature

Full Name

Father's / Husband's Name

CNIC Number (in case of foreigner, Passport Number)

Nationality

Occupation

Residential

Address

Cell No.

Transferee's Signature

Full Name

Father's / Husband's Name

CNIC Number (in case of foreigner, Passport Number)

Nationality

Occupation

Residential Address

Cell Number/Landline Number

Email Address

Witnesses:

Signature:

CNIC No:

Full Name:

Father's/Husband's Name:

Full Address:

Signature:

CNIC No:

Full Name:

Father's/Husband's Name:

Full Address:

Bank Account Details of Transferee for Payment of Cash Dividend
(Mandatory in case of a listed company or optional for any other company)

It is requested that all my cash dividend amounts declared by the Company, may be credited into the following bank account:

Title of Bank Account

Bank Account Number

Bank's Name

Branch Name and Address

It is stated that the above mentioned information is correct and that I will intimate the changes in the abovementioned information to the company and the concerned Share Registrar as soon as these occur.

.....
Signature of the Transferee(s)

(xviii) In Article 23, the body be substituted as follows:

“

(1) The Directors shall not refuse to transfer any shares unless the transfer deed is for any reason defective or invalid, provided that the Company shall within fifteen (15) days from the date on which the instrument of transfer was lodged with it, or when the transferee is a Central Depository, within five (5) days, or such other period as may be required by the applicable laws, notify the defect or invalidity to the transferee, who shall, after removal of such defect or invalidity, be entitled to relodge the transfer deed with the Company.

(2) The Directors may decline to register any instrument of transfer unless the duly stamped instrument of transfer is accompanied by the certificate of the shares to which it relates and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer.

(3) If the Company refuses to register a transfer of any shares, the Company shall, within fifteen (15) days of the date on which the instrument of transfer was lodged with the Company, send the transferee notice of the refusal indicating reasons for such refusal. The Company shall keep the book to be called “Register of Transfer” wherein particulars of every transfer or transmission of any share in the Company shall be recorded fairly and distinctly in accordance with Section 124 of the Act.”

(xix) In Article 24, the title be substituted with “*Closure of Register*” and the body be substituted as follows:

“Subject to the provisions of Section 125 of the Act, the Register may be closed for any time or times not exceeding thirty (30) days in a year provided that the Commission may on application of the Company extend this period for a further period of 15 (fifteen) days.”

(xx) In Article 30, the word “*Ordinary*” be substituted with “*Special*”, and the words “*Section 92 of the Ordinance and the Rules*” be substituted with “*Section 85 of the Act, and the Rules, alter the conditions of its memorandum so as to:*”.

- (xxi) In Article 31, the words “*Section 86 of the Ordinance and in particular with the provisions of sub-section (3), (4) and (5) thereof*” be substituted with “*Section 83 of the Act*”.
- (xxii) In Article 34, the words “*Section 157 of the Ordinance*” be substituted with “*Section 131 of the Act*”.
- (xxiii) In Article 34-A, the word “*eighteen*” be substituted with “*sixteen*”.
- (xxiv) In Article 35, the words “*by not less than 75% majority of votes cast in the meeting*” appearing in the third line be substituted with “*as per the requirements of the Companies Act, 2017*”.
- (xxv) In Article 36, the words “*Section 159 of the Ordinance*” be substituted with “*Section 133 of the Act*”.
- (xxvi) In Article 37, sub clause (1), the word “*Ordinance*” be substituted with “*Act*”; sub clause (6), the words “*Section 161(3) of the Ordinance*” be substituted “*Section 137(3) of the Act*”.
- (xxvii) Article 39 be substituted as follows:
- No business shall be transacted at any General Meeting unless a quorum of Members is present at the time of the commencement of proceedings. Subject to the provisions of Section 135(1)(a) of the Act, not less than ten (10) Members present personally or by video link who represent not less than twenty five per cent (25%) of the total voting power, either on their own account or as proxies, shall constitute a quorum.*
- (xxviii) In Article 44, the title be substituted with “*Demand for Poll*”; the body be substituted as follows:
- “A poll may be demanded only in accordance with the provisions of Section 143 of the Act.”*
- (xxix) After Article 44, a new Article 44-A titled “*Postal Ballot / E-Voting*” be inserted which provides as follows:
- “The Members may exercise their voting right, in general meetings, through Postal Ballot or e-voting in accordance with the provisions of the Companies (Postal Ballot) Regulations, 2018, the Act, and any other applicable laws.”*
- (xxx) In Article 45, the body be substituted as follows:
- “Subject to the provisions of the Companies Act, 2017, resolutions at any Annual or Extraordinary General Meeting of the Company shall be adopted only by the affirmative vote of the majority of members present in person or by proxy or by video link. In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting at which the show of hands takes place or at which the poll is demanded shall be entitled to a second or casting vote.”*
- (xxxi) In Article 46, the title be substituted with “*Manner of Taking Poll*”; the body be substituted as follows:

“If a poll is duly demanded on the election of a chairman or on a question of adjournment or any other question, it shall be taken in accordance with the manner laid down in Section 145 of the Act and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.”

(xxxii) In Article 49, after the words “*whether in person or by proxy*” appearing in the first line, the words “*or by video link*” be inserted.

(xxxiii) In Article 54, sub clause (1), at the end, the following be inserted:

“For the purposes of e-voting, the instrument appointing the proxy shall be in such form and deposited with the Company in the manner prescribed under the applicable laws.”

(xxxiv) In Article 55, sub-clause (1) be substituted as follows:

“An instrument appointing a proxy may be in the following form, or in any other form which the Directors shall approve:

*I, _____ of _____ in the district of _____ being a member of **Security Investment Bank Limited** (the “Company”) and holding _____ shares of the value of Rs. 10 each in the capital of the Company bearing numbers _____ To _____ as per Registration Folio No. _____ and / or CDC Participant I.D. No. _____ Sub-Account No. _____ CNIC No. _____ or Passport No. _____, hereby appoint _____ of _____ as my proxy to attend and vote for me and on my behalf at the Annual or Extraordinary (as the case may be) General Meeting of the Company to be held on the _____ day of _____ 20____ and at any adjournment thereof.*

Signed this day of.....20.....

Signature _____”

(xxxv) In Article 55, sub-clause (2) be substituted as follows:

“An instrument of irrevocable proxy shall be in the following form or in such forms as may be approved by the Directors:

INSTRUMENT OF CONTINUING IRREVOCABLE PROXY

*I, _____ of _____ in the district of _____ being a member of **Security Investment Bank Limited** (“the Company”) and holding _____ shares of the value of Rs. 10 each in the capital of the Company bearing numbers _____ To _____ as per Registration Folio No. _____ and / or CDC Participant I.D. No. _____ Sub-Account No. _____ CNIC No. _____ or Passport No. _____, do hereby irrevocably and permanently nominate, constitute & appoint of _____ as my proxy, to attend at and vote for me and on my behalf at every General Meeting of the Company held after the date hereof and until such appointment is revoked by me in the manner herein provided.*

The authority conveyed hereunder shall extend to all shares in the capital of the Company to which I may become entitled during the validity hereof by reason of my

above stated holdings in the Company. I undertake not to take any action or fail to take any action which might in or have the effect of limiting, extinguishing, frustrating or rendering ineffectual due by the proxy holder of all or any of the powers and authorities hereby conferred.

I declare and acknowledge that this proxy is issued for a consideration, and is coupled with an interest of the proxy holder herein. This proxy shall not be unless accompanied by an instrument in writing of the proxy holder consenting to such revocation.

IN WITNESS WHEREOF I have executed this proxy this day of _____

(Witness)

(Shareholder)"

- (xxxvi) In Article 59, the word "*Ordinance*" wherever appearing be substituted with "*Act*".
- (xxxvii) In Article 62, the words "*Section 184 of the Ordinance*" be substituted with "*Section 167 of the Act*".
- (xxxviii) In Article 63, the words "*Section 187 of the Ordinance*" be substituted with "*Section 153 of the Act*".
- (xxxix) In Article 65, the words "*Section 181 of the Ordinance*" be substituted with "*Section 163 of the Act*".
- (xl) In Article 69, the words "*section 187 of the Ordinance*" be substituted with "*Section 153 of the Act*".
- (xli) In Article 70, sub clause (2), the words "*section 196 of the Ordinance*" be substituted with the words "*Section 183 of the Act*"; sub clause (3), the body be substituted as follows:
- "Subject to the provisions of Article 70(1), in regard to the issue of securities, the Directors may exercise all or any of the powers of the Company arising under Section 183, 83 and 66 of the Act and in particular the Directors may issue any security as defined in Section 2(1)(61) of the Act or may issue any instrument or certificate representing redeemable capital as defined in Section 2(1) (55) of the Act or participatory redeemable capital as provided under Section 66 of the Act."*
- (xlii) In Article 71, sub clause (1), the word "*Ordinance*", wherever appearing, be substituted with "*Act*"; sub clause (2), the words "*Section 196(2) of the Ordinance*" be substituted with "*Section 183(2) of the Act*".
- (xliii) In Article 72, the words "*Section 196(3) of the Ordinance*" be substituted with "*Section 183(3) of the Act*".
- (xliv) In Article 75, the words "*Section 195 of the Ordinance*" be substituted with "*Section 182 of the Act*".
- (xlv) In Article 76, the words "*Section 196(2) of the Ordinance*" be substituted with "*Section 183(2) of the Act*".

- (xlvi) In Article 77, the words “*Section 214 of the Ordinance*” be substituted with “*Section 205 of the Act*”.
- (xlvii) In Article 78, the words “*Section 218*” be substituted with “*Section 213 of the Act*”.
- (xlviii) In Article 79, the words “*Section 216 of the Ordinance*” be substituted with “*Section 207 of the Act*”.
- (xlix) In Article 80, the words “*Section 219 of the Ordinance*” and “*Section 214, 215, 216 or 218 of the Ordinance*” be substituted with “*Section 209 of the Act*” and “*Section 205, 206, 207 or 213 of the Act*”, respectively.
- (l) In Article 83, the title be substituted with “*Directors to Comply with the provisions of the Act and the Rules*”; “*Ordinance*”, wherever appearing, be substituted with “*Act*”; the sentence “*The Directors shall also comply with the provisions of the Ordinance with regard to the keeping of a register of the shareholding of certain persons specified in Section 220 thereof.*” appearing in the eleventh line be substituted with “*The Directors shall also comply with the provisions of the Securities Act, 2015, and in particular Section 102, with regard to the keeping of a register of the shareholding of certain persons specified therein.*”; the words “*Section 246 of the Ordinance*” appearing in the sixteenth line be substituted with “*Section 238 of the Act*”.
- (li) In Article 86, sub clause (i)(a), the words “*Section 187 of the Ordinance*” be substituted with “*Section 153 of the Act*”, sub clause (i)(d), the words “*Section 195 of the Ordinance*” be substituted with “*Section 182 of the Act*”.
- (lii) In Article 90, the words “*Section 216 of the Ordinance*” be substituted with “*Section 207 of the Act*”.
- (liii) In Article 96, the words “*Section 201 of the Ordinance*” appearing in the second line be substituted with “*Section 189 of the Act*”; the words “*Section 184 of the Ordinance*” appearing in the tenth line be substituted with “*Section 167 of the Act*”; the words “*Section 202 of the Ordinance*” appearing in the fifteenth line be substituted with “*Section 190 of the Act*”.
- (liv) In Article 100, sub clause (2), the words “*Section 213 of the Ordinance*” be substituted with “*Section 203 of the Act*”.
- (lv) In Article 103, the word “*Ordinance*”, wherever appearing, be substituted with “*Act*”; the words “*Section 83, 235 and 248 of the Ordinance*” be substituted with “*Section 81 and 240 of the Act*”.
- (lvi) In Article 107, the words “*Section 2(1) (150A) of the Ordinance*” be substituted with “*Section 2(1) (31) of the Act*”.
- (lvii) In Article 108, the words “*Section 251 of the Ordinance*” be substituted with “*Section 243 of the Act*”.
- (lviii) In Article 112, sub clause (e), the words “*Section 230(1)(e) of the Act*” be substituted with “*the first proviso to Section 220(1) of the Act*”.

- (lix) In Article 113, the words “*Section 230(1) of the Act*” be substituted with “*the second proviso to Section 220(1) of the Act*”.
- (lx) In Article 116, sub clause (1), the words “*Sections 234, 237, 238, and 240*” appearing in the third line be substituted with “*Sections 225, 228, 229 and 231 of the Act*”; the words “*Section 236 of the Ordinance*” appearing in the sixth line be substituted with “*Section 227 of the Act*”; sub clause (2), the words “*Section 241 of the Ordinance*” be substituted with “*Section of the Act*”; sub clause (3), the words “*Section 236(3) of the Ordinance*” be substituted with “*Section 227(5) of the Act*”.
- (lxi) In Article 117, sub clause (2), the words “*Section 242(1) of the Ordinance*” appearing in the third line be substituted with “*Section 233(1) of the Act*”; the words “*Section 242 (2) of the Ordinance*” appearing in the sixth line be substituted with “*Section 233(2) of the Act*”.
- (lxii) In Article 118, the words “*three copies each (or such larger number as may be prescribed for the time being under Section 245 (1) (b) of the Ordinance)*” be substituted with “*under Section 237(2) of the Act*”.
- (lxiii) In Article 119, the words “*Section 230 to 247 of the Ordinance*” be substituted with “*Section 220 to 239 of the Act*”.
- (lxiv) In Article 122, the words “*Sections 252 to 255 of the Ordinance*” be substituted with “*Sections 246 to 249 of the Act*”.
- (lxv) In Article 124, the words “*proviso to Section 50 of the Ordinance*” be substituted with “*Section 55 of the Act*”.
- (lxvi) In Article 129, the word “*Ordinance*”, wherever appearing, be substituted with “*Act*”.
- (lxvii) In Article 130, the word “*Ordinance*”, wherever appearing, be substituted with “*Act*”.
- (lxviii) In Article 131, the words “*Section 488 of the Ordinance*” be substituted with “*Section 492 of the Act*”.
- (lxix) In Article 132, the word “*Ordinance*”, wherever appearing, be substituted with “*Act*”.