

THE COMPANIES ORDINANCE, 1984

COMPANY LIMITED BY GUARANTEE

MEMORANDUM & ARTICLES OF ASSOCIATION

OF

THE KARACHI COTTON ASSOCIATION

Brought up to 22-02-2006

REGISTERED OFFICE
THE COTTON EXCHANGE
I.I. CHUNDRIGAR ROAD, KARACHI.

Printed at

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Memorandum & Articles of Association

OF

THE KARACHI COTTON ASSOCIATION

CERTIFICATE OF INCORPORATION

No. 1958 of 1933-34

I Hereby Certify that The Karachi Cotton Association Limited, is that day incorporated under the Indian Companies Act, VII of 1913 and that the Company is Limited.

Given under my hand at Bombay this Twentieth day of April, one thousand nine hundred and Thirty three.

(Sd.) K.M. Tallyarkhan
Ag. Register of Companies

Memorandum of Association
OF
THE KARACHI COTTON ASSOCIATION

- i. The name of the Company is "**The Karachi Cotton Association**",
- ii. The Registered Office of the Association will be situated in Karachi.
- iii. The objects for which the Association is established are:-
 - (a) To acquire the whole or any part of the property and assets of any Cotton Association carrying on business in any part of Pakistan, and, in particular to take over the assets and liabilities of the Karachi Joint Cotton Committee on the later agreeing to hand over and transfer the whole concern.
 - (b) To provide and maintain suitable buildings or rooms for a Cotton Exchange in the City of Karachi and elsewhere in Pakistan and to regulate admission to and prohibition of the use thereof and the nature and times of such user whether in the case of the general body or particular classes or any individual or firm or company using the Exchange; to provide forms of contracts compulsory or permissive and regulate the making, carrying out and enforcement or cancellation of contracts; to adjust by arbitration or otherwise controversies between persons engaged in the Cotton Trade; to establish just and equitable principles in the said Trade; to maintain uniformity of control of the said Trade; to fix or adopt standards of classification of cotton; to acquire, preserve and disseminate useful information connected with the cotton interest throughout all market; to decrease or insure the local risk attendant upon business; and generally, to control, promote and regulate the Cotton Trade in Karachi and elsewhere in Pakistan; improve its stability and augment the facilities with which it may be conducted.
 - (c)
 - (1) To establish and maintain a Clearing House for the purpose of dealing with cotton transactions, and to regulate admission to and prohibition of the user thereof and the nature and times of such user whether in the case of the general body or particular classes or any individual or firm or Company using the Clearing House.
 - (2) To regulate the handling and exportation of Cotton from Pakistan and the importation of Cotton into Pakistan in so far as it may be imported.
 - (3) To indemnify shipowners, master porters and other such persons against claims in respect of any cotton exported from or imported into Pakistan, in such manner and by such instruments as the Association may deem advisable.
 - (4) To levy, take, recover, and receive rates, tolls, charges and other sums of money; on, for and in respect of Cotton in which the Association or its Original Members, Members or Associate Members, or (if and so far as any necessary authority in that behalf is obtained) others not connected with the Association are in any way interested or concerned.
 - (5) To facilitate the due shipment and delivery of Cotton, and to consider all questions as to the loading, carriage by land or sea delivery and insurance of Cotton and to take such action therein as the Association may think fit.

- (6) To bring, prosecute or defend, or aid in bringing, prosecuting or defending any suits, actions, proceedings, applications or arbitrations on behalf of Original Members, Members or Associate Members or otherwise as the Directors of the Association may think proper or conducive to the objects of the Association ; and
- (7) To obtain Acts of sanctions of the Government of Pakistan or the provincial Governments or any other Government for enabling the Association to carry all or any of the objects into effect, or for amending the laws affecting any persons dealing in or handling cotton and to promote, support or oppose legislative or other measures affecting the aforesaid Trade or interest.
- (8) To prescribe the principle of framing of contracts with a view to eliminate the temptation and possibility of speculative manipulation.
- (d) To admit persons as Original Members, Members or Associate Members of the Association upon such terms and condition as may from time to time be determined.
- (e) To make from time to time By-Laws for the control and regulations of membership of the Association and of cotton dealings in Pakistan and without prejudice to this generality for the maintenance and use or prohibition of the use of Exchange or Clearing House or Clearing Houses, whether in the case of the general body or particular classes or any individual or firm or company using the same and the nature and times of such user; determining the classes of contracts and the obligations in respect of which difference shall be paid through a Clearing House; fixing and declaring market in cotton and the times during which they shall be open or closed; the making, performance and determination of contracts and the consequences of death, supervening incapacity, insolvency, or breach of contracts; the forms of contracts to be used whether permissive or compulsory; the prohibition of specified classes of dealings and the time during which such prohibition shall operate; the prevention of and dealing with "Corners" or "Bear Raids" in any and every kind of cotton and cotton transaction so as to prevent or stop or mitigate undue speculation inimical to the Trade as a whole; the course of business between Original of them on the one hand and their constitutes (whether Members of any description or not) on the other hand, the forms of contracts between them and their rights and liabilities to each other in respect of dealings in cotton; the fixing of brokerage, commission and such other charges; the levying, compelling payment of and recovering fines, fees penalties and subscriptions in connection with any of the objects of the Association before or after mentioned: the arbitration and settlement of all manner of disputes or difficulties in connection the said Trade : disciplinary By-Laws including provision for suspension and expulsion from membership of the Association; the appointment of Committees for the furtherance of any of the objects or powers, express or implied of the Association including without prejudice to this generality Daily Rates Committees, Arbitration Committees, Appeal Committees, Trade Supervision Committee, Clearing House Committees, Standards Committees, Building Committees, By-Laws Committees, or any other Committees requisite or expedient for the purposes of the Association or any of them, and to determine their powers, duties and remuneration, if any, and the conditions under which they are to hold office and operate.

- f) To establish, take over, control, manage or regulate the Cotton Market in Karachi Or the Cotton Market or Markets in any part of Pakistan.
- (g) To Purchase, take on lease, or in exchange, hire or otherwise acquire any real and personal property and any rights or privileges which the Association may think necessary or convenient for the purposes of its business, and in particular any land, buildings and easements.
- (h) To construct, maintain and alter buildings or works necessary or convenient for the purposes of the Association.
- (i) To build, acquire and manage Cotton warehouses, to warehouse cotton and to undertake the transport of cotton to and from such warehouse and elsewhere in Pakistan.
- (j) To insure, sell, improve, manage, develop, lease, mortgage, dispose of, or otherwise deal with all or any part of the property of the Association.
- (k) To establish and carry on a bank, to undertake banking business and to issue, acquire, use, deal in, pledge, mortgage, transfer, assign or sell mercantile documents of every kind and description and without prejudice to this generality to draw, make, accept, endorse, discount, issue, negotiate; assign cheques, drafts, bills of exchange, promissory notes, hundies, debentures, bonds, railway receipts, bills of lading, and other negotiable or transferable instruments or securities, and to purchase, sell, endorse and surrender for renewal any Government Promissory Notes or Government War Loan Bonds or other securities of the Government of Pakistan or any other Government whether within or without the Commonwealth.
- (l) To insure cotton the property of Original Members, Members and Associate Members against loss by fire.
- (m) To communicate with Chambers of commerce and other Mercantile and Public Bodies throughout the world and concert and promote measures for the protection of the Cotton Trade and Traders in Cotton.
- (n) (1) To license brokers, muddams and warehousemen dealing with Original Members, Members and Associate Members upon such terms and conditions as the Association may prescribe from time to time.
- (n) (2) To provide for weighing, measuring or sampling of bales belonging to Original Members, Members and Associate Members of the Association, either by licensing weighmen, measurers or samplers Or by engaging servants under the Association to carry out any or all of these functions- upon such terms and conditions to be observed by the licensees and with such fees payable by Original Members, Members and Associate Members for these services-as may be determined from time to time by the Association.
- (o) (1) To relieve poor and necessitous persons who are or have been Original Members, Members or Members or Associate Members of the Association and also the wives and families of such persons, and to subscribe to become member of, and co-operate with any other Association whether incorporated or not whose objects are altogether Or in part the relief of poor and necessitous persons.
- (o) (2) To establish and support or aid in the establishment and Support of Associations, institutions, funds, trusts, and conveniences calculated to benefit servants or ex-servants of the Association or the dependents or connections of such persons, and to grant pensions and allowances and to make payments towards insurance and to subscribe or guarantee money for any charity or benevolent object or for any exhibition or for any public general or useful object.

- (p) To subscribe to, become a member of, and co-operate with any other Association, whether incorporated or not whose objects are altogether, or in part, similar to those of this Association, and to procure from and communicate to any such Association such information as may be likely to forward the objects of the Association.
- (q) To invest or advance the moneys of the Association upon such securities or without any security, and at or without interest, as may from time to time be determined.
- (r) To receive money on deposit at interest or otherwise.
- (s) To raise money in such other manner as the Association shall think fit, and in particular by the creation and issue of debentures or debenture stock charged upon all or any of the Association's property (both present and future).
- (t) To enter into partnership, or into any arrangement for sharing profits, union of interests or co-operation with any person, firm, company, association, or institution or public body, or administration carrying on or interested in, or about to carry on, or be interested in any business which this Association is authorized to carry on, or any business or transaction capable of being conducted so as directly Or indirectly to benefit this Association, and to take Or otherwise to acquire and hold shares or stock Or debentures or bonds of or in any such concern.
- (u) To promote any other company for the purpose of acquiring all or any part of property and liability of this Association, or of advancing directly or indirectly the objects or interest thereof and to take or otherwise acquire and hold shares, stock or debentures in any such company and to guarantee the payment of any debentures or other securities issued by any such Company.
- (v) To take or otherwise acquire and hold shares In any other Company having objects altogether or in part similar to those of this Association or carrying on any business capable of being conducted so as directly or indirectly to benefit this Association or the Members (of each and every class) thereof or the Cotton Trade of Pakistan.
- (w) To purchase and otherwise acquire and undertake all or any part of the business, property, and liabilities of any ,person of Company carrying on any business which this Association is authorized to carry on, or possessed of property suitable for the purpose of this Association.
- (x) To sell the undertaking of the Association, or any part thereof for such consideration as the Association may think fit and in particular for shares, debenture, or securities of any other Company having objects altogether or tin part similar to those of this Association.
- (y) To enter into any arrangements with any Government, Ruling Power and any local or other Authorities Railway, Municipal or otherwise which may seem conducive to the Association's objects or any of them, . and to obtain from any such Government, Ruling Power, or Authority any powers, rights, licenses, privileges, or concessions which the Association may think fit and ;desirable to obtain; and to carry out, exercise and comply with any such arrangements, rights, licenses, privileges and concessions.

- (z) To assign, seal, execute and deliver all instruments, deeds; documents and writings whatsoever usual, necessary or expedient in relation to the Association or its affairs or interests whether as grantors, consenters, or otherwise and to do the foregoing and all such other things as are incidental or conducive to the attainment of the above objects or any of them in any capacity whether as principals, or agents, or trustees or beneficiaries or otherwise.

IV The liability of Original Members and Members is limited.

V Each original Member and each Member of the Association undertakes to contribute to the assets of the Association in the event of the same being wound up while he is an Original Member or Member or within one year afterwards for payment of the debts and liabilities of the Association contracted before he ceases to be an Original Member or Member, and of the costs, charges and expenses of winding up the Association and for adjustments of the rights of the contributories amongst themselves, such amount as may be required not exceeding one hundred rupees.

We, the persons whose names and addresses are subscribed are desirous of being formed into a Company in pursuance of this Memorandum of Association.

No.	Names.	Addresses & Occupation
1.	Niranjan Prasada	C/o Kishan Prasad & Co. Ltd. Khori Garden, Karachi Merchant
2.	A. P. Darlow	C/o Gill & Co. Wood Street, Karachi. Merchant
3.	Chellaram Shewaram	C/o Shewaram Rewachand McLeod Road, Karachi. Merchant
4.	G. Grossenbacher	C/o E. Spinner & Co. McLeod Road, Karachi. Merchant
5.	Geo. Gut	C/o Patel Cotton Co. Ltd. McLeod Road, Karachi. Merchant
6.	Issardas Varandmal	C/o Jeramdas Naoomal, New Chawli, Karachi. Merchant
7.	Jivandas Ladhahai	C/o Viram Ladha & Co. Campbell Street, Karachi. Merchant
8.	Kanayalal Ghuwellewana	C/o Tarachand Ghanshamdas New Chawli, Karachi. Merchant
9.	D. McCanum	C/o Rani Brothers Ltd. Wood Street, Karachi. Merchant
10.	M. Napier	C/o Langley & Co. McLeod Road, Karachi. Merchant
11.	Nechaldas Chhangomal	C/o Ajoomal Jagatrai, Khori Garden, Karachi. Merchant

No.	Names.	Addresses & Occupation
12.	Ruplal Shankardas	C/o Dhanpatmal Diwanchand Bunder Road, Karachi Merchant
13.	Tarachand Karamchand	C/o Tarachand Karamchand Serai Road, Karachi. Merchant
14.	C. Voegeli	C/o Volkart Brothers, McLeod Road, Karachi. Merchant
15.	J. Yamada	C/o Toyo Menka Kaisha, Ltd. McLeod Road, Karachi. Merchant
16.	T. Yanagawa	C/o Japan Cotton Trading Co. Ltd. Wood Street, Karachi. Merchant

Dated Karachi, this Thirteenth Day of April, 1933.
Witness to the above Signatures.

T. B. DALAL,
Secretary,
Karachi Joint Cotton Committee .

THE COMPANIES ORDINANCE, 1984

Company Limited by Guarantee

Articles of Association
OF

THE KARACHI COTTON ASSOCIATION

PRELIMINARY

1. For the purpose of registration, the Association is declared to consist of, five hundred members.

2. The Association may from time to time in General Meeting by Ordinary Resolution register an increase of its Members.

3. In these regulations, unless there be something in the subject or context inconsistent therewith:-

"THE ASSOCIATION". means The Karachi Cotton Association.

"THE OFFICE" means the Registered Office for the time being of the Association .

"THE REGISTER " means the Register of Members to be kept pursuant to. section 147 of the Companies Ordinance, 1984 (Ordinance XLVI1 of 1984)

"THE EXCHANGE" means The Karachi Cotton Exchange belonging to or in the occupation of the Association with its appurtenances.

"THE ACT" means the Indian Companies Act VII of 1913 as adopted by Pakistan and every statutory modification or replacement thereof.

"THE ORDINANCE" means the Companies Ordinance, 1984 (Ordinance XLVI1 of 1984) and every statutory modification or replacement thereof.

"THE GENERAL BODY" means the General Body of members of the Association with only those members entitled to vote *whose standing, as such member, is not less than one year continuously and acting through at least the quorum of its number.

"THE BY -LA WS" means the By-Laws of the Association for time being in force.

"ORDINARY GENERAL MEETING" means an Ordinary General Meeting of the Members of the General Body duly called and constituted and any adjourned holding thereof.

"EXTRA ORDINARY GENERAL MEETING" means an Extraordinary General .., Meeting of the Members of the General Body duly called and constituted and any -x adjourned holding thereof.

"GENERAL MEETING" means a General meeting of the Members of the General Body whether Ordinary or Extraordinary.

" SPECIAL RESOLUTION" shall have the meanings assigned thereto by section 2(36) of the Ordinance 'EXTRA ORDINARY RESOLUTION' shall be a 'special resolution' passed in an Extra Ordinary General Meeting called under section 159 of the Ordinance.

"ORDINARY RESOLUTION".. means a Resolution passed upon a show of hands by a simple majority of the voters present, and If a poll be demanded, by a simple majority of the votes given thereat.

"VOTERS" shall mean members whose, standing as such member is not continuously less than one year and 'VOTING' means votes given' by such voters only and no other;

"MONTH" means Calendar Month:

"THE SEAL" means the common seal of the Association.

"THE DIRECTORS" means the Directors for the time being of the Association.

"THE BOARD" means the Directors of the Association for the time being acting through at least a quorum of them and includes a meeting of the Directors duly called and constituted.

"PLACE OF BUSINESS" means an Office where, in the opinion of the Directors, a member or a person, firm, company or Hindu Joint Family eligible for membership is conducting a bona-fide cotton business.

"IN WRITING" and "WRITTEN" include printing, typewriting, lithography and other modes of representing or producing words, figures and signs in a visible form.

"COMMON WEALTH" when it refers to an individual means a person of bona-fide Commonwealth nationality or a person who is the subject of any State in Pakistan, and in the case of a firm, a company, association or other body means that at least 75 per cent of the shares or working capital of such firm, company, association or other body is owned and advanced by persons of Commonwealth nationality or persons who are the subjects of any State in Pakistan.

Words importing the singular only include the 'plural number and *vice versa*.

Words importing persons include Firms, Pedhis, Hindu Joint Families, Companies, Corporations, Associations, Institutions and Governments including any Government Department.

4. The regulations contained in Tables A/B and/or Tables E/F of the First Schedule of the Ordinance shall not apply to the Association. However, except as provided herein and save for Regulation 1 no other regulation of Table C shall apply.

MEMBERSHIP

5. (a) Every person, firm or company who having a place of business in Pakistan and who upto the 1st day of September, 1935, or such extended date as may be fixed by the Board, applies for Membership of the Association agreeing to be bound by these articles and the By-Laws, Rules and Regulations of the Association from time to time in force and whose application is accepted by the Board as that of an Original Member shall be an Original Member of the Association. Every Original Member of the Association shall pay as in these Articles provided (!) a deposit of Rs. 3,000 (Rupees Three Thousand) to the Association and (2) the annual subscription to the Association.

5. (b) Every applicant for Original Membership shall declare in his application the name or names of his partner or partners and shall furnish such other information as the Board may require and shall pay with his application the said deposit of Rs. 3,000/- which shall be liable to forfeiture by a Resolution of the Board for any default made by the Member in payment of any money payable by him to the Association or to any other Original Member or Members, or Associate member or Members, of the Association, under or in virtue of the By-Laws from time to time in force. This Deposit shall be subject to alien in favour of the Association and the Association shall have a first charge thereon for all sums due to the Association by the Member making the deposit. Postponed to and coming immediately after the said lien and deposit shall in every case be subject to alien in favour of such of the other members (of any and every class) as the maker of the deposit is indebted to in respect of cotton transactions for the total amount of such indebtedness. For such indebtedness this lien shall be a second charge upon the deposit.

5. (c) Persons, firms or companies not accepted by the Board as Original Member and who are not Commonwealth subjects may be admitted as Members of the Association if approved by the Board, provided that the Board are satisfied that the respective countries of which they are nationals afford similar trading facilities to Pakistan subjects trading in cotton or cotton goods and provided they shall each deposit with the Association a sum of Rs. 10,000 which shall interest at the rate of 3 per cent per annum and be subject to the liens and liable to the forfeiture provided in Article 5 (b)

Persons, firms or companies eligible for membership under this Article applying for membership after 1st September, 1939, shall each deposit with the Association a sum of Rs. 20,000 which shall bear interest at 3 per cent per annum and be subject to the liens and liable to forfeiture provided in Article No. 5 (b).

Persons, firms or companies eligible for membership under this Article and applying for membership after 1st January, 1944, shall each deposit with the Association a sum of Rs. 30,000 which shall bear interest at 2 per cent per annum and be subject to the liens and liable to forfeiture provided in Article No. 5 (b).

Persons, firms or companies eligible for membership under this Article and applying for membership after 18th January, 1996, shall each deposit with the Association a sum of Rs. 350,000 which shall bear interest at 2 per cent per annum and be subject to the liens and liable to forfeiture provided in Article No. 5 (b).

6. A sole proprietorship, firm or any other company or a concern dealing in cotton and having traded in or dealt in actual cotton in Karachi or elsewhere for a period of not less than two years and having a place of business in Pakistan shall be eligible for membership of the Association provided that in the case of a firm and company respectively, a majority of the partners and a majority of the Directors or Managers are Commonwealth subjects and provided also that at least 75 per cent of the capital of the firm or company is owned by Commonwealth subjects and provided also that in the case of a company with limited liability its paid up capital is at least three lacs of rupees and in the case of an individual that he is a Commonwealth subject. Those who are admitted to Membership as eligible under this Article or under 5 (c) shall be members as distinct from original Members.

7. Every person, firm or company (Commonwealth subjects and other than those not accepted as Original Member) who is proposed as a member of the Association shall submit with the application a deposit of Rs. 6,000/- and which will be subject to the liens and liable to the forfeiture as specified in Article 5 (b). Such application shall also declare the names or names of the partner or partners, if any, of the applicant, and shall furnish such other information as the Board may require.

Every person, firm or company eligible for membership and proposed under this Article after 1st September, 1939, shall pay a deposit of Rs. 10,000/- and be subject to the liens and liable to forfeiture provided in Article No. 5 (b).

Every person, firm or company for membership and proposed under this Article after 1st January, 1944 shall pay a deposit of Rs. 10,000/- and which will be subject to the liens and be liable to forfeiture as specified in Article No. 5 (b).

Every person, firm or company for membership and proposed under this Article after 18th January, 1996 shall pay a deposit of Rs. 25,000/- and which will be subject to the liens and be liable to forfeiture as specified in Article No. 5 (b).

Every person, firm or company for membership and proposed under this Article after 22nd February, 2006 shall pay a deposit of Rs. 100,000/- and which will be subject to the liens and be liable to forfeiture as specified in Article No. 5 (b).

8. Every application for Membership under any of the foregoing Articles shall be in writing, in such form as may from time to time be prescribed by the Board, and signed by the candidate and his proposer and seconder (who shall be Members or Original Members) and addressed to the Association and the name of the applicant and of his proposer and seconder shall be circulated to the Directors who shall within 14 days of the date of the circular, or within such extend period as the Board may fix dispose of the application in such fashion as the Board may deem fit and in accordance with the procedure laid down in Article. 9.

9. At the end of the period prescribed under Article No. 8, the candidate shall be balloted for by the Directors on such date as may prescribed by the Chairman. The candidate shall not be elected unless at least nine Directors or $\frac{3}{4}$ th (an integer being considered as one) of the number of Directors present, whichever is higher, vote in favour. The same candidate shall not be balloted for twice within a period of six months.

9-A. Every application for membership made after the 15th April. 1993 shall be accompanied by an admission fee of Rs. 10,000/-.

Every application for membership made after the 22nd February. 2006 shall be accompanied by an admission fee of Rs. 20,000/-.

10. Every Original Member and every Member shall pay an annual subscription of not less than Rs. 4,000/- or such other annual subscription not exceeding Rs. 5,000/- as the Board shall determine from time to time. Any increase over Rs. 5,000/- shall require the sanction of a General Meeting.

10-A. The membership fee chargeable shall be fixed by Board subject to approval of the General Body and DTO.

RENEWAL OF MEMBERSHIP

10-B. The Membership of the Association shall be for a period of one year, renewable on furnishing proof of filing of a return of income or statement U/S 143 B under the Income Tax Ordinance 1979 for the latest preceding assessment year by the member, whether individual, firm or company. However, the Companies/Concerns established after 30-6-1994 shall be exempt from the aforementioned requirement for the first renewal but such renewal would not grant them the voting right. The members of Association who are exempt from payment of income tax or if their income falls below the taxable limit will be allowed to produce exemption certificate or copy of tax coupons etc. in lieu of filing of return of income or statement u/s 143 B of Income Tax Ordinance.

ASSOCIATE MEMBERS

11. Any person, firm or company who on 31st August, 1933, or on such date as the Board may determine was a registered subscriber to the Karachi Joint Cotton Committee and has a place of business in Karachi, shall be qualified to become and Associate Member of the Association subject to the approval of the Board provided he applies in the form prescribed by the Board and pays a deposit of Rs. 500 before 1st September, 1933, and provided also he agrees to pay an annual subscription of Rs. 50 or such other annual subscription not exceeding Rs. 100 as the Board shall determine from time to time. An increase over Rs. 100 Subscription shall require the sanction of a General Meeting. Any other person, firm or Company, who is a Commonwealth subject and actually engaged in the Cotton Trade and has a place of business in Karachi, shall be eligible subject to the approval of the Board to become an Associate Member of the Association and may be admitted as such provided he or it pays the said subscription and deposits a sum of Rs. 1,000 with the Association and pays an admission fee of Rs. 250. The deposits shall bear interest at 3 per cent per annum and be subject to the liens and liable to the forfeiture provided in Article 5 (b).

Persons or firms or companies other than Commonwealth subjects may be admitted as Associate Members of the Association, if approved by the Board, under and subject to the By-Laws, Rules and Regulations of the Association from time to time in force in that behalf, provided that the Board are satisfied that the respective countries of which they are nationals afford similar trading facilities to Commonwealth subjects trading in cotton or cotton goods. And provided they are actually engaged in the Cotton Trade and have a place of business in Karachi and provided also that they pay an admission fee of Rs. 250 and a deposit of Rs. 3,000 and pay an annual subscription of Rs. 100. Any increase over Rs. 100 subscription shall require the sanction of a General Meeting. The deposit shall bear interest at the rate of 3 per cent per annum and be subject to the liens and liable to forfeiture, provided in Article 5 (b).

Every application made after 1st September, 1933, shall be in writing in such form as the Board may prescribe and shall be accompanied by an admission fee of Rs. 250.

The admission of Associate Members shall be by a resolution of the Board and Article No.9 shall not apply thereto.

12. Associate Members shall have all the privileges and rights of Membership except as herein below provided. viz:-

- I. An Associate Member shall have no vested interest in the Association and may be expelled by the Board without reasons assigned.
- II. An Associate Member shall not be entitled to be present at a General Meeting of the Association and shall not under any circumstances be entitled to act as a Director or vote on any matter pertaining to the Association or before the Association.
- III. An Associate Member shall not be entitled to be elected on Appeal Committee or any other Committees to which the Board may delegate any of its powers.

12. (a) On and from 31st January, 1940, Associate Membership in terms of Article II and 12 shall cease to exist, and on and from that date all Associate Members admitted in terms of articles II and 12 shall cease to exist as such.

12. (b) Associate Members whose names appear as such in the register on 30th September, 1939, shall on payment, before a date fixed by the Board, but not later than 31st January, 1940, of the additional deposits as provided in the schedule below, be deemed to have been admitted to Original Membership or Membership, Commonwealth or Non-Commonwealth as the case may be, without a fresh application being submitted and without any admission fee being paid, and shall thereupon assume all the rights and privileges and obligations of the respective class of membership.

SCHEDULE OF DEPOSITS

Class of Associate Membership	Additional Deposit Payable	Class of Membership
The Rs. 500 Deposit Associate Members	Rs. 2,500	Original, Article 5(a) Member, Article 7 Member, Article 5 (c)
The Rs. 1000 Deposit Associate Members	Rs. 5,000	
The Rs. 3000 Deposit Associate Members (Non-Commonwealth)	Rs. 7 ,000	

The deposits already paid and the additional deposits shall bear interest at the rate of 3 per cent per annum and be subject to the liens and liable to forfeiture provided in Article 5 (b)

BROKERS

13. Original Members, Members and Associate Members shall deal with or .through only such Cotton Brokers as are licensed by the Board of Directors. Any person who has a place of business in Karachi or else where in Pakistan where a Cotton Exchange may be established and in the opinion of the Board is or intends to be engaged in a bona fide cotton brooking business may in the discretion of the Board be licensed as a Broker for the respective Cotton Exchange. A licence fee of **Rs. 5000/-** and an annual renewal fee of not less than Rs. 5/- or such renewal fee not exceeding **Rs. 250/-** as may be determined by the Board from time to time shall be payable to the Association by a Cotton Broker. The licence shall be granted and held upon such I conditions as may be determined by the Board and may be suspended or cancelled or renewed as the Board may provide in the rules made by the Board in that regard. A firm or a Company shall not act as licensed cotton brokers unless all the members or partners composing a firm or a company hold the Association's licence in their individual names. An Original Member, Member or Associate Member may, in the discretion of the Board be granted a licence without any fees whatsoever, but the licence so granted shall cover only one authorized representative of the Original Member, Member of Associate Member, and the Original Member, Member or Associate Member having such licence shall in no case be entitled to act as Cotton Broker in his own name, unless he is sole proprietor of the concern or unless all the Members of the firm or partnership are licence holders in their individual names.

INCIDENTS OF MEMBERSHIP

14. Every Original Member, Member and Associate Member shall conform to and be bound by the provisions of these presents and the By-Laws of the Association in force from time to time.

15. If a Member (whether Original Member or Member or Associate Member) ceases to have a place of business in Pakistan or not being a principal in a firm established in Pakistan ceases to reside in Pakistan in the opinion of the Board ceases to have full authority to conduct Or manage in Pakistan the business of a principal engaged in the Cotton Trade in Pakistan, or whether a principal or not fails to pay as and when required by the Board any Sum due by him to the Association Or remains in breach of the provisions of these presents or after notice to conform thereto remains in breach .of any By-Laws or award of Arbitrators, Umpire or Appeal Committee or order of the Board in virtue of any By-law, he shall be liable to be expelled from the Association or suspended from exercising all Or any rights of membership or otherwise dealt with as the Board may by resolution determine and if he ceases to be a Commonwealth subject (where that is a necessary qualification) Or is declared insolvent by the Court or (subject to the terms of Article 16) becomes lunatic or of unsound mind, or being a company goes into liquidation or is expelled from the Association, or having resigned and such resignation having been accepted by the Board, he shall, On posting to that effect, ipso-facto cease to be a Member and his name shall be taken off the Register of Members but he shall remain liable for fulfillment of all his obligations whether to the Association or other Members of any class therein. The deposit together with interest if any of such Member, Firm Or Company if and so far as not forfeited }; and subject also to satisfaction of the liens by these Articles provided shall be refunded Within 12 months thereafter with interest as provided by Article 5 (b).

16, It any Member (whether Original Member or Member Or Associate Member) shall die become lunatic or of unsound mind or otherwise incapable of managing his affairs the Board shall be entitled by resolution to declare that in place of such Member any other person or persons appointed by them shall enjoy the privileges of Membership upon such conditions and with such limitations (if any) as the Board then or thereafter thinks fit to impose for the purpose of enabling such person or persons to conduct or manage temporarily the business of such Member. The Board shall have the right to accept or refuse to accept the nomination of a person appointed *pro tempore* to manage the affairs of a member in any of the emergencies aforementioned. Upon the passing of such a resolution the person or persons named in the resolution shall be entitled to the privileges of Membership during the period and under the conditions and with the limitations (if any) thereby prescribed, and shall be liable to the Association for the observance of the By-Laws of the Association and for fulfillment of all obligations to the Association and its Members of every class including payment of subscription, fines and differences and arbitration and survey fees and other obligations for which such Member would have been liable if he had not died or become lunatic or of unsound mind or become otherwise incapable of managing his affairs.

16. A (i) Every Original Member or Member being an individual and whether trading in his own name or not may, from time to time, by a nomination in writing signed by him, nominate as his authorized representative a person who has full authority to conduct and manage such Original Member's or Member's cotton business in Pakistan. The term "authorised representative" fu these presents shall, where any such Original Member or Member has made no nomination under this clause, be deemed to include such Original Member or Member.

16,A (ii) Every Original Member or Member being a firm shall from time to time, by a nomination in writing signed by one of its partners or a person holding its general Power of Attorney or in the case of a *Joint* Hindu Family firm by its Manager nominate one of its partners or in the case of a Joint Hindu Family firm one of its major co-partners, or a person duly authorised who shall ordinarily be' resident in Karachi or elsewhere in Pakistan where a Cotton Exchange may be established, to be its authorised representative at the respective Cotton Exchange.

(iii) Every Original Member Or Member, not being an individual or firm shall from time to time, by a nomination in writing signed by some person *or* persons having authority in this behalf, nominate one of its members ordinarily resident in Karachi or elsewhere in Pakistan where a Cotton Exchange may be established, to be its authorised representative at the respective Cotton Exchange.

(iv) No person shall be nominated who, in the sole opinion of the Board, whose opinion shall be final and binding, shall not have full authority to conduct or manage in Pakistan the cotton business of a principle engaged in the Cotton Trade.

(v) The Association shall maintain a Register of authorised representative and there shall be entered in such register the names of persons nominated in accordance with the provisions of this Article.

(vi) If any Original Member or Member who has nominated an authorised representative shall cease to be an Original Member or a Member, the name of such authorised Member shall be struck off the register maintained under this Article.

(vii) The entry of a nomination in the Register of authorised representatives maintained under this Article shall be conclusive that the person so nominated is the authorised representative of the member nominating him, and to all intents and purposes shall bind the Original Member and Member in respect of all acts and deeds committed by him) as if they were done and committed by Original Member or Member.

Only the authorised representative registered under this article shall be entitled to exercise the rights and functions exercisable under these Articles by Original Members and Members.

16 B. Every Associate Member shall also nominate his authorised representative in accordance with the procedure laid down in Article J 6A, and to all intents and purposes such authorised representative shall bind the Associate Member for all acts and deeds committed by him. as if they were done and committed by the Associate Member .

16 C. Every Member (of each and every class) may appoint One or more persons to be their nominated representative. A nominated representative must be resident in Pakistan and the member's employee, partner or Director. Nominated representative of Original Members or Members (other than Associate Members) shall be eligible at the discretion of the Board, to be elected on Committee to which the Board may delegate any of their power. All nominated representatives shall be eligible for election on the Panel of Surveyors.

CERTIFICATES

17. Certificate of Membership of the Association shall be issued under the Seal of the Association and signed in such manner as the Board shall prescribe and shall be produced to the Board or any official of the Association deputed for the purpose as and when the Board may require.

18. If any certificate be worn out or defaced then upon production thereof to the Board they may order the same to be cancelled and may issue a new certificate in lieu thereof and if any certificate be lost or destroyed then' upon proof thereof to the satisfaction of the Board or in default of proof on such indemnity as the Board deem adequate being given. a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed certificate.

19. For every certificate issued the sum of one Rupee or such other sum as the Board may under the last preceding clause from time to time determine shall be paid to the Association.

PAYMENT OF ANNUAL SUBSCRIPTIONS

20. All annual subscriptions, whether of Original Members or Members or Associate Members, shall be paid at such time whether in advance, or otherwise, and in such manner, as the Board shall from time to time prescribe,

DEPOSITS

21. All moneys received by the Association as deposit from Original Members, Members and Associate Members and others whomsoever shall be deemed to be under the absolute control of the Association. The Association shall be entitled subject to the provisions of these Articles to use them for any of the objects of the Association in the same manner as if these moneys belonged to the Association absolutely.

APPLICATIONS OF ENTRANCE FEES, ANNUAL SUBSCRIPTION, ETC

22. All moneys received by the Association in respect of Entrance Fees, Annual Subscriptions, Fines, Penalties, Fees and otherwise whether under these Articles or the By- Laws shall belong to the Association absolutely and may be dealt with in such manner as the Board from time to time think fit.

BORROWING POWER

23. The Board may from time to time at their discretion. raise or borrow from the Directors, Members or other persons any sum or sums or moneys for the purposes of the Association but so that the total amount at anyone time owing by the Association in respect of moneys so raised or borrowed shall not without the sanction of a General Meeting exceed the sum of Rs. 50,000. Nevertheless, no lender or other person dealing with the Association shall be concerned to see or enquire whether this limit is observed.

24. The Board may raise or secure the payment or repayment of such sum or sums of money in such manner and upon such terms and conditions in all respects as they think fit and, in particular, by the issue of Debentures or Debenture Stock of the Association charged upon all or any part of the property and right of the Association (both present and future).

25. Every Debenture or other instrument for securing the payment or repayment of the moneys borrowed by the Association may be so framed that the moneys thereby secured shall be assign-able free from any equities between the Association and the person to whom the same may be issued. Any Debentures, Debenture Stock, Bonds, Mortgages or other instruments or securities issued by the Association may be issued at a discount, premium or otherwise, and with any special privileges as to redemption, surrender, drawings and otherwise, as the Board may think fit.

26. The Board shall cause a proper Register to be kept in accordance with Section 125 of the Ordinance of all Mortgages and charges affecting the property of the Association and shall duly comply with the requirements of Section 129 of the Ordinance in regard to the registration of Mortgages. and charges therein specified and otherwise. The Register of Mortgages shall be open to the inspection of a creditor or Member of the Association without any payment and of any other person on payment of a fee of one Rupee for each inspection.

GENERAL BODY

27. The General Body shall include Original Members and Members, who have been member of the Association for a continuous period of not less than one year, as well as four Directors nominated by the Government of Pakistan on the Board of. Directors for the time being, who shall be entitled to attend and vote at General Meetings of the Association.

28. Associate Members may be invited at the discretion of the Board to attend General Meetings of the Association and may be permitted by the Chairman to express their views on any matter before the Association, but shall in no case be entitled to vote.

29. Annual General Meetings shall be held in every year at such place and time not being more than fifteen months after the holding of the last preceding Annual General Meeting as may be determined by the Directors.

30. The Annual Meetings shall be called Ordinary General Meetings.

31. All other meetings of the Association shall be called Extraordinary General Meetings.

32. The Directors may, whenever they think fit, call an Extraordinary General Meeting: PROVIDED that the notice period for the annual general and/or extra- ordinary general meeting shall not be less than 21 days from the date of issue of the notice.

32.A On a written requisition signed by 25 members of the General Body or 1/6th of total number of members of the General Body, whichever number is less (a fraction of a member being considered as one) stating the special object of the meeting an Extraordinary General Meeting of the Association shall be convened by a 21 days notice of meeting by the Board within 15 days of the deposit of the requisition, failing which, requisitionists or a majority of them may convene a meeting for the objects specified in the requisition.

33. The requisition must state the object of the Meeting and must be signed by the requisitionists and deposited at the Office of the Association.

34. If the Board do not proceed to cause a Meeting to be called by a 21 days notice of the meeting such notice being issued within 15 days from the date of the requisition being so deposited, the requisitionists or a majority of them in number may themselves convene the Meeting for the objects specified, but not for any other object, but any meeting so convened shall not be held after 60 days from the date of such deposit.

35. If at any such meeting a resolution requiring confirmation at another Meeting is passed, the Board shall forthwith convene a further Extraordinary General Meeting for the purpose of considering the resolution, and if thought fit of confirming it (with or without such modification as may have been made thereon at the first meeting) as a special resolution and if the Board do not convene the meeting within fourteen days from the date of the passing of the first resolution, the requisitionists or a majority of them in number may themselves convene the Meeting.

36. Any requisitioned meeting convened under the foregoing clauses shall be convened on seven days' clear notice and when convened by the requisitionist shall be convened in the same manner as early as possible as that in which meetings are to be convened by the Board.

37. Twenty one (21) clear days' notice at least shall be given of each Annual General Meeting and of every Extraordinary General Meeting at which any special resolution is to be passed or confirmed. Such notice shall be sent by post or otherwise served as hereinafter provided. In the case of an Extra-ordinary General Meeting for any other purpose (subject to the provisions of Article 36) two clear day notice at least shall be given and such last mentioned notice may be given by posting the same up on the Notice Board of the Association and every member shall be deemed to have seen the notice immediately after the posting up of the same. In every case the notice shall specify the place, day and hour of meeting, and in case of special business, the general nature of such business.

37A. Where it is proposed to pass a special resolution, the two meetings may be convened by one and the same notice, and it is to be no objection to such notice that it only convenes the second meeting continently on the resolution being passed by the requisite majority at the first meeting.

38. The accidental commission to give any such notice to any of the members (when the posting up of the notice is not sufficient) shall not invalidate any resolution passed at any such meeting.

PROCEEDINGS AT GENERAL MEETINGS

39. The business of an Annual General Meeting shall be to receive and consider the statement of Income and Expenditure, the Balance Sheet, the Reports of the Directors and Auditors, to appoint Auditors and to transact any other business which under the Act or these presents ought to be transacted at an Annual General Meeting. All other business transacted at an Annual General Meeting and all business transacted at an Extraordinary General Meeting shall be deemed special.

40. Twenty Members of the General Body, entitled to vote as 'voter' present shall be a quorum for a General Meeting. No business shall be transacted at any General Meeting unless the requisite quorum be present at the commencement of the business.

41. The Chairman of the Board, if available and in his absence the Vice-Chairman of the Board if available, shall be entitled to take the Chair at every General Meeting. If neither of them is available or being available does not do so within ten minutes after the time appointed for holding such meeting, members, entitled to vote at the General Body present shall choose one of their Members as Chairman.

42. If within twenty minutes from the time appointed for the meeting a quorum is not present the meeting *if* convened upon requisition as aforesaid shall be dissolved but in any other case it shall stand adjourned to the same day (provided that day is not a Bank Holiday) in the next week at the same time and place and if at such adjourned meeting a quorum is not present those members who are present shall be a quorum and may transact the business for which the meeting was called.

43. Every question submitted to a meeting, shall unless unanimously decided, ;j; be decided in the first instance by a show of hands by voters at any voting and where the question is capable of being decided by a bare majority the Chairman shall, in the case of any equality of votes both on a show of hands and at a poll, have a casting vote in addition to the vote to which he is entitled as a member.

44. At any General Meeting (unless a poll is demanded by any member) a declaration by the Chairman that the resolution has been carried or carried by a particular majority or lost or not carried by a particular majority and an entry to that effect in the book or the proceedings of the Association shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.

45. If a poll is demanded as aforesaid it shall be taken as and when the Chairman of the meeting directs and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.

46. The Chairman at a General Meeting may with the consent of the Meeting adjourn the same from time to time and ,place to place but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting at which the adjournment took place

47. The demand of a poll shall not prevent the continuance of the meeting for the transaction of any business other than the question on which a poll has been demanded.

48. The Minutes of the meetings shall be written in English and the Accounts of the Association shall be kept in English.

VOTES OF MEMBERS

49. A member shall be eligible to vote in election of the Association after completion of one year of membership provided the member fulfils the conditions stipulated for the renewal of membership and the change of class of membership, if any has been notified by the Secretary with the approval of Board at least three months prior to the announcement of election schedule.

49 (a). Every member eligible to vote shall deposit with the Secretary , the specimen signature card of their authorized representative along with his/her photograph indicating his/her status in the firm, company or concern. The right to vote shall be allowed only to the proprietor, partner or the director of the member firm or company, or a person not below the rank of General manager authorized by the Board of Directors of a public limited company or a Multi-National company, as the case may be as their authorized representative and registered with the Secretary of the Association.

49 (b). The proprietor, partner or director of the member firm or company, concern or a person not below the rank of General Manager authorized by the Board of Directors of public limited company or a multi-national company as their authorized representative shall be entitled to cast his/her vote at the time of election only if his or her name has already been registered with the Secretary and his name appears on the list of voters. However, in the case of Associated Bodies, Associations of persons, a society or a trust etc., the member may be represented by authorized person who is a member of its Governing Body if he is registered as authorized representative with the Secretary of Association.

49 (c). The election of the Association shall be conducted according to the procedure laid down in the Articles of Association between the first day of July and the 30th day of September of a due year subject to following :-

- (i) The election of the Board shall be held by secret ballot and their final result shall officially announced at the general meeting of the Association called for this purpose within fifteen days of the date of polling but before or on 30th September.

The term of the Board of Directors and the office bearers shall commence from 1st October.

- (ii) Neither postal ballot nor proxy will be allowed.
- (iii) The polling shall be held at the Registered office of the Association.

49(d). The retiring Board shall approve the election schedule and appoint Secretary/any other person as returning officer and also polling officers as well as Scrutineers who shall be other than those contesting the election.

49(e).The returning officer as appointed shall be incharge of all arrangements connected with such elections, including counting of votes and announcement of results.

49 (f). The Secretary of the Association along with the issuance of the election schedule shall display a list of all members eligible to vote along with their national tax number and the name of their authorized representative.

49(g). The changes, if any, regarding name of authorized representative appearing in the list of voters shall be sent to the Secretary of the Association along with necessary proof of eligibility within seven days of the announcement of election schedule.

49 (h). The members who have any objection to the entries/changes in the list of voters shall send their objections in writing to the Secretary within seven days of the issuance of the said list.

49 (i). The Secretary will intimate action on the objections or changes sent by members within seven days from the last day under preceding clause.

49 (j). In case of any dispute pertaining to the eligibility of a member, the matter may be referred to the Scrutiny Committee of the Association by any person aggrieved by the decision of the Secretary of the Association within three days, which will decide the case within seven days.

49 (k). Within seven days of the decision of the Scrutiny Committee on such reference and the changes, if any, otherwise allowed by the Secretary, a copy of final list of voters shall be provided to the candidate contesting the election and a copy of such list shall also be submitted to the Director Trade Organizations forthwith.

50. Where in any election whether of Directors or other officials under these Articles, two or more, candidates secure an equal number of votes the successful candidate shall be determined by lot drawn between the said candidates by the returning officer in the presence of candidates or their authorized representatives/polling agents of such candidates and a record of the result thereof shall be made or if they fail to draw lots, the Chairman of the Board shall nominate and declare the successful candidate out of those who have tied.

DIRECTORS

51(A). At least seven days prior to the date of the Annual General Meeting, the Secretary shall publish a list of authorized representatives of members. The said list shall be deemed to be the list of voters eligible to vote for and to stand as candidates for election to the Board. The Secretary shall divide the members contained in the list into three categories, viz. (1) Buyers/Exporters (2) Sellers and (3) Others. On the facts and figures of ready purchases and sales and exports from Karachi as are available in the Association's record of the full official year preceding the issue of the said list a member whose purchases in ready in the Karachi Market and also export from Karachi are more than his sales in ready, shall be included in the category of Buyers/Exporters and a member whose sales in ready in the Karachi Market are more than his purchases in ready and also exports from Karachi shall be included in the category of Sellers. A member having no purchases or sales in ready or exports to his account in the Association's record for the full official year preceding the issue of the said list shall be included in the category of Others. A member who have not completed membership for full one official year shall be included in one of the categories as may be decided by the Board.

For election for the year 1978, the Members contained in the list of voters shall be categories on the facts and figures of ready purchases and sales and exports from Karachi as are available in the Association's record for two full official years preceding the issue of the said list.

For election for the year 1979, the Members contained in the list of voters shall be categorised on the facts and figures of ready purchases and sales and exports from Karachi as are available in the Association's record for three full official years preceding the issue of the said list.

For election for the year 1979-80, the Members contained in the list of voters shall be categorised on the facts and figures of ready purchases and sales and exports from Karachi as are available in the Association's record for four official years preceding the issue of the said list.

51(B). Each Director shall be a member in business on his account or a partner in a firm which is a Member or a Manager or a Director of a Company which is a member or the duly authorized representative, in terms of Article 16A, of such member firm or company, and he shall in every case be a Commonwealth subject or be an authorized representative of an Original Member. A partner in or the duly authorized representative of any firm which is a Member shall be qualified, if he is a Commonwealth subject or is a duly authorized representative of an Original Member, to be a Director but not more than one person from the same firm shall be a Directors of the Association at the same time. In like manner a Director or Manager of a Company or the duly authorized representative of a Company or joint Hindu Family which is a Member shall be qualified to be a Director, if he is a Commonwealth subject or is representing an Original Member, but not more than one Director, Manager or Representative of the same Company or Family shall be a Director of the Association at the same time.

51(c). The Board of Directors shall consist of not more than 21 members, 7 Buyers/Exporters, 8 Sellers and 2 Others elected Annually by the General Body, and not more than 4 persons appointed by the Central Government representing interest not directly represented through the membership of the Association.

The elected members of the Board shall elect Chairman and Vice-Chairman from amongst themselves, PROVIDED a member shall be eligible to serve as Chairman of the Association for a term of one year and on the expiry of the fixed tenure period, the Chairman will automatically cease to be the Chairman and shall hand over charge of his office to the newly elected Chairman or to the Secretary of the Association if the elections have not been held.

PROVIDED also that the retiring Chairman shall be eligible to seek re-election for the office of the Chairman after a minimum gap of one year.

A vacancy on the Board from among the elected member shall be filled up by co-option of a member belonging to the category of the member vacating by the elected member.

51(D). Within seven days of the issue of the list of voters referred to in Article 51-A, the authorized representatives who desire to be elected shall notify to the Secretary in writing their willingness to act as Director together with the proposal form duly signed by an authorized representative as propose and by another authorized representative as seconder. The Secretary shall prepare and publish on the working day immediately following the last date for the receipt of nomination papers, a list recording the names of duly nominated candidates in accordance with the three categories.

The Secretary shall prepare voting papers on the day fixed for ballot. The ballot papers shall have duly numbered counterfoils and the voters shall sign or affix thumb impression thereon in the presence of polling agents of the candidates and the returning officer before the issuance of ballot papers to him/her. The ballot paper shall be signed by the Secretary or an officer of the Association duly authorized by the Secretary in this behalf and shall also be signed by the polling officer at the time when it is issued. The voting shall be by ballot.

It shall be the duty of the polling officer to see the original identity card issued by the Association or national identity card or passport or any other mode of identification of the voter and write the number thereof on the counterfoil. After comparing the signatures and photographs with the specimen signatures cards, the polling officer shall hand over the ballot paper to the voter. The voter shall not be allowed to leave the booth after the ballot paper has been handed over to him until and unless he or she has inserted his/her ballot paper in the box placed before the presiding officer/polling officer and polling agents of the candidates.

The voting paper marked with crosses against the names of candidates whom voters wish to elect shall be placed in the ballot box which shall be kept in the Association's Registered office from 12 Noon to 4 p.m. on the ballot day. Each voter shall personally receive at the Association's office during the ballot hours the voting paper and shall be entitled to vote for 7 Buyers/Exporters, 8 Sellers and 2 Others, but no voter shall give more than one vote to the same candidate. Any voting paper on which crosses are put for more candidates or less candidates in the respective categories than there are seats or on which more than one cross is put against the same candidate shall be considered invalid. If there are as many candidates as there are seats in the respective categories or less, no election shall ensue for the category or categories concerned, as the case may be, and the candidates shall be declared duly elected. Any shortage in the prescribed number will be filled up by co-option from the category concerned by the directors declared elected.

Adequate arrangements shall be made to maintain the secrecy of the polls. Proper account shall be maintained by a designated officer in respect of ballot papers including used, unused, tendered, challenged or stray ballot papers. The challenged votes shall be kept in a separate sealed envelope duly signed and sealed by the polling officer. The returning officer shall decide about the challenged votes after verifications of necessary information from the member firm, company or concern before the official announcement of the results.

The retiring Board shall appoint two scrutineers who must be authorized representatives of the members of the General Body, who with the Secretary will open the ballot box for tabulating the results on the day of the ballot. Counting of votes shall take place immediately after the polling hours under the supervision of polling officer in the presence of polling agents of the candidates, if any, at the designated sites. Provisional results may be declared by the returning officer immediately after the counting of votes is completed.

After the completion of the election, Secretary shall declare the results thereof at the Annual General Body Meeting on the next working day following the ballot day. The announcement of election results within the meaning of Section 9(2) (e) of the Trade Organization Ordinance shall be that made in the general meeting of the Association called for this purpose within fifteen days of the announcement of the provisional results but in no case later than 30th day of September.

A certificate duly signed by the scrutineers and the Secretary stating the names of the persons elected shall be final and conclusive, and shall on no account be disputed. The record of elections shall be opened for inspection upon an application made in this behalf by the candidate within seven days of the date of polling and approved by the Director Trade Organizations. The new Directors thus elected shall take office on the first day succeeding the conclusion of the General Meeting.

51(E). The term of office of the Board of Directors and office bearers of the Association shall continue as per Articles of Association. The term of office of the members of Board of Directors or office bearers already elected in 1997 will expire on 30.09.1997 and the elections for such vacancies will be held in a manner that new elected member/office bearers will take over on 1st October.

52. If at any time there be no Chairman or Vice-Chairman or if he be through absence or other cause unavailable, the Board may appoint one of their member as their Chairman.

53. A Director may resign upon giving one month's notice in writing to the Association of his intention to do so, and such resignation shall take effect upon the expiration of such notice or its earlier acceptance by the Board.

54. The continuing Directors may act notwithstanding any vacancy in their body.

55. The Office of a Director shall ipso facto be vacated :-

- (a) If he suspends payment or is adjudicated an insolvent or if a petition be filed by him for winding up his affairs or those of his firm or company or if he compounds with his creditors.
- (b) If he be found lunatic or become of unsound mind or incapable of efficient attention to business.
- (c) If he absents himself from three consecutive weekly meetings of the Board without special leave of absence from the Board.
- (d) If he ceases to be Member of the General Body of the Association, or is expelled from the Association.
- (e) If he is concerned or interested in or participates in the profits or any contract with or work done for the Association. But no Director shall vacate his office by reason of his being a Director, Partner, Manager or Representative of any firm or company or Hindu Joint Family which has entered into contracts with or done any work for the Association or which is concerned in or participates in the profits of any contracts with the Association Nevertheless he shall not vote in respect of any contract of work in which he is so interested and if he does vote his vote shall not be counted.

Upon a Director vacating office whether by resignation or otherwise the Board shall fill up the vacancy by co-option.

ROTATION OF DIRECTORS

56. The whole body of the Directors shall retire from office annually.

57. The retiring Directors shall be eligible for re-election PROVIDED however, that no elected or co-opted Directors individually or as a representative of a firm and concern concerned shall hold office at time for a period longer than two consecutive terms; and on the expiry of the two consecutive terms of the Director, he or the firm concerned whose representative he is or was, shall not be eligible for election and/or co-option as Director for the next one term. PROVIDED further that this restriction on re-election and co-option shall apply with effect from the date of the election held in the year 2000.

58. The Association may, by an extraordinary resolution, remove any Directors, before the expiration of his period of office.

QUORUM AND PROCEEDINGS OF THE DIRECTORATE

59. The Board may meet together for the dispatch of business, adjourn and otherwise regulate their Meetings and proceeding at they think fit. Until otherwise determined at a General Meeting of the Association six Directors shall be a quorum for the transaction of any business. The Secretary shall generally convene the Meetings of the Directors. The Chairman may at any time, and the Secretary shall upon the request of three Directors convene a Meeting of Directors.

60. Questions arising at any Meeting of Directors shall be decided by a majority of votes and in case of an equality of votes, the Chairman shall have a second or casting vote. If neither a Chairman nor a Vice-Chairman has been appointed, or neither be present within 10 minutes of the time appointed for holding a meeting, the Directors present shall choose some one of their member to be Chairman of such meeting.

61. A meeting of the Directors for the time being at which a quorum present shall be competent to exercise all or any of the authorities, power and discretions by or under the Articles of the Association or otherwise for the time being vested in or exercisable by the Board of the Directors generally.

62. The Board may delegate any of their powers, authorities, and duties to Committee consisting of such member or members of their body or consisting of such other member or members of the Association not being Directors, or partly of Directors and partly of such other members as the Directors may think fit. Any Committee so formed shall in the exercise of the power so delegated conform to any regulation that may from time to time be imposed on it by the Directors.

63. The Meetings and proceedings of any such Committee consisting of two or more Members shall be governed by the provisions herein contained for regulating the Meetings and proceedings of the Directors so far as the same are applicable thereto, and are not superseded by the express terms of the appointment of the Committee, or by regulations made by the Directors under the last preceding clause.

64. All acts done at any meeting of the Directors or by a Committee or by any person acting as a Director or Member of Committee shall, notwithstanding that it shall afterwards be 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 or Member c.,' of a Committee.

POWERS OF DIRECTORS

65. The Management of the business and the control of the Association. shall be vested in the Board. who in addition to the powers. authorities, duties, discretions by these presents or otherwise expressly conferred or imposed upon them, may exercise all such power and do all such acts and things as may be exercised or done by the Association and are not hereby or by the statutes expressly directed or required to be exercised or done by the Association in General Meeting, but subject nevertheless to the provisions of the statutes and of these presents and to such regulations, not being inconsistent with these presents, as may .from time to time be made by extraordinary resolution; provided that no resolution so made shall invalidate any prior act of the Board or of the Directors which would have been valid if such regulations had not been made.

66. Without prejudice to the general powers conferred by, the last preceding clause it is hereby expressly declared that the Board shall have the following powers, that is to say power :-

- (1) To purchase or otherwise acquire for the Association any property, interests, rights, privileges, powers, or concessions which the Association is authorised to acquire at such price and generally on such terms and conditions as it may think fit.
- (2) To arrange, deal with and manage the finance of the Association and invest and deal with any of the moneys of the Association not immediately required for the purposes thereof upon such securities and in such manner as it may think fit and from time to time to vary or realize such investments.
- (3) To enter into contracts or engagements on behalf of the Association and to secure the fulfillment thereof.
- (4) To establish a Clearing House and a Bank and an Insurance Department and a measurement department.
- (5) To appoint Appeal Committees, Arbitration Committees, Daily Quotation Committees, and Rule Committee, Trade Supervision and Clearing House Committees or any other Committees, and to determine their duties and remunerations, if any, and the conditions upon which they are respectively to hold office.
- (6) To appoint and at its discretion remove or suspend, subject to Article 68, such Secretaries, Official, Arbitrators, Officers, Clerks, Agents and servants for permanent. temporary or special services. as it may from time to time think fit, and to invest them with such powers as it may think expedient, and to determine their powers and duties and fix their salaries or emoluments, and to require security in such instances and to such amounts as it may think fit.
- (7) From time to time to provide for the management of the affairs of the Association abroad in such manner as it may think fit, and in particulars to appoint any person to be the attorneys or agents of the Association, with such powers (including power to sub-delegate) and upon such terms as may be thought fit.
- (8) To appoint any person Or persons (whether incorporated or not) to accept and hold in trust and for the Association any property belonging to the Association or in which it is interested or for any other purposes and to execute and do all such deeds and things as may be requisite in relation to any such trust and to provide for the remuneration or such trustee or trustees.
- (9) To exercise the borrowing power of and obtain credits for the Association and to execute in the name and On behalf of the Association such Mortgages, charges and other encumbrances on the Association's property (present and future), as it may think fit in favour of any Director of the Association or any other person who may incur or be about to incur any personal liability whether as principal or surety for the benefit of the Association, and such instrument may contain a power of sale and such other powers, covenants and provisions at may be agreed upon.

- (10) To nominate Association's Officials, or Members or the Board or persons representing Original Members or Members on any Committee, Board, Council, Association. Institution, public or private, incorporated or not incorporated, government or semi-government. to represent the Association or any such Committee, Board. Council. Association or Institution whereon the Association may be entitled or invited to be represented.

66A. All sums of money paid into the Clearing House and all credits appearing in the books of the Clearing House for the benefit of members (of any class) entitled thereto shall be held by the Board on behalf of the Association as agent and in trust for the members entitled thereto. and the making of such payment or credit entry shall be deemed and taken as to be payment or credit to such member. and no other members shall be entitled to levy any attachment or execution thereupon. and neither the Association nor anyone (whether a member or non-member) deriving right through the Association shall have any right to such money or credit.

67. The Directors may set aside out of the income of the Association such sum as they think proper as a reserve fund to meet contingencies Or for repairing, improving and maintaining any of the property of the Association. or for the purposes or any of the purposes mentioned in sub-sections 0(1) and 0(2) of Clause 3 of the Memorandum of Association and for such other purposes as the Directors shall in their absolute discretion think conducive to the interests of the Association and they may invest or advance the several sums so set aside in the manner mentioned in sub-section 0 (2) of the same clause, and from time to time deal with and vary such advances and investments and dispose of all or any part there- of for the 'purposes and benefit of the Association and divide the reserve fund into such special funds as they may think fit.

SECRETARY

68. The Secretary shall be appointed by the Board for permanent service with such salary or emolument as the Board may deem proper, He shall not be removed from office by the Board unless he has completed 10 years service with the Association or has committed proved fraud, dishonesty or misappropriation or unless he holds a temporary, acting or probationary appointment. His services at any time however can be dispensed with if two-thirds of the members of the whole Board are present at a special meeting and vote for dispensing with his services upon giving him six calendar months' notice. All stipendiary Officers and servants of the Association shall be under the direct control and supervision of the Secretary .

The Secretary shall devote himself entirely to the business and affairs of the Association except in cases where he has received the special permission of the Board. He shall have charge of all correspondence and shall keep an account of the funds of the Association and of the funds connected with or in any way controlled by the Association. He shall receive deposit and disburse money on behalf of the Association. He shall pay general charges, expenses, etc. on behalf of the Association. The property of the Association of every kind shall be in his charge subject to the control of the Board. He shall keep accurate minutes of all meetings of the Association and of the Board, of Committees and Sub-Committee and of all other Committees connected with the Association. He shall give notice of all meetings of the Association and of the Board, of Committee and Sub-Committee or other Committee working in connection with the Association. He shall prepare the Annual Report of the Association under the guidance of the Board and the reports of all Committees connected with the Association and generally shall perform all such duties as are incidental to his office.

The Board of Directors may delegate any of the above powers and functions to one or more officers jointly or severally pr to the Chairman and/or the Vice-Chairman or to a Committee consisting of not less than two members of their body.

68.A There shall be a Chief Executive, who shall be appointed in accordance with and on terms and restrictions as provided and laid down in sections 198 to 201 of the Companies Ordinance, 1984.

68.B The Chief Executive may be removed before the expiration of the term of office, notwithstanding any thing contained in the Articles and/or any agreement between the company and the Chief Executive, by a resolution of the directors, where such resolution is passed by not less than three-fourth of the total number of directors

PROVIDENT FUND

69. The Directors may also set aside out of the Income of the Association such sum as they think proper as a provident Fund of the benefit to the employees of the Association and their wives children and dependents and they may invest the sum to set aside in . the manner mentioned in the sub-section of Clause 3 of the Memorandum of the Association and from time to time vary such investment. The Directors may in their absolute discretion determine who is entitled to benefit by the said Fund and may make regulations dealing with the same as to how the same is disposed of and if they think fit to do so they may impose a condition that no employee or his wife, children or dependents are to be entitled to participate in the fund *unless* such employee of the Association Or the wife, children or , dependents of such employee have any claim to participate in such fund.

APPLICATION OF PROFITS

70. The property capital and Income of the Association when-so-ever derived shall be applied solely towards the promotion of the objects of the Association and no portion thereof shall be paid by way of bonus or otherwise to the Members except in the case of winding up of the Association.

BY-LAWS

71. The Board shall pass and bring into effect such By-Laws 8;s may be considered in the interest of or conducive to the object of the Association; and they may in like manner at any time and from time to time rescind or alter or add to any of the By-Laws for the time being in force. The Boards' powers as aforesaid in relation to By-Laws shall not derogate from the powers hereby conferred upon the Association who may also in the same way and for the same purpose from time to time pass and bring into effect new By- Laws and rescind or alter or add to any existing By-Laws by resolution passed by a majority of two thirds at the least of the Members of the General Body present and voting at a General Meeting previous to which seven days' notice has been given that a Member supported by at least 25 Members of the General Body or 1/6th of the total number of Members of the General Body, whichever number is less (a fraction 0£ a number being considered as one) intends at such meeting to propose the making of such By-Laws or the rescission, alteration of or addition to a By-Law or By-Laws. The By-Law for the time being in force shall be binding on all the Original Members, Members and Associate Members and Officers of the Association and all persons claiming through or against the Original Members, Members and Associate Members, and Officers of the Association and they shall respectively observe and conform to the By-Laws for the time being in force. The Board or the Association may provide in any By-Laws dealing with the appointment of a Committee that candidates for the Membership of such Committee shall be debarred from voting at the election of Members thereof.

72. Without prejudice to the generality of the powers to make By-Laws conferred by the Memorandum of Association and by these Articles. it is hereby expressly declared that the said powers to make, alter, add to or rescind By-Laws include power to do so in regard to all or any of the following matters :-

- (1) The course to be adopted and the conditions to be performed and observed consistently with these Articles by persons who desire to become Original Members, Members Or Associate Members of the Association.
- (2) The notices to be given to Original Members or Members or Associate Members and the manner of giving the same and in particular when notices posted on the Notice Board of the Association shall be deemed to have been served and the - effect thereof.
- (3) The information which Original Members or Members or Associate Members shall be bound to give to the Association or the Board and when and in what manner it should be given.

- (4) The establishment, maintenance, regulation and winding up of an Exchange, a Clearing House, a Bank and an Insurance Department and Measurement Department or several or any of them.
- (5) The times when the Exchange or the Clearing House shall be open and when closed and the right and privileges of the Original Members, Members and Associate Members in regard to the use thereof and the circumstances in which Original Members or Members or Associate Members shall be disqualified from using the same and the Holidays to be observed.
- (6) Admission to and exclusion from the exchange and Clearing House the visitors, if any, to be admitted thereto and the terms and conditions of their admission and the privileges to be accorded to them.
- (7) The control and regulation of cotton dealings in Karachi, the regulation of the Clearing House and the user or prohibition of the user thereof; the contracts and obligations in respect of which differences and other payments shall be paid through the Clearing House; fixing and declaring market rates and settlement days and settlement dates; the opening and closing of cotton market and the times during which they shall be open and closed; the making, performance, passing On and cancellation of contracts and the consequences of death, supervening incapacity, suspension of payment, insolvency, or breach of contracts; the prohibition of specified classes of dealings and the time or times during which such prohibition shall operate; the prevention of or dealing with 'corners' or 'bear reads' in any and every kind of cotton and cotton transaction .so as to prevent or stop or mitigate undue speculation therein inimical to the trade as a whole; the course of business between Original Members and/or Members, and/or Associate Members, *interse* or of any of them on the one hand and their constituents (whether members of any description or not) on the other hand and the forms of contracts to be used between them and their rights and liabilities to each other in respect of dealings In cotton; the fixing of brokerage and commission and such other charges, and the fixing, levying and recovery of fines, fees, penalties, brokerage and subscriptions.
- (8) The contracts for future delivery, hedge contracts or delivery contracts, the *forms* of contracts and stipulations therein' and the cases in which contracts, may be or shall be deemed to be void, and the necessity or otherwise of their being in writing, and when and in what manner they must be recorded, and what contracts, if any, shall be prohibited, and the forms of documents, book entries, awards, notices and other writings in relation thereto,
- (9) The cases and manner in which contracts for cotton bought or sold for future delivery must be recorded.
- (10) The manner in which and the times at which such contracts must be cleared and the intervals at which or dates on which payments due under such contracts must be made.
- (11) The warehousing, insurance, transport and delivery of cotton by or for or to Original Members or Members or Associate Members.
- (12) The Books, Registers and Documents to be kept and filed by the Association and by the Original Members, Members and Associate Members respectively, and when and in what cases and subject to what conditions including payment they may be inspected and copies of and extracts from the same taken.
- (13) The occasions on which and the manner in which quotations of prices and information shall be obtained, published and posted.

- (14) The circumstances under which and the extent to which fines and/or penalties may be imposed upon Original Members, Members and Associate Members in respect of transactions for the purchase and sale of cotton between any of them, Or between any of them on the one hand and non-members (whether or not in the employ of the Original Members, Members and Associate Members) or those who are not permitted to trade as principals on the other hand.
- (15) The cases in which brokers and buyers and sellers under forward and future delivery contracts must be licensed by the Board, the terms and duration of such licenses, the fees payable therefore, the suspension, withdrawal or cancellation thereof, and the fines and/or penalties to be imposed upon Original Members, Members and Associate Members for dealing with the brokers and buyers and sellers of cotton who are not so licensed,
- (16) The cases in which the persons employed by Original Members, Member and Associate Members in handling cotton or otherwise must be licensed by the Board, the term and duration of such licenses, the fees payable thereof, the suspension, withdrawal or cancellation thereof, and the fines and/or penalties to be imposed upon Original Members, Members and Associate Members for dealing with such employees not so licensed.
- (17) Arbitrations, whether compulsory or permissive, how and when arbitrations shall be entered upon, conducted and concluded. The appointment of Arbitration Committees, of Arbitrators and Umpires and their replacement as occasion may require. The fees to be paid to the Arbitrators and Umpire (if any) and to the Association and/or Appeal Committee in respect of Arbitrations and Appeals. When and how there may be an appeal from an award and to what authority and upon what terms. Making award a rule of Court, in terms of law. Penalties for failure to perform an award.
- (18) Surveys, how and when to be made, conducted, concluded and appealed from, and the results thereof enforced or applied, and the fees payable in relation thereto.
- (19) The rights and privileges which may from time to time be given to firms which include amongst their partners, to companies which include in their Directorate Managers and to Joint Hindu Families which include, and Original Member or Member or an Associate Member of the Association and to their duly authorised representative; and under what circumstances any or all such rights and privileges may be altered. suspended or withdrawn, or the holders of such rights and privileges changed, or the cases and manners in which such rights and privileges may in the event of death, retirement, insolvency or supervening incapacity be passed on to the surviving Or remaining solvent and capable partner or partners, Director or Directors, Manager or Managers, Or duly authorised representatives of the Firm or Company or Joint Hindu Family Concerned.
- (20) The course to be adopted where any Original Member or Member or Associate Member suspends payment or becomes insolvent or is otherwise unable or refuses or neglects to perform and discharge his liabilities and obligations in relation to cotton transactions and what in such circumstances are to the rights, duties and liabilities of such Original Member or Member or Associate Member and those with whom he had such transactions and the manner in which and terms upon which they are to be closed or passed on.
- (21) When and in what circumstances and by what procedure an Original Member or Member or Associate Member may be expelled from the Association or suspended from all or any of his rights and privileges as an Original Member or Member or Associate Member and when and how any expulsion or suspension may be annulled or removed or ~ person concerned reinstated.

- (22) The manner in which payment of deposits, entrance fees and subscriptions may be enforce.
- (23) When and by whom and in what circumstances fines and penalties shall or may be imposed on the Original Members, Members and Associate Members for breach of the By-Laws and to whom the same shall be paid and how payment shall be enforced and ,how applied when received.
- (24) What breaches of the By-Laws of the Association shall Or may render an Original Member Or Member or Associate. Member liable to a warning or reprimand or fine or suspension or expulsion.
- (25) In what cases and by whom and in what manner the operation of the By-Laws or any of them be suspended or the breach thereof waived.
- (26) How notice of any new By-Laws and if any rescission or alteration thereof addition thereto shall be given to the Original Members, Member's and Association Members, where a copy of the same for the time being in force shall be open for inspection, and on what terms copies thereof shall be furnished to Original Members, Members and Associate Members.
- (27) The establishment, maintenance and application of a Provident fund or funds and a Reserve Fund or Funds.
- (28) The disciplinary measures to be taken in relation to Original Members, Members and Associate Members, and Employees of the Association in connection with their relation to each other, to the Association and / or the Cotton Trade or any one engaged therein.

SEAL

73. The Board shall have power to provide a common seal for the purpose of the Association and from time to time to destroy the same and substitute a new seal in lieu thereof and shall provide for the safe custody of the seal for the time being and it shall not be used except by the authority of the Directors or a Committee previously given and in the presence of two Directors and Secretary or some other person appointed by the Directors.

74. Every Deed, Instrument and Document to which the seal of the Association is to be affixed shall by signed by two, Directors and countersigned by the Secretary.

ACCOUNTING YEAR

74-A. The Accounting year of the Association will be closed on 30th June each year and its financial statement duly audited by a Chartered Accountant along with a list of members as on 30th September shall be furnished by the Association to the Director, Trade Organizations, on or before the 31st day of December every year.

ACCOUNTS

75 The Board shall cause true Accounts to be kept of the sums of money received and expended by the Association and the matters in respect of which such receipt and expenditure takes place under the assets, credits and liabilities of the Association.

76. Such of the books of account as shall be in Pakistan, shall be kept at the Office of the Association or at such other place or places as the Board may determine.

77. The Board shall from time to time determine whether and to what extent and at what time and places and under what conditions or regulation the accounts and books of the Association or any of them shall be open to the inspection of the Members; and no Member shall have any right of inspecting any account or book or document of the Association except as authorized by the Board or by an extra-ordinary resolution of the Association in General Meeting.

78. At the Annual Meeting every year the Board shall lay before the Association a statement of Income and expenditure and a balance Sheet containing a summary of the properties and liabilities of the Association made up to a date no more than four months before the Meeting from the time when the last preceding statement and balance sheet were made up or in the case of the first statement and balance sheet from the Incorporation of the Association.

79. Every such balance sheet shall be accompanied by a Report of the Directors as to the state and condition of the Association and the statement, report and balance sheet shall be signed by the Chairman, and/or Vice-Chairman and/or four Directors and countersigned by the Secretary and a copy thereof shall be posted to the registered address of each member of the General Body seven days before the date of the Annual General Meeting to which the same is to be submitted. A copy thereof may be obtained on application by an Associate Member.

80. Once at least in every year the accounts of the Association shall be examined and the correctness of the accounts and balance sheet ascertained by one or more Auditors.

The first Auditors shall be appointed by the Board of Directors before the first General Meeting and shall hold office until the next Annual General Meeting and the following provisions shall have effect, that is to say :-

1. A Director, or Officer of the Association or his partner or employee shall not be capable of being appointed Auditor of the Association.
2. The Office of the Auditor shall ipso facto be vacated :-
 - (a) If he become bankrupt, or suspend payment or compound with his creditors.
 - (b) If he be found a lunatic or become of unsound mind or if he be found in the opinion of the Board incapable of efficient attention to business.

81. The Board may fill any casual vacancy in the Office of Auditors but while any such vacancy continues the surviving or continuing Auditor or Auditors (if any) may act.

82. The remuneration of the Auditor or Auditors of the Association shall be fixed by the Association *in* General Meeting except that the remuneration of any Auditor appointed before the first General Meeting or to fill any casual vacancy may be fixed by the Board.

83. (1) Every Auditor of the Association shall have a right of access at all times to the books and accounts and vouchers of the Association and shall be entitled to require from the Directors and officers of the Association such information and explanations as may be necessary for the performance of the duties of the Auditors.

(2) The Auditor shall make a report to the Members of the Association on the accounts examined by them and on every balance sheet laid before the Association in General Meeting during their tenure of Office and such report shall state (a) whether or not they have obtained all information and explanations they have required and (b) whether in their opinion the balance sheet referred to *in* the report is properly drawn up in conformity with the law and (c) whether it exhibits a true and correct view of the state of the Association's affairs according to the best of their information and the explanations given to them and as shown by the books of the Association.

84. The Balance Sheet shall be signed on behalf of the Board by the Chairman, and/or Vice-Chairman and/or four Directors of the Association and shall be counter-signed by the Secretary and the Auditors' Report and the Directors' Report shall be attached to the Balance Sheet. This shall be read before the Association in General Meeting and shall be open to inspection by any Member.

85. A person other than a retiring Auditor shall not be capable of being appointed Auditor at an Annual General Meeting unless notice of an intention to nominate that person to the office of Auditor has been given by a Member to the Association not less than 14 days before the Annual General Meeting and the Association shall send a copy of any such notice to the retiring Auditor and shall give notice thereof to the Members either by advertisement or in any other mode allowed by these presents not less than 7 days before the Annual General Meeting provided that if after notice of the intention to nominate an Auditor has been so given a General Meeting *is* called for a date 14 days or less after the notice has been given, the notice though not given within the time required by this provision shall be deemed to have been properly given for the purposes thereof and the notice to be sent or given by the Association may instead of being sent or given within the time required by this provision be sent or given at the same time as the notice of Annual General Meeting.

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

NOTICES

87. Every Original Member, Member and Associate Member shall register the address of his place of business and every change therein at the Office of the Association where a register of such addresses shall be kept. A notice given or required to be given by the Association to any Original Member, Member or Associate Member by post may be given by sending it through the Post in a prepaid letter addressed to such Original Member, Member or Associate Member at his registered address.

88. Any notice given *in* pursuance of the provisions contained in Article 37 shall be given in the manner prescribed in that Article according to the nature of the notice to be given.

89. Any notice required to be given by the Association to the Original Members or Members or Associate Members and not expressly provided for by these presents or By-Laws may be served either personally or by post but shall be sufficiently given if given by advertisement and any notice required to be or which may be given by advertisement shall be advertised once in at least one English daily newspapers published in Karachi.

90. Any notice sent by post shall be deemed to have been served at the time when the letter containing the same is posted and in proving such service it shall be sufficient to prove that the letter containing the notice was properly addressed and posted.

91. Where a given number of days' notice or notice extending over any given period is required to be given the day of service shall, but the day upon which such notice will expire shall not be counted in such number of days or other period.

92. The foregoing provisions as to notices shall be without prejudice to any provisions as to notices which shall be contained in the By-Laws.

ARBITRATION

93. Whenever any difference arises between Original Members or Members or Associate Members or between one or more of them and another or others who are not Original Members or Members or Associate Members touching or in connection with the cotton trade or any transaction therein it shall be referred to arbitration in such manner as shall be prescribed by the By-Laws. And it is hereby expressly declared that the holding of such an arbitration and the obtaining of an award thereunder shall be a condition precedent to the right of any Original Member or Member or Associate Member or non-Member to commence legal proceedings against any other Original Member or Member or Associate Member or non-Member in respect of any such difference as aforesaid and any Original Member or Member or Associate Member or non-Member shall have no right of action against any other Original Member or Member or Associate Member or non-Member except to enforce the award in any such arbitration.

WINDING UP

94. If the Association shall be wound up the surplus assets (if any) shall be distributed equally amongst such persons as were Original Members or Members at the date of the commencement of the winding up and who at that date had paid in full all sums . due by them to the Association.

INDEMNITY

95. Every Chairman, Vice-Chairman, Director, Member or Committee, Arbitrator, Secretary, and other Officer or servant of the Association shall be indemnified by the Association against, and it shall be the duty of the Board out of the funds of the Association to pay, all costs, losses, penalties and expenses which any such officer or servant may incur or become liable to by reason of any contract entered into or act or deed done by, or omitted by him as such officer or servant or in any way in the discharge of his duties and no Director or other officer of the Association shall be liable for the acts receipts, neglects or defaults of any other Director or Officer or for joining in any receipt or other act for conformity or for any loss or expense happening to the Association through the insufficiency or deficiency of title to any property acquired by order of the Board for or on behalf of the Association or for the insufficiency or deficiency or depreciation of any security in or upon which any of the moneys of the Association shall be invested or for any loss or damage arising from the Bankruptcy or Insolvency or tortuous act of any person with whom any moneys, securities or effects of the Association shall be deposited or for any loss occasioned by any error of judgement, omission, default or oversight on his part or for any loss, damage or misfortune whatever which shall happen in relation to the execution of the duties of his office or in relation thereto unless the same happen through his own dishonesty.

No.	Names.	Addresses & Occupation
1.	Niranjana Prasada	C/o Kishan Prasad & Co. Ltd. Khor Garden, Karachi Merchant
2.	A. P. Darlow	C/o Gill & Co. Wood Street, Karachi. Merchant
3.	Chellaram Shewaram	C/o Shewaram Rewachand McLeod Road, Karachi. Merchant
4.	G. Grossenbacher	C/o E. Spinner & Co. McLeod Road, Karachi. Merchant
5.	Geo. Gut	C/o Patel Cotton Co. Ltd. McLeod Road, Karachi. Merchant
6.	Issardas Varandmal	C/o Jeramdas Naomal, New Chawli, Karachi. Merchant
7.	Jivandas Ladhahai	C/o Viram Ladha & Co. Campbell Street, Karachi. Merchant
8.	Kanayalal Ghuwellewana	C/o Tarachand Ghanshamdas New Chawli, Karachi. Merchant
9.	D. McCanum	C/o Rani Brothers Ltd. Wood Street, Karachi. Merchant
10.	M. Napier	C/o Langley & Co. McLeod Road, Karachi. Merchant
11.	Nechaldas Chhangomal	C/o Ajoomal Jagatrai, Khor Garden, Karachi. Merchant
12.	Ruplal Shankardas	C/o Dhanpatmal Diwanchand Bunder Road, Karachi Merchant
13.	Tarachand Karamchand	C/o Tarachand Karamchand Serai Road, Karachi. Merchant
14.	C. Voegeli	C/o Volkart Brothers, McLeod Road, Karachi. Merchant
15.	J. Yamada	C/o Toyo Menka Kaisha, Ltd. McLeod Road, Karachi. Merchant
16.	T. Yanagawa	C/o Japan Cotton Trading Co. Ltd. Wood Street, Karachi. Merchant

Dated Karachi, this Thirteenth Day of April, 1933
Witness to the above Signatures

T.B. Dalal
Secretary
Karachi Joint Cotton Committee