

SINDH ACT NO.XII OF 1995
THE SINDH BANK ACT, 1995

CONTENTS

Preamble

Section.

1. Short title extent and commencement.
2. Over-riding clause.
3. Definition.
4. Establishment and incorporation of the Bank.
5. Share capital.
6. Register of Shareholders.
7. Qualifications of share-holders.
8. Government to be share-holders.
9. Head Office of the Bank.
10. Board.
11. Constitution of the Board.
12. Managing Director.
13. Chairman.
14. Qualification and disqualifications of Directors.
15. Vacancies.
16. Annual General and Special Meetings.
17. Vote of Shareholder.
18. Business which the Bank is authorized to transact.
19. Business which the Bank is not authorized to transact.
20. Exceptions.
21. Auditors.
22. Other Auditors.
23. Rights and Duties of Auditors.
24. Powers and Duties of the Board.
25. Powers of the Board to make bye laws.
26. Liquidation of the Bank.
27. Indemnity.

An

SINDH ACT NO.XII OF 1995
THE SINDH BANK ACT, 1995

Act to establish a Bank for providing all type of

commercial banking and investment banking services in
the Province of Sindh.

WHEREAS _ it is expedient to establish a Bank for
providing all types of commercial banking and
investment banking services in the Province of Sindh;

It is hereby enacted as follows:-

- (1) This Act may be called the Sindh Bank Act, 1995.
- (2) It extends to the whole of the Sindh Province.

- (3) It shall come into force at once.

This Act shall have effect notwithstanding anything

contained in any other law for the time being in force.

In this Act, unless there is anything repugnant in the
subject or context-

(a) "Bank" means the Sindh Bank established under this
Act;

(b) "Board" means the Board of Directors of the Bank;

"Director" means a Director for the time being of the
Board;

(d) "dividend" includes bonus;

(e) "General meeting" means the annual meeting of the

(f)

shareholders of the Bank;

"Goods" includes bullion, ware and merchandise;

(g) "Government" means the Government of Sindh;

(h)

) "Managing Director" means the Managing Director of
the Bank;

"meeting" includes holding of an adjourned meeting;

“prescribed” means prescribed by bye-laws or regulations made under this Act;

) “Private Sector” means any person(s) or entity(ies) nominated by a company with whom Government researches an understanding for cooperation to participate in the establishment and operation of the Bank;

“Proxy” means an instrument in writing where by a member authorizes another person to vote for him at a meeting or meetings and includes attorney duly constituted under a power of attorney;

[30 October, 1995]

Preamble.

Short title extent
and
commencement.

Over-riding
Clause.

Definition.

SINDH ACT NO.XII OF 1995
THE SINDH BANK ACT, 1995

(m) "Resolution" means any decision taken by a majority vote in a meeting of the Board or a meeting of the shareholders;

"Seal" means the common or official seal of the Bank and shall include those official seals of the Bank which are for use in territories outside Pakistan;

(n

(o

"special meeting" means a meeting of the shareholders of the Bank convened for transacting some particular business specified in the notice convening the meeting;

"Special resolution" means resolution passed by majority vote at a special meeting;

(p

(1) As soon as may be after the commencement of this Act, there shall be established in accordance with the provisions of this Act a Bank to be called the Sindh Bank to carry on the business of commercial and investment banking.

(2) The Bank shall be deemed to be a body corporate having perpetual succession and a common seal and shall by the said name sue and be sued.

(1) Subject to the provisions of this Act, the authorized capital of the Bank shall be two and half billion rupees divided into two hundred and fifty million ordinary shares of ten rupees each.

(2) The Initial paid up capital of the Bank shall be two hundred and fifty million rupees which shall be subscribed to the extent of fifty five percent by Government, and the remaining forty five percent shall be subscribed by the private sector.

(3) Out of the said authorized capital there shall, from time to time, be issued such number of shares and on such terms, if any, including the terms of the brokerage and underwriting, as the Board may decide.

(4) The liability of the shareholders of the Bank shall be limited to the amount fully paid up on their shares.

(5) The shareholders, representing atleast seventy-five percent of the Banks equity/paid up capital, may, by special resolution, increase or reduce the capital of the Bank.

(6) The shares of the Bank shall be moveable property and each share shall be distinguished by its appropriate number.

Establishment and

incorporation
the Bank.

Share Capital.

of

6.

10.

SINDH ACT NO.XII OF 1995
THE SINDH BANK ACT, 1995

The Bank maintain at its Head Office established under section 9, a Register to be called the register of the Shareholders of the Bank, and shall enter therein such particulars as may be prescribed.

(1) No person shall be qualified to be registered as a shareholder who by reason of anything contained in any law for the time being in force is not competent to enter into any contract.

(2) A person who subsequent to his registration, is discovered to have been not qualified as aforesaid at the time of registration shall not be entitled to exercise any of the rights of a shareholder otherwise than for the purpose of the sale of his shares under the orders of a competent Court.

(3) The Shares shall be registered in the name of individuals, companies, corporate bodies and Government or its agencies, provided that not more than four persons shall be registered as joint holders of any shares.

(4) In the event of death of any one or more of the persons named in the Register as joint holders of any share, the survivor or survivors shall be the only person or persons recognized by the Bank as having any title to or interest in such share and where the deceased was a sole shareholder, his nominee or nominees and the legal heirs (where no such nomination was made) shall be the only persons recognized by the Bank as having any title to his interest in the shares.

(a) Notwithstanding anything contained in section 17, Government shall be a major shareholder in the Bank but at any one time it shall not hold more than fifty five percent of the paid up capital of the Bank.

(b) Subject to approval of the Board, Government and the private sector shall be free to disinvest any part of their shareholding in the Bank.

The Head Office of the Bank shall be at Karachi.

(1) The Bank shall work under the overall supervision and direction of the Board which shall make such policies as it considers proper from time to time in the best interest of the Bank.

Register of
Shareholders.

Qualifications of
share-holders.

Government to be
share-holders.

Head Office of the
Bank.

Board.

11.

12.

SINDH ACT NO.XII OF 1995
THE SINDH BANK ACT, 1995

(2) The Board shall be fully empowered to engage personnel, experts, advisors, management consultants, for providing such professional services for the functioning of the Bank and on such terms and conditions as may be considered necessary by the Board from time to time.

(1) The Board shall consist of seven Directors who shall be nominated and elected in proportion to the shareholding of Government and private sector.

(2) Notwithstanding the provisions of sub-section (1), the Board shall initially, comprise of five Directors out of whom Three Directors will be from Government and two Directors from private sector.

(3) The remaining two Directors to make up a total of seven will be appointed after the Bank in the opinion of the Board becomes operational in a way that the total number of Directors should be in proportion to the shareholding of Government and private sector.

(4) The first Directors, shall continue in office for a period of three years and shall be eligible for re-nomination or re-election, as the case may be.

(5) The Board shall have the powers to further increase the number of "Directors to serve at any one time on the Board.

(1) The Managing Director shall be a professional and experienced banker who shall be always appointed / removed on the recommendation of the Directors representing private sector on such terms and conditions as may be approved by the Board.

(2) The Managing Director shall be the Chief Executive Officer of the Bank and shall have full authority to direct, operate, supervise and control the affairs of the Bank on behalf of the Board.

(3) The salary and the terms and conditions of the service of the Managing Director shall be decided by the Board and the same shall not be varied to his disadvantage during his tenure of office.

(4) The Managing Director shall, unless removed earlier, on

Constitution of the
Board.

Managing
Director.

13.

14.

SINDH ACT NO.XII OF 1995
THE SINDH BANK ACT, 1995

the expiry of his term of office, be eligible for reappointment on such terms and conditions as may be decided by the Board.

(1) The Chairman of the Board shall be elected from amongst the Directors nominated by Government on such terms and conditions as may be determined by the Board.

(2) The Chairman shall not exercise any executive powers but he shall have a casting vote.

(1) No person shall be qualified to serve as a Director unless he is a holder in his own right of unencumbered shares of the Bank having face value of atleast one hundred thousand rupees.

Provided that nothing herein contained shall apply to the first Directors and any employees of Government appointed as Director.

(2) No person shall be qualified to serve as a Director-

(a) if he has been convicted of an offence involving moral turpitude;

(b) if he was at any time in the service of any bank and was dismissed or his services had been terminated by the bank;

(c) if he is a Director of any commercial bank other than a bank sponsored or established by or under the authority of Government or the State Bank of Pakistan for the development of industry or agriculture in the country, or a bank which is a society registered under the Sind Cooperative Societies Act, 1925 or any other law for the time being in force in Pakistan relating to co-operative societies;

(d) if he is in the employment of any bank, whether on salary or on commission, and is engaged in the performance of any continuous service for remuneration for such bank;

(3) The office of the Director shall be vacated:-

(a) if the person holding it resigns his office or dies;

(b) if he is, or at any time has been adjudicated an insolvent;

(c) if he is declared a lunatic or becomes of unsound mind;

(d) if he has absented himself from three consecutive

Chairman.

Qualification and
disqualifications of
Directors.

15.

16.

17.

SINDH ACT NO.XII OF 1995
THE SINDH BANK ACT, 1995

meetings of the Board or from all such meetings for a continuous period of six months, whichever is longer, without leave of absence from the Board;

(e) if he ceases to hold in his own right the amount of shares required to qualify him for the office;

(f) if he incurs any of the disqualifications mentioned in sub-section(2);

(g) if he is removed from his office by a vote representing atleast seventy-five percent of equity/paid-up capital of the Bank.

(1) Any vacancy occurring on the Board by the death, resignation, removal or disqualification of any Director shall be filled by the remaining Directors, who shall co-opt a duly qualified person to fill the vacancy, provided that where a vacancy occurs in the office of a Director appointed by Government, the vacancy shall be filled only by Government.

(2) | Any director so appointed shall be deemed to have held office from the date on which the Director in whose place he is appointed, was appointed, or when such Director was co-opted or appointed under sub-section (1), from the date on which his immediate predecessor was appointed as the case may be.

(3) | Any Director co-opted under sub-section (1) shall retire at the next general meeting and the vacancy so occurring on the Board shall be filled by elections as provided under this Act.

(1) Annual general meetings shall be held in a manner prescribed at the head office at Karachi, or at such other place and time as may be determined by the Board and at such meetings the directors or shareholders present shall be entitled to discuss the annual account, the report of the Board on the working of the Bank throughout the year, and the Auditors' report on the annual balance sheet and accounts, made up to the preceding financial year.

(2) Special meetings shall be convened and held in such manner and at such time and place as may be prescribed.

(1) Every shareholder shall be entitled to attend any meeting and each shareholder who has been registered as such for a period of not less than two months prior to the date of such meeting shall have one vote; and on poll each shareholder so registered for a like period shall have one vote for every ten shares.

Vacancies.

Annual General
and Special
Meetings.

Vote of
Shareholder.

18.

SINDH ACT NO.XII OF 1995
THE SINDH BANK ACT, 1995

Provided that no shareholder shall be entitled to vote at any meeting unless all calls or other sums presently payable by him in respect of shares of the Bank have been paid.

(2) On a poll, votes may be given either personally or by proxy, but Government as a shareholder not appoint any person to be present at any general meeting and to vote on its behalf.

In addition to the role that may be assigned to it to function as principal banker/treasury to Government, the Bank may carry on the transact all type of commercial banking and investment banking business, within the Province and at any other place outside the Province or outside Pakistan subject to the approval of the competent authority under the law for the time being in force, included but not limited to objectives specified below:-

(1) to mobilize private savings and public funds for diverting the same to productive channels and ensure their availability;

8

to promote industrial, agricultural and other socio-economic projects — through the active participation of private as well as public sectors in the Province;

SB

to create a diversified and sound portfolio for utilization of funds and their investment in the existing as well as new ventures specially in the pioneering of high-tech, agro-based, export-oriented and engineering projects to ensure maximum returns;

(4) to participate and seek share in the capital markets by way of subscription through the locally pooled resources in the leading stock exchanges of the country.

(5) to accept/receive deposits and maintain cash and various other accounts of the customers as per custom, u sage, practice and laws governing commercial banks in Pakistan;

(6) to open, operate overdraft, loan and other accounts, to deposit any money with or borrow or

obtain accommodation, money or facility, with or without securities from any bank or banks, finance/discount houses, financial institution, in or outside Pakistan;

(7) to place its funds with other banks or financial

Business which the
Bank is authorized
to transact.

SINDH ACT NO.XII OF 1995
THE SINDH BANK ACT, 1995

institution and accept funds of other bank and financial institutions and _ finalize agency arrangements/correspondent relationship ~~ with banks within and outside the Province and local as well as foreign banks in any Province of Pakistan or abroad;

the advancing and lending of money, and opening of cash credits upon the security of:-

(a) stocks, funds and securities in which a trustee is authorized to invest trust money by any law for the time being in force in Sindh and shares, securities issued by the State Bank of Pakistan;

(b) participation term certificates or other securities for money issue under the authority of any law for the time being in force in Sindh by, or on behalf of a local Authority or Agency;

(c) goods which, or the documents of the title to which, are deposited with, or assigned to, the Bank as security for such advances, loans or credits;

(d) subject to such directions as may be issued by the Board, participation term certificates of companies with limited liability;

(e) shares of companies with limited liability, in accordance with such directions in this regard as may be prescribed by the Board;

(f) goods which are hypothecated to the Bank as security for such advances, loans or credits;

(g) accepting bills of exchange and/or promissory notes endorsed by the payee and joint and several promissory notes of two or more persons or firms unconnected with each other in general partnership;

(h) immovable property documents of _ title relating thereto, subject to such directions as may be issued by the Board; and

(i) crops, subject to such directions as may be issued by the Board.

Provided that any advances or loans which are specially guaranteed by Government may be made without any specific security;

SINDH ACT NO.XII OF 1995
THE SINDH BANK ACT, 1995

(9) selling and realization of proceeds of sale of any promissory notes, participation term certificates, stock receipts, bonds annuities, stocks, receipts, bonds annuities, stocks, shares, securities or goods which, or the documents of title to which, have been deposited with, or pledged, hypothecated, assigned or transferred to the Bank as security for any advances, loans or credits or which are held by the Bank or over which the Bank is entitled to any lien or charge in respect of any advance or loans or credit or any debt or claim of the bank, and which have not been redeemed in due time in accordance with the terms and conditions (if any) of such deposit, pledge, hypothecation, assignment or transfer;

(10) advancing and lending of money to Court of wards upon the security of estates in their charge or under their superintendence and the realization of such advances or loans and any interest due thereon;

(11) drawing, accepting, discounting, buying and selling of bills of exchange and other negotiable securities;

(12) investing of the funds of the Bank in, or the underwriting of, any stock, funds, shares, securities, participation term certificates, bonds or scripts or other securities for money issued by a public limited company or any corporation established by or under any law for the time being in force or under the authority of Government or the State Bank of Pakistan, converting the same into money when required, and altering, and transposing any such investment for or into any other of such investment;

(13) issuing as well as accepting and confirmation of letters of credit and/or guarantees for imports as well as exports and other transactions;

(14) to buy, sell, hypothecate, pledge, mortgage, endorse, negotiate, transfer and otherwise deal in promissory notes, debentures, bonds, treasury bills, shares of companies and all other kinds of securities including Government securities, trustee securities, municipal bonds, and to receive or pay principal and mark up amounts;

(15) to receive and hold in safe custody securities, or other movable property whatsoever, to receive or

and take possession of and manage all lands,

SINDH ACT NO.XII OF 1995
THE SINDH BANK ACT, 1995

houses, buildings and other property mortgaged to or otherwise manage the same and to make, sell and dispose of all lands, houses, goods, merchandise and property of every description, whether belonging to the Bank absolutely or in trust or as security, and for any such purpose to exercise all such powers and authorities and adopt proceedings as the Bank might or could exercise;

(16) buying and selling of gold and silver whether coined or uncoined;

(17) acceptance of the charge or pledge of jewellery title-deeds or other valuable goods on such terms as may be agreed upon;

(18) managing, selling and realizing of all property whether movable or immovable which may, in any way come into the possession of the Bank in satisfaction or part satisfaction of any of its claims, and acquisition and holding of, and generally the dealing with, any right, title or interest in any property movable or immovable which may be Bank's security for any advance or loan or may be connected with any such security;

(19) Transaction of pecuniary agency business on commission and the entering into of contracts of indemnity, suretyship or guarantee with specific security or otherwise, and the underwriting, participating in, and carrying out of the issue of any stock, shares, participation term certificates and other securities;

(20) Administration of estates for any purpose whether as an executor, trustee or otherwise and the acting as agents on commission in the transaction of the following kinds of business, namely:-

(a) The buying, selling, transferring and taking charge of any securities or any shares in any public company, including the investment of firms of its account holders;

(b) The receiving of the proceeds whether principal, interest or dividends, or any investments, securities or shares; and

(c)

the remittance of such proceeds by public or

private bills of exchange, payable either in Pakistan or elsewhere or by other means.

SINDH ACT NO.XII OF 1995
THE SINDH BANK ACT, 1995

(21) drawing of bills of exchange and the granting of letter of credit and/or guarantees payable in or out of Pakistan;

(22) buying of bills of exchange payable in or out of Pakistan;

(23) paying, receiving, collecting and remitting money, bullion and securities under any agreement with the State Bank of Pakistan as its agent, on behalf of Government undertaking and transacting any business which the State Bank of Pakistan may from time to time entrust to it;

(24) establishing and discontinuing of branches and agencies;

(25) acquiring, maintaining and transferring of the Bank's residential and business premises;

(26) To sue or be sued, to commenced, prosecute, continue and defend all actions, suits or legal proceedings whether civil, criminal or revenue including proceedings to procure or establish the bankruptcy or insolvency or winding up of any person or company, to compromise or refer to arbitration any claims or dispute to engage and appoint solicitors, advocates, Pleaders and to sign and verify complaints, written statements, warrants of authority or any other papers, writings or documents expedient or necessary to be made, signed, executed, verified, presented or filed;

(27) To carry on any other investment finance business allowed by the Controller of Capital Issues or any other authority having jurisdiction with the exception of Insurance business as defined in the Banking Companies Act, 1962 and the insurance Act, 1938;

(28) Subject to the consent of the Controller of Capital Issue or any other authority having jurisdiction in to carry on all or any of the following business:-

(i) To undertake the business of leasing and leasing operation of all kinds of property, plant, machinery and equipment, etc; and

(ii) To constitute trust and act as trustee of any deeds with a view to the issuing of Modarabas;

(29) taking over of the business, including the capital assets and liabilities of any other bank or financial

SINDH ACT NO.XII OF 1995
THE SINDH BANK ACT, 1995

institutions with the sanction of Government;

(30) the granting of advance or loans to any other bank;

(31) With the previous permission in writing of Government and the State Bank of Pakistan:-

(a) the investing of the funds of the Bank in any bank incorporated in or outside Pakistan; and

(b) participating in the management and administration of any such bank in which the funds of the Bank have been invested;

(32) the advancing of money on non-interest basis, according to the various modes of financing as approved by the State Bank of Pakistan from time to time;

(33) generally, the doing of all such matters and things as may be incidental or subsidiary to the transacting of the various kinds of business including all type of foreign exchange business; and

(34) to carry out any other commercial or investment banking business not specified above which may be permissible under the law.

SINDH ACT NO.XII OF 1995
THE SINDH BANK ACT, 1995

19. (1) The Bank shall not make any advance or loan Business which the upon the security of its own shares; Bank is not authorized to

(2) The Bank shall not discount or buy or advance transact. or lend an amount exceeding in the whole at any one time such sum as may be prescribed:

(3) The Bank shall not discount or buy or advance or lend or open cash credits on the security of any negotiable instrument of any individual or partnership-firm, payable in the town or at the place whether it is presented for discount, which does not carry on it the several responsibilities of at least two persons or firms unconnected with each other in general partnership;

(4) The Bank shall not grant to any person who has been elected or appointed as a Director and for so long as he continues to hold that office any advance, loan, credit limit, guarantee or other facilities, or alter to his advantage the terms and conditions of any advance, loan, credit limit, guarantee or other facility granted before his election or appointment as a Director:

Provided that nothing in this clause shall prevent the Bank from continuing or renewing any such advance, loan, credit limit, guarantee or other facilities as may have already been granted to such person before his election or appointment as a Director.

20. Now withstanding anything contained in this Act, the Exceptions. Bank is authorized to:-

(1) grant or advance loans to its officers and staff for the purpose of building residential houses, including the cost of land, on such security, including immovable property, and on such terms and conditions and for such periods as may be decided generally or in a special case by the Board;

(2) grant or advance loans, for any period exceeding one year but not exceeding ten years, to such small and medium industries as may, from time to time be specified by the

21.

SINDH ACT NO.XII OF 1995
THE SINDH BANK ACT, 1995

Board on such terms and conditions as may be determined by it;

Provided that the amount of advances and loans outstanding at any time under this clause shall not exceed twenty percent of the total amount of bank deposits at such time;

(3) grant or subsidize, from time to time, pensions, gratuities, bonuses or other funds created for the benefit of its officers and staff or their dependents;

(4) contribute to the promotion of research in banking and allied subjects; and

(5) donate funds for any charitable objects or to any charitable institutions or societies.

(1) Not more than two Auditors who shall be Registered Chartered Accountants shall be elected and their remuneration fixed at the general meeting;

(2) The Auditors may be shareholders, but no Director or other officer of the Bank shall be eligible for appointment as Auditor during his continuance in office;

(3) Any Auditor shall be eligible, on quitting office, for re-election;

(4) The first Auditors of the Bank may be appointed and their remuneration fixed by the Board before the general meeting and the auditors so appointed shall hold office only until the first general meeting. All Auditors elected under this section shall severally be and continue to act as Auditors until the first general meeting after their respective elections;

Provided that if any casual vacancy occurs in the office of any Auditor elected under this section, the vacancy may be filled by the Board;

To ensure strict international control, the Bank
Auditors.

SINDH ACT NO.XII OF 1995
THE SINDH BANK ACT, 1995

22. shall structure its Internal Audit Department Other Auditors.

which shall be directly reporting to the Board in a manner prescribed and as long as Government is the majority shareholder it may also depute independent public auditors whenever it deems fit.

(1) Every Auditor shall be supplied with a copy of 23. the annual balance sheet and statement of profit and loss accounts and it shall be his duty to examine the same, with the accounts and vouchers relating there to;

(2) The auditors shall make a report to the shareholders and to Government as the case may be, upon the annual balance sheet, and the statement of profit and loss accounts, and in every such report they shall state whether, in their opinion, the balance sheet and the statement of profit and loss accounts are full and fair statements containing the prescribed particulars and properly drawn up so as to exhibit a true and correct view of the state of the Bank's affairs. Any such report made to the shareholders shall be read together with the report of the Board at the general meeting.

24. POWERS AND DUTIES OF THE BOARD.
a. GENERAL MANAGEMENT POWER

The business of the Bank shall be managed by the Board, which may pay all expenses incurred in promoting and establishing the Bank and may exercise all such powers of the Bank as are not by this Act required to be exercised by the Bank.

b. SPECIAL POWERS

Without prejudice to the general power conferred by the foregoing provisions and to any other powers or authorities conferred by this Act on the Board, it is hereby expressly declared that the Board shall have the following powers, that is to say,

Rights and Duties
of Auditors.

(i)

(ii)

SINDH ACT NO.XII OF 1995
THE SINDH BANK ACT, 1995

O PAY PRELIMINARY EXPENSES

o pay the cost, charges and expenses preliminary and incidental to the promotion, formation, establishment and registration of the Bank.

O ACQUIRE AND DISPOSE OF PROPERTY AND RIGHTS.

© purchase or otherwise acquire for the Bank any property, rights or privileges with the Bank is authorized to acquire at such price and generally on such terms and conditions as it think fit, and to sell, let, exchange or otherwise dispose of absolutely and conditionally whole or any part of the property, privileges and undertaking of the Bank upon such terms and conditions, and for such consideration as they think fit, or remit, give any relief or give extension of time for the repayment of any debt outstanding against any person, bank or agency.

(iii) TO PAY FOR SHARES, SECURITIES, PROPERTIES IN DEBENDUTRES.

At its discretion to pay for any property, rights or privilege acquired by or services rendered to the Bank either wholly or partly in cash or in shares, bonds, debentures, Participation Term Certificates, or any redeemable capital or other securities of the Bank and any such shares may be issued either as fully paid-up or with such amount credited as paid-up thereon as may be agreed upon; and any such bonds, debentures, Participation Term Certificates, or any redeemable capital or securities may be either specially charged on all or any part of the property of the Bank not so charged.

(iv) TO DRAW BILLS

To make, draw, endorse, sign, accept negotiate and give all cheques, bills of lading, drafts, orders, bills of exchange, participation term certificates, musharika certificates, term finance certificates, Government of Pakistan and other Promissory

Notes and negotiable instruments or other redeemable capital documents required for the business of the Bank.

(v) TO SECURE CONTRACT BY MORTGAGES.

To secure the fulfillment of any contracts, agreement(s) or engagements entered into by the Bank by mortgage or charge on all or any

(vi)

SINDH ACT NO.XII OF 1995
THE SINDH BANK ACT, 1995

part of the property of the Bank or in such other manner as it may think fit.

TO APPOINT PERSONELL

To appoint and at its discretion remove or suspend such Agents, Managers, Advisors, Secretaries, Officers, Clerks and servants for permanent, temporary or special services as it may from time to time think fit and to determine their powers and duties and fix their salaries or emoluments and to require security in such instances and to such amount as it thinks fit.

(viii)TO APPOINT TRUSTEES

To appoint any person or persons (whether incorporated or not) to accept and hold in trust for the Bank any property belonging to the Bank or in which it is interested or for any other purposes and to execute and do all such deeds, documents and things as may be requisite in relation to any such trust and to provide for the remuneration of such trustee or trustees.

(viii)TO BRING AND DEFEND LEGAL ACTIONS

(ix)

(xi)

(xii)

To bring and defend legal proceedings of every description and to remit, give any relief or give extension of time for the repayment of any debt outstanding against any persons.

TO REFER TO ARBITRATION

To refer any claims or demands by or against the Bank to arbitration and observe and perform the award.

RECEIPT

o make and give receipts, releases and other discharges for money payable to the Bank and for the claims and demands of the Bank.

O ACTIN MATTERS OF BANKRUPTS AND
NSOLVENTS

o act on behalf of the Bank in all matters
relating to bankrupts and insolvents.

O AUTHORIZSE ACCEPTANCE ETC.

o determine who shall be entitled to sign on the
Bank's behalf bills, notes, receipts, acceptance,

SINDH ACT NO.XII OF 1995
THE SINDH BANK ACT, 1995

endorsements, cheques, releases, contracts and documents.

(xiii) TO APPOINT ATTORNEYS

From time to time to provide for the management of the affairs of the Bank in different parts of the Province of Sindh in such manner as they think fit, and in particular to establish branch offices and appoint any person(s) to be the Attorneys or Agents of the Bank either in different parts of the Province of Sindh or outside in such manner as they think fit, with such powers to sub-delegate and upon such terms as may be thought fit.

(xiv) TO INVEST MONEY

To invest and deal with any of the surplus moneys of the Bank not immediately required for the purposes thereof upon such securities (not being share in the Bank) and in such manner as they may think fit, and from time to time vary or realize such investment.

(xv) TO GIVE SECURITY BY WAY OF INDEMNITY

To execute in the name and on behalf of the Bank subject to the provisions of this Act in favour of any Director or other person who may incur or be about to incur any personal liability for the benefits of the Bank such mortgage of the Bank's property (present and future) as they think fit, and any such mortgage may contain a power of sale and such other powers, covenants and provisions as shall be agreed upon.

(xvi) TO GIVE PERCENTAGE.

To give to any person, employed by the Bank, a commission on the profits of any particular business or transactions or a share in the general profits of the bank and such commission or share of the profit shall be treated as part of the working expenses of the bank.

(xvii) TO MAKE BYE-LAWS

From time to time to make, vary and repeal bye-laws for the regulation of the business of the Bank, terms and conditions of its officers,

employees, Personnel and consultants.

SINDH ACT NO.XII OF 1995
THE SINDH BANK ACT, 1995

(xviii) TO SECURE PAYMENT

(xix)

(xx)

(xxi)

To borrow or secure the payment of any sum or sums of money for the purpose of the Bank's business from any person(s), firms or companies (expressly including any member of the Bank) and may themselves lend any such sum or sums.

ISSUANCE OF SECURITY

To secure the payment of such sum or sums in such manner and upon such terms and conditions in all respects as they think fit, and in particular by the issue of debentures, redeemable capital or any mortgage charge, lien or other security on the undertaking or the whole or any part of the property of the Bank (both present and future).

TO CONTRACT

To enter into all such negotiations and contracts, and rescind and vary all such contracts and execute and do all such acts, deeds and things in the name and on behalf of the Bank as they consider expedient for or in relation to any of the matter aforesaid or otherwise for the purpose of the Bank.

TO ESTABLISH AND SUPPORT CHARITABLE OBJECTS

To establish, ,maintain, support and to subscribe to any charitable or public object, and any institution, society, or club which may be for the benefit of the Bank or its employee, or may be connected with any town or place where the bank carries on business or to give pensions, gratuities, or charitable aid to any person or person who have served the Bank or to the wives, children, or dependents of such person or persons, that may appear to the Director, just or proper, whether any such person, his widow, children or dependents have or have not a legal claim upon the Bank.

(xxii) TO SET ASIDE PROFITS FOR PROVIDENT FUND

Subject to the provisions of this Act, certain portions of the profits of the Bank shall be set aside to form a fund to provide for such pension,

SINDH ACT NO.XII OF 1995
THE SINDH BANK ACT, 1995

gratuities or compensation; or to create any provident or Benefit Fund in such or any other manner as the Board may deem fit.

(xxiii) TO DELEGATE POWERS

Subject to the restrictions provided under this Act, to delegate all/any of the power hereby conferred upon it to such Managers, Officers, persons, committees or corporate bodies as it may from time to time think fit.

25.

SINDH ACT NO.XII OF 1995
THE SINDH BANK ACT, 1995

(1) The Board may, with the previous approval of Powers of the

the

shareholders, make bye-laws not

inconsistent with this Act to provide for all matters for which provision is necessary convenient for the purpose of giving effect to the provisions of this Act.

(2) In

particular and without prejudice to the

generality of the foregoing provisions, such

bye-

laws may provide for all or any of the

following matters, namely:-

(i)

(ii

(ii)

(iv)

(v)

the maximum amounts which may be advanced or lent to, or for which bills may be discounted for or purchased from, any individual, partnership-firm, firm limited by shares or Corporate body with or without security on such terms and conditions as decided by the Board;

the conditions subject to which loan advances may be made to officers or others staff of the Bank, or the relatives of such officers, or other staff or to companies, firm or individuals with which or with whom such Directors officers or other staff or relatives are connected as partners, Directors, managers, employees, shareholders or otherwise;

the manner and terms and conditions
subject to which the Bank may take over
the business, including the capital, assets
and liabilities, of any other bank,
Modaraba, leasing company, or
investment Bank;

the granting of advances or loans to any
other bank or financial institutions for the
purpose of averting or facilitating its
winding up;

the procedure and manner in which the
capital of the Bank may be increased or
reduced;

Board to make
bye laws.

(vi)

SINDH ACT NO.XII OF 1995
THE SINDH BANK ACT, 1995

the acquisition, maintenance and transfer
of the Bank's residential and business
premises;

(vii) the contents, maintenance, inspection

and closure of the register of shareholders;

(viii) the books and accounts to be kept at the

(ix)

(x)

(xi)

(xii)

(xiii)

various offices of the Bank;

the balancing of accounts and
ascertainment of profit and loss;

the form and manner in which the
balance sheet and the statement of profit
and loss statements shall be drawn up;

the determination and payment of
dividend and transfer of profits to reserves;

the preparation and transmission of
returns to the Registrar of Joint Stock
Companies and to Government;

the evidential values, form, issue and
renewal of certificate of shares;

(xiv) the calls on shares, the payment of such

(xv)

calls, joint and several liabilities of
shareholders in respect of such calls, the
Bank's lien on shares, the manner of its
enforcement, forfeiture and the
application of proceeds of sale;

the manner in which and the conditions

subject to which shares may be allotted, held, transferred and transmitted and generally all matters relating to the rights and duties of shareholders;

(xvi) the manner in which general and special

meeting shall be convened and held, the quorum thereat, the procedure to be followed at such meetings, the manner in which votes may be exercised and the appointment and election of Chairman of such meetings;

SINDH ACT NO.XII OF 1995
THE SINDH BANK ACT, 1995

(xvii) the holding and conduct of elections under this Act;

(xviii) the final decisions on doubts and of deposes regarding the qualifications of candidates or the validity of elections;

(xix) the manner in which meetings of the Board shall be convened and held, the quorum, the procedure to be followed at such meetings, votes of Directors and ex-office Members and the manner in which they may be exercised, and. the appointment or/and election of Chairman of such Board;

(xx) the effect of vacancies in the Board and of subsequent discovery of Disqualifications of a Director;

(xxi) the obligations and = immunities — of Directors;

(xxii) the distribution of business amongst the Directors and their remuneration, if any;

(xxiii) the establishment and discontinuance o branches and agencies in Sindh or elsewhere and the nature and extent o the business any branch or agency may transact;

(xxiv) the conduct, institution and defence o legal proceedings and the manner o signing pleadings;

(xxv) the addresses of shareholders and the issue and service of notices;

(xxvi) the service of notice on the Bank; and

(xxvii) generally, for the efficient conduct of the business, discharge of functions and management of the Bank.

Nothing in the Companies Ordinance, 1984, shall apply to the Bank unless specifically herein provided and the Bank shall not be placed in liquidation save by the order of the Government,

Liquidation of the
Bank.

27.

SINDH ACT NO.XII OF 1995
THE SINDH BANK ACT, 1995

and in such manner and under such terms and conditions including the terms as to calls on and forfeiture of shares, as Government may be its order of liquidation direct.

No suit, prosecution or other legal proceedings shall lie against the Bank, Chairman, Managing Director or any other official of the Bank or Government for anything which is done in good faith or is intended to be done under this Act or bye-laws framed under it.

Indemnity.