

SJP LEGNOCRATS (SMC-PRIVATE) LIMITED.

Abbottabad, the 8th August, 2020

The following Rules passed by the assent of the Executive Director of the Company on recommendation of Board of Directors as special resolution under companies Act 2017 on 8th August, 2020 and is hereby published at SJP Portal for general information and original document is printed on the stamp paper with original seal of the company and signature of the Executive Director, is hereby kept in safe place in the premises of the company:-

Preamble: Rules to make sure the smooth functioning of the matters related to management, administration and employees of the Company. Whoever is involved in changing all or any part of these rules without authority or without prescribed methods or hide this initial document and future parts of this document from general public or from the access of the person who has interest in the said document knowingly through words, actions or silence then he/she shall be guilty of fraud and shall be panelize as per law. These rules which are printed at the stamp paper shall be read with all the amendments made and enclosed at the end of this document printed at new stamp paper from time to time and;

WHEREAS it is expedient to provide for working of the Company for the purpose of the business across the Pakistan and outside in line with the vision and policy drafted hereunder to serve the management, administration and employees of the Company in more effective and efficient manner.

AND WHEREAS the company shall always be headed by the single Executive Director. The Exclusive Executive Director is the only subscriber of Company. The most suitable male member from the family of deceased Executive Director, on the recommendation of Board of Directors (excluding non-members director), through resolution, passed with clean majority and if there is tie between members of Board of Directors then decision of the eldest Director shall prevail and if there is zero number of Member Director in the Board of Director than eldest male member from the family of deceased Executive Director shall be considered as recommended candidate for the vacant position of Executive Director and recommended male member from the family of deceased Executive Director shall hold the office of Executive Director and the law of inheritance shall be applicable for distribution of shares in accordance with the teaching of Quran and sunna'h. Any new inheritance shareholder either from family of deceased Executive Director or from the family of other deceased member Directors may get the share money to withdraw his/her share or to get him/herself enrolled as the Member of the Company. Share money shall be calculated by the Board of Directors and notice shall be serve to the new inheritance shareholder with the offer to withdraw his/her share or to enroll him/herself as member of the Company and new appointed Executive Director shall be

bound to distribute the share money on the application for “transfer of shares or other securities” within one year time till then he/she shall be consider as creditor of the company and Company shall issue him/her the certificate accordingly. Nominee Directors shall manage the affairs of the company as a trustee, till appointment of new Executive Director. Question of succession shall be decided by the competent court.

AND WHEREAS the company shall always be partner with the ALLAH Subhana wa Ta'ala (GOD) therefore 2% of the total profit of the company till 31st July 2022 and afterwards 4% of total profit of the company shall always be spent in the name of ALLAH Subhana wa Ta'ala (GOD) which shall be proper, documented and auditable and shall be managed through Board of Directors. The income in result of this partnership shall be stored in company’s “WELFARE FUND” which shall be exclusively used for the purpose of this partnership.

AND WHEREAS the company shall manage the Mutual Board of Director’s Fund and ensure the transparency in distribution of said fund. Executive Director shall be the final authority to disperse Mutual Board of Director’s Fund and if the position of the Executive Director is vacant due to any reason the said funds should not be dispersed till appointment of new officer in the office of Executive Director. The position of Chief Executive Officer must not be vacant for more then three months from the date of office vacation and in case of longer period the most eldest non-member Director of the Company shall hold the office of Chief Executive Officer till the appointment of new Officer and the Amount in Director’s Fund will be equally distributed among the non-members of the board of Directors.

AND WHEREAS nobody is authorized, either the member directors of the company or any natural or artificial person who have control over the “Actual Profit of the Company” to withdraw or to utilize “Actual Profit of the Company” except for purchasing of new assets in the name of the company or for advertisement of the product or services of the company till 31st July 2022.

It is hereby enacted as follows:—

- 1. Short title, extent, commencement and application.**— (1) These Rules may be called the SJP Management, Administration and Services Rules, 2020.
- (2) These rules are applicable to the Executive Director and its successors, Member Directors and its successors, non-member Directors, Chief Executive Officer, Executive Operations, Legal Market Executives and the employees.
- (3) Preamble and the rule 2 (b) and 2(s) shall be enforced and shall never be amended or repealed through any process or through any resolution (normal or special) passed by anyone including Executive Director along with any rule which directly effect the motive behind the preamble of the rules and rule 2 (b) and 2(s).
- (4) It shall come into force at once.

2. Definitions.— In these Rules, unless there is anything repugnant in the subject or context,—

(a) "Company" means the SJP Legnocrats (SMC-Private) Limited incorporated with Securities and Exchange Commission of Pakistan under Companies Act 2017

(b) "Exclusive Executive Director" means Mr. Fakhir Ali S/O Mansoor Ali registered as first subscriber of the Company with Securities and Exchange Commission of Pakistan

(c) "Executive Director" means the Exclusive Executive Director or the person appointed as Executive Director who works on behalf of all other members and subscribers of the Company and getting his Amount in Director's Fund along with 5% as "Executive Director FEE" on every sale as well as on executive sale in the Company and 15% commission on every direct sales

(d) "Chief Executive Officer" means the person appointed as Chief Executive of the Company

(e) "Director" means the person appointed as the non-member and member Director of the Company and who are not the Chief Executive officer and Executive Director of the Company. Only non-member Director shall get Amount in Director's Fund whereas member Director or members/subscribers of the company shall not act as the Executives of the Company hence shall not get any financial benefit in form of salary, allowance or commission etc. they shall only be eligible to get their share according to their subscription in the company as per law;

(f) "Executive Operations" mean the persons who are responsible to manage the hardcore sales, recovery and deployment teams of the Company or Secretary of the Company

(g) "Legal Market Executive" means the advocate who is the face of the Company in their respective Bar Association

(h) "Board of Directors" means the Executive Director, Chief Executive Officer and the member and non-member Directors of the Company including nominee Directors of the company

(i) "Mutual Board of Director's Fund" means the 20% of the total remaining amount after calculating "Mutual Expenses Fund" received from the products and services of the company or through the products and services of companies, organization or firms engaged with the company through an agreement or joint venture etc. and these funds shall be calculated on 15th day of each month

(j) " Amount in Director's Fund" means the *Mutual Board of Director's Fund* divided by the total number of persons in the *Board of Directors* excluding member Directors of the Company whereas nominee directors shall not be consider as non-member Director of the company or no non-member director can be appointed as nominee director in the Company

(k) " Sales" means the revenue generated in result of signing of SLA or MOU for the product and services of the company or the products and services of companies, organization or firms engaged with the company through an agreement or joint venture etc.

(l) " Executive Sales" means the revenue generated by the Company through any means other than signing of SLA or MOU for the product and services of the company or the products and services of companies, organization or firms engaged with the company through an agreement or joint venture etc.

(m) "Direct Sales" means the Sales mature by the officer or employee himself

(n) "Indirect Sales" means the Sales mature by a team member of the officer in charge

(o) "he/himself, she/herself" means the any natural person, irrespective of their gender.

(p) " SJP Portal" means the sjp.com.pk, just.pk, SJP Android applications and SJP IOS applications

(q) "Eldest/Youngest" means the age of person and not the seniority in the Company;

(r) "Commission" means the percentage of total amount received through a specific sale.

(s) "Male member from the family of deceased Executive Director" means male member from the family of deceased Executive Director who got succession certificate from the competent court.

(t) "Nominee Director" means person appointed as nominee directors in Securities and Exchange Commission of Pakistan.

(u) "Mutual Expenses Fund" means the 50% or 900000 (which ever is lesser) of the total amount received from the products and services of the company or through the products and services of companies, organization or firms engaged with the company through an agreement or joint venture etc. and this amount shall be payable for;

i) Commission or salaries of the employees of the company

ii) Travel and stay allowances for officers and employees of the company

- iii) Contributions of EOBI
- iv) Purchasing of computer hardware or fee for server or domain registration and renewal, certification, license or fee for any documentation etc.
- v) Monthly office rent, utility bills and petty expenses.
- vi) Promotions or advertisements in electronic, print or social mediums etc.
- vii) Any other expenses excluding purchase of new assets, further investments or Director FEE etc.

Provided that funds shall be calculated on 15th day of each month and can only be dispersed with the approval of the Chief Executive officer or the Executive Director of the Company

(v) "Actual Profit of the Company" means total income of the company minus "Mutual Expenses Fund" minus "Mutual Board of Director's Fund" minus "WELFARE FUND" minus "Executive Director FEE"

(w) "Service beneficiary fund" means three times of average of last 12 months "Amount in Director's Fund".

Provided that for the eligibility of "*service beneficiary fund*" ten years of continuous service in the company is required and "*service beneficiary fund*" shall be paid from the "Actual Profit of the Company"

3. Appointments, Termination, perk and privileges.—

(1) The Executive Director may appoint a Chief Executive Officer of the Company with following perk and privileges through a resolution passed by the Board of Directors.

- (a) Amount in Director's Fund;
- (b) Registration in EOBI, full contribution to be paid by the company from the "Actual Profit of the Company" ;
- (c) 15% commission on every direct sales from Mutual Expenses Fund;

(2) Executive Director may also terminate the services and vacate the office of the Chief Executive Officer with following perk and privileges through a resolution passed by the Board of Directors.

- (a) On Payment of amount which is equal to "*service beneficiary fund*" plus "*Amount in Director's Fund*" for the current month from Mutual Expenses Fund;
- (b) Any liability at Chief Executive Officer may be deducted from the payment mentioned in Rule 3 Sub-Rule 2 (a)

(3) The Executive Director may appoint as many non-member directors as may be necessary for efficient working of the Company on the recommendation of Chief Executive Officer with the approval of at least one of the member Director with following perk and privilege.

(a) Amount in Director's Fund;

(b) Registration in EOBI, full contribution to be paid by the company from the "Actual Profit of the Company" from Mutual Expenses Fund;

(c) 15% commission on every direct sales from Mutual Expenses Fund.

(4) Executive Director may also terminate the services and vacate the office of any non-member Director after consultation with Chief Executive Officer and with the approval of at least one of the member Director with following perk and privileges.

(a) On Payment of amount which is equal to "*service beneficiary fund*" plus "*Amount in Director's Fund*" for the current month from Mutual Expenses Fund;

(b) Any liability at said Director may be deducted from the payment mentioned in Rule 3 Sub-Rule 4 (a)

(5) The Chief Executive Officer may appoint as many officers for Executive Operations, Legal Market Executives and other staff of the Company as may be necessary for efficient working of the Company, on such terms and conditions as may be specified.

(a) Chief Executive Officer may appoint officers for Executive Operations on Payment of Rupees up to 30,000/- including upto 15% commission on every direct sales, starting from the second client each month and up to 5% commission on every indirect sales from "*Mutual Expenses Fund*" and company may deduct the salary (wholly or partially) of specific month if officer fails to achieve the target of one sale or executive sale in that particular month;

(b) Chief Executive Officer may also appoint hardcore sales recovery and deployment teams on payment of up to 15% commission on every direct sale from "*Mutual Expenses Fund*";

(c) Chief Executive Officer may appoint Legal Market Executive on placement of his/her profile without any charges on the top of the Gold members in the city of their appointment, in area of their practice and 15% discount on purchasing of digital reward point from the company. He may sell these reward point to their fellow lawyers for up-gradation of accounts and premium placements.

Provided that the Legal Market Executives are not allowed to demand any money directly or indirectly from the company. They are only allowed to buy reward points from the Company with 15% discount and sell them to their fellow lawyers and further provided that every Tehsil must not have more than one Legal Market Executive.

Provided that any Legal Market Executive who will be involved in direct sales will also get 15% commissions as cash amount per sale from “*Mutual Expenses Fund*”.

(d) And Chief Executive Officer may also appoint any other staff on market based salary from “*Mutual Expenses Fund*” but not higher than salary of Officers for Executive Operations (Executive Director may relax this rule in the interest of the Company).

(6) The Chief Executive Officer may also terminate the services and vacate the office of any officer whom he has authority to appoint under Rule 3 Sub-Rule 5 and may terminate any employee of the company.

Provided that one month advance written notice shall be served to the Legal Market Executive before termination and the reward point shall not be convert into money. Further provided that all Legal Market Executives shall stand terminated if they do not register themselves again as Legal Market Executive and get the employment certificate from the Company within 2 months from the date of promulgations of these rules.

Provided that the approval of Executive Director will be required for re termination of any officer which was appointed by the Chief Executive Officer other than first time. This proviso is only applicable for officers and not for the employees of the company.

4. Power and Function of Executive Director.— (1) The Executive Director shall ,—

- (a) Call Board of Directors meeting and set agenda of the meeting;
- (b) Inspect book of accounts of the Company;
- (c) Sign MOU’s with any organization working within scope of business of Company;
- (d) Initiate inquiry against any Officer or Director of the Company;
- (e) Appoint, terminate, suspend and grant leaves etc to any officer or employee of the Company;
- (f) Withdraw or suspend any order passed by the Chief Executive Officer of the Company.
- (g) Announce any special allowance, perk and privileges for any or all members of the Board of Directors or any employee of the company.
- (h) Perform direct sales;
- (i) Give discount;
- (j) Sell/Call Back shares of the company with the approval of the Member Directors.

(k) And take any step, which he consider necessary for betterment in the business and reputation of the Company

5. Power and Function of Non-Member Director.— (1) Any non-member Director shall ,—

- (a) Advice Executive Director to call Board of Directors meeting on any specific agenda;
- (b) Inspect book of accounts of the Company;
- (c) Advice Chief Executive Officer to initiate inquiry against any Officer of the Company;
- (d) Sign MOU's with any organization working within scope of the business of Company;
- (e) Open new gates for development and advancement in the business of the Company;
- (f) Design Electronic, Print and social media campaigns and ensure impressive brand promotions;
- (g) Ensure client satisfaction and collection of renewal fee and recovery amounts;
- (h) Assign any task or target to any officer or employee of the company;
- (i) Perform direct sales;
- (j) Give discount;
- (k) And take any step, which he consider necessary for betterment in the business and reputation of the Company

6. Power and Function of Member Director.— (1) Any member Director shall ,—

- (a) Advice Executive Director or Chief Executive Officer to call Board of Directors meeting on any specific agenda;
- (b) Attend the meetings and pass resolutions for appointment of Executive Director, member Directors and distribution of share money to the newly inheritance members of the Company or to enroll them as a member director of the company;
- (c) Attend the Board of Directors meeting, participate in decisions making and give their opinion or recommendation for any resolution etc.
- (d) Cost their vote to appoint new member Director or terminate any member Director except Executive Director.

7. Power and Function of Chief Executive Officer.— (1) The Chief Executive Officer shall ,—

- (a) Advice Executive Director to call Board of Directors meeting on any specific agenda;
- (b) Inspect book of accounts of the Company;
- (c) Initiate inquiry against any Officer of the Company;
- (d) Appoint, terminate, suspend and grant leaves etc to any officer or employee of the Company;

- (e) Announce any special allowance, perk and privileges for any or all employee of the company.
- (f) Sign MOU's with any organization working within scope of business of Company;
- (g) Assign any task or target to any officer or employee of the company;
- (h) Perform direct sales;
- (i) Give discount;
- (j) Open new offices and branches of the Company within Pakistan and outside;
- (k) Look after the assets and trade marks of the Company;
- (l) Registration and renewal of services, certificates and licenses of the Company;
- (m) Maintain the servers of the SJP Portal and ensure their 24/7 uptime availability;
- (n) Manage Customer Support Team;
- (o) Ensure client satisfaction and collection of renewal fee and recovery amounts;
- (p) And take any step, which he consider necessary for betterment in the business and reputation of the Company

8. Power and Function of Officer of Executive Operations.— (1) The Executive Operations shall ,—

- (a) Appoint hardcore sales and recovery teams with the consent of Chief Executive Officer on payment of up to 15% commission on every direct sale;
- (b) Perform direct sales;
- (c) Give discount with the previous approval of the Chief Executive Officer;
- (d) Deploy Servers in the premises of their client matured either through direct or indirect sales.
- (e) Sign Service Level Agreements with any organization working within scope of business of Company;
- (f) And take any step, which he consider necessary for betterment in the business and reputation of the Company

9. Power and Function of Board of Directors— (1) Meeting for the board of Directors shall be called by the Executive Director (Nominee of the Executive Director in the absence of the Executive Director) or the Chief Executive Officer. 15 days advance notice shall be served on the SJP Portal regarding date, time, place and agenda of the meeting. Any number of members, non-members or both, who attend the meeting upon notice shall form a quorum, Simple majority of the quorum shall be required to pass any resolution or to take any decision and if there is tie then the decision of the Executive Director shall prevail and in absence of Executive Director the decision of the most eldest Director of the company shall prevail. Board of Directors shall:—

- (a) Pass resolution to insert, amend or repeal any part of these rules except rule 1(3);
- (b) Pass resolution to change or to add something new in the scope of the business of the Company;
- (c) Pass resolution for agreement or joint venture etc. with any other company, organization or firm etc.

- (d) Pass resolution to suspend, terminate or modify the agreements with other companies, organizations and firms etc.
- (e) Non-members of Board of Director shall create ideas, master plans, and documentations and prepare grounds for the successful launching of new products and services or promotion of new and existing products and services.
- (f) Non-members of Board of Director shall supervise and inspect the internal and external audit;
- (g) Non-members of Board of Director shall approve opening of new offices or branches within Pakistan and outside;
- (h) Pass any resolution which deemed necessary for smooth functioning of the business of the Company;
- (i) Pass any resolution to approve sale or Purchase of any asset of the company;
- (j) Pass any resolution to payoff any liability at the Company.
- (k) Appoint or terminate member Director through open balloting process.
- (l) And pass any resolution which deemed necessary for the smooth functioning, growth and reputation of the Company

Provided that the Board of Directors shall be chaired by the Executive Director, in his absence the Chief Executive Officer else the eldest Director of the Company.

Further provided that youngest non-member Director shall serve as the secretary of the Board of Directors.

10. Removal of Executive Director— (1) Court may vacate the office of Executive Director on the application of any member Director or subscriber of the Company on any ground which court consider necessary in large interest of the Company. For appointment of new officer in the office of Executive Director of the Company, preamble of these rules shall be followed.

11. Traveling and stay allowance— (1) Company shall pay the traveling and stay allowance to the Executive Director, Chief Executive Officer, non-members Directors and the officers for Executive Operations of the Company. Other officers and the employees shall not be eligible to get such allowances. Original receipt of payments shall be submitted to the Chief Executive Officer for reimbursement. These allowances are subject to the special movements for the business purpose only, with the previous approval of the Chief Executive Officer through email etc.

12. Working hours, leaves and progress reports— (1) Six day per week and 9 to 5 shall be the working hours of the Company. 15 days medical leave is admissible once per year with salary. All non-member Directors, officers and the employees shall be eligible to get 2 leaves per month with the permission of the Chief Executive Officer and these leaves shall not be carry forward. Chief Executive Officer may deduct salary of any officer or employee due to negligence in working hours or leaves etc.

(2) All non-members Directors and officers of the company shall record their daily work progress on prescribed platform and shall be answerable for any negligence to their upper level in the Company and all employees are answerable to their immediate officer in the Company.

13. Annual report.— (1) The Chief Executive Officer shall, within three months of the close of a financial year, submit to the Board of Directors an annual report.

(2) The report shall consist of,—

(a) A comprehensive statement of the work and activities of the Company and the measures taken for enhancement of business during the preceding financial year

(b) Future plans and projects

(c) The problems faced by the Company and the recommendations to resolve those problems

14. Disclosure of interest.—(1) If Chief Executive Officer or any non-member Directors or Officer or any other employee, including an auditor or the family of such a person has, directly or indirectly involved in any activity harmful to the Company or in any matter relating to wrongful financial transactions of the Company, such person shall forthwith disclose that interest and the Company may take such action as it may consider appropriate.
