



FINANCIAL MARKETS ASSOCIATION OF PAKISTAN

An Association incorporated under Section 42 of the Companies Ordinance, 1984.

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MINUTES OF FMAP ANNUAL GENERAL MEETING (AGM) HELD AT AVARI TOWERS HOTEL, KARACHI

Dated May 25, 2012

Following Members of the Executive Committee attended the AGM.

Mr. Ahmed Faheem Khan	Director
Mr. Ehtesham Rashid	Director
Mr. Farrukh Zaeem	Director
Mr. Ali Zaman Khan	Director
Mr. Asmi Faraz	Director
Mr. Muhammad Imran	Director
Mr. Salman Bashir	Director
Mr. Yasir Khoso	Director

Agenda

- 1) Election of One director was held because of the vacancy created due to resignation of Mr. Ammar Bandukwala. The Election Commission comprised of Mr. Zahid Mansoor Chairman, Mr. Muhammad Tayyab and Mr. Ali Nayyar.
- 2) Passing Of Audited Annual Accounts as of 31-12-2011.
- 3) Approval of TWO Resolutions duly circulated to the general body and displayed on the Web site of FMAP.
- 4) Any other Items with the permission of the chair.



Proceedings

The meeting started at 7.30 at above named venue with recitation from Holy Quran by Mr. Tayyab of National Bank. Mr. Ali Zaman Khan was Master of ceremony and the meeting was Chaired by Mr. Ehtesham Rashid.

- 1) Mr. Zahid Mansoor, Chairman Election Commission announced that Mr. Faisal Shaikha has been Elected unopposed as Director of FMAP on one vacant slot.
- 2) Mr. Kashif Rafi presented the annual audited accounts as of 31-12-2011 on behalf of previous committee. Mr. Asif Hasan of UBL raised a query regarding encashment of PKR 2.00 Mio COIs funds subsequently lying idle in FMAP accounts. Mr. Kashif clarified that these funds were encashed to meet some emergent liquidity needs at that time. Furthermore, these funds despite encashment were actually earning a return of saving accounts.

The General Body unanimously approved the audited annual accounts for the year 2011.

- 3) Mr. Ahmed Faheem Presented the two Resolution to the General Body for discussion and voting

Resolution ONE

While Elections of FMAP are to be conducted under in accordance with the provisions of Section 178(6) of the Companies, Ordinance, 1984, the Elections for the year 2011 were conducted in accordance with provisions of Section 178(5) of the Companies, Ordinance, 1984, which applies to companies with share capital. We hereby ratify the procedure and the outcome of this election.

This Resolution was unanimously approved by the General Body.

Resolution TWO

Amendments were made in the Articles of Association through resolutions whereby the procedure laid down in Companies Ordinance 1984,(in particular, Section 160(1)(b) and Section 164 of the Companies Ordinance, 1984) was not followed and that the Concurrence of the State Bank of Pakistan as required by Article XVII of by-laws of FMAP, was also not sought. It is resolved that all such amendments/resolutions stand ineffective and the Articles of Association of FMAP/ by-laws are reverted back to their status as of December 22, 2011. It is resolved that FMAP shall at all times in future adhere to the procedure prescribed by the Companies Ordinance 1984, and the requirements of the Articles of Association/by-laws of FMAP when effecting any amendments to the Articles of Association of FMAP.



Mr. Abdullah Ahmed (Meezan Bank) pointed out that (A) By reverting back to the position of December 22, 2011 we are actually reducing the term of Executive Committee to one year and that would be a contravention of the Companies Ordinance and the decision of the technical committee taken in its meeting in April 2010 which clearly specifies that the term of the Directors shall be three years. (B) He further pointed out that the resolution regarding change in article XVII of by laws may have been tabled without the notice period of 21 days but Section 23 of companies ordinance says that in case if a resolution is accidentally not circulated 21 days prior to the meeting it does not altogether invalidate that resolution. (C) He further stated to have FMA away from SBP patronage and be an independent body while being a registered body and governed as per SECP guidelines. Mr. Faheem Ahmed (DB) also supported this contention that when FMAP is governed by the Companies Ordinance and hence SECP then why do we need dual regulators.

Mr. Zahid Mansoor (DIB) said that the key role of FMA is to liaise between the market and the State Bank. Further, Companies Ordinance does not prohibit a body from reporting to any regulator as long as this action is approved by its general body.

Dr. Naeem Abdullah (SCB) clarified that concurrence/patronage of SBP was incorporated in the by-laws at the time of incorporation of FMAP at the insistence of SECP therefore if any such amendment has to be brought in whereby the role of SBP is being changed/removed then it should be done with the concurrence of SBP.

Mr. Salman Usmani of Faysal Bank proposed that a vote can be taken on this issue to settle it.

The issue of reverting the change in article XVII of By laws to the state of December 22, 2011 was put up for vote.

The Resolution for reverting the changes in Article XVII to the state of December 22, 2011 was unanimously approved by the General Body.

Mr. Salman Usmani of Faysal Bank proposed that a vote shall also be taken right now to ratify the change in Articles / By laws to incorporate a term of three years for the directors.

With the permission of the chair resolution for ratifying change in the Articles / By laws was tabled for approval of the General Body.

The General Body unanimously approved this resolution for ratifying change in the articles/ by laws to increase the term of directors to three years and reverting all the other changes in By laws / Articles to their status of December 22, 2011.

- 4) Mr. Ahmed Faheem then proposed that the same external auditors be hired for the year 2012 as well.



The General Body unanimously approved this proposal.

- 5) Mr. Ahmed Faheem pointed out that the outgoing committee has updated the FMA website with certain old documents without taking the new committee into confidence. He further said that the documents included a lawyer's opinion of November 2009 whereby the lawyers had given their opinion that the election of directors was not in conformity with the requirements of Companies Ordinance. Mr. Ahmad Faheem asked the ex-GS/President to provide the general body with an explanation as to why was the opinion required, was it communicated to the Technical Committee and why was the opinion not shared with the general body?

Mr. Abdullah Ahmed replied that the documents posted on the website pertained to previous committee's term so he thought it appropriate to update it. Furthermore, regarding the legal opinion he clarified that this legal opinion was circulated to all treasurers for information and feedback and that this fact can be verified from any treasurer. After which three meetings of Tech Com were held and finally in the third meeting of April 2010 the Tech Com ratified the increase in tenure of executive committee from one year to three years in line with the lawyer's opinion.

Mr. Ahmed Faheem replied that he was referring to the lawyer's opinion of Nov 2009 which is about the election of directors not tenure of directors and circulated copies of the legal advice to the members Technical committee present.

At this point Mr. Salman Usmani said that this issue should be discussed at a different forum to which Mr. Ahmed Faheem and Mr. Abdullah Ahmed agreed and no other member present objected.

The meeting ended with a vote of thanks followed by Dinner.

Ehtesham Rashid
General Secretary

Faisal Shaikha
President