

MINUTES OF GBC GUILD EXECUTIVE BODY MEETING
HELD AT RAWALPINDI ON 22 FEBRUARY 2020

1. **General.** An Executive Body Meeting of GBC Guild Members was held at Rawalpindi on 22 February 2020 to draw consensus on two important impending matters. Following made it convenient to attend the Meeting:

<u>Serial</u>	<u>Name</u>	<u>Designation</u>
a.	Khurram Naeem Faridi	Chairman
b.	Aamer Raza Qureshi	Director
c.	Habib Ur Rehman Tamman	Director
d.	Zubair Chughtai	Director
e.	Ahtisham Amjad Iqbal	Director
f.	Muhammad Iqbal Khan	Chief Executive Officer
g.	Masood Raza	Executive Member
h.	Abdul Hayee	Executive Member
i.	Saqib Mirza	Executive Member
j.	Taufiq Tahir	Executive Member
k.	Muhammad Maalik	Executive Member
l.	Ajaz Ahmed	Executive Member
m.	Shaukat Kayani	Executive Member
n.	Khawar Ahmed	Member
o.	Muhammad Abdullah Faridi	Member

2. **Agenda.** The meeting revolved around the following two agenda points that came up for detailed discussion during the meeting:

- a. To review the progress on upgradation and prospective strategies of Guild's Travel Magazine "**Travelinfo.pk**".
- b. To deliberate and ratify the validity / promise of the project "**BitsOfGold**" proposed to be remitted to SECP for the upcoming Sandbox Cohort.

3. **Proceedings.** The proceeding began with the CEO welcoming all the participants and thanking them for their kind attendance. He highlighted the purpose of the gathering and briefly introduced the subjects under review.

4. **Travelinfo.pk.** Director Zubair Chughtai very magnanimously consented to take over, upgrade, embellish, administer, direct and manage the operations of Guild's Travel Magazine. In this context he made a detailed presentation dwelling at length on the subject. He commenced by acknowledging and appreciating the CEO for conceiving, conceptualizing and materializing the great idea of "Travelinfo.pk", as well as, the amount of preliminary work that had gone into realizing the dream. The Project Director then went on to explain the glitches and gaps in the maiden web version and how the same had been adapted, transformed and upgraded to make it more user friendly, SEO compliant, accessible, appealing and attractive, utilizing the latest tools available in this regard. He also elucidated on the destined plans for augmenting the project, including the layout, content and features of the print version of the Magazine. The presentation was followed by a detailed discussion on the Magazine's current status and future intents. Important aspects debated and decisions arrived at are appended below:

- a. **Founding Status.** Given the fact that the project was conceived, conceptualized and realized by the CEO, it was unanimously approved that "Muhammad Iqbal Khan" be accorded the status as "Founder" of the Magazine in all its versions.
- b. **Editorial Board.** Decision regarding finalization of the Editorial Board was left to the discretion of the Project Director and CEO. However,

“Zubair Chughtai” was unitedly approved to be the “Editor-in-Chief” of the Magazine in all its formats.

c. **Formatting**

- (1) Layout. The Project Director may decide upon the layout of the online Magazine in line with the latest trendings. Same should be updated on regular basis adhering to conforms of the latest technological / fashion swings.
- (2) Target Audience. After intense discussion on the matter, it was concluded that since the Magazine was aimed at promoting all facets of Pakistan's natural beauty, rich history, civilizations, theological evolution, culture, traditions, hospitality, diversity, adventurism, cuisine, geography and animal / plant life, therefore, the target audience must not be limited to a specific segment or age group, but rather be diversified to all strata of people, both domestic and international.
- (3) Latest Events/Most Important News. The Magazine must be constantly updated covering the latest optimistic events / news having international significance/implications. In this context, visits of dignitaries/celebrities of international acclaim should also be reflected prominently.

d. **Promotional Strategy**

- (1) SEO Enhancement. SEO enhancement tactics must form a perpetual measure of the online Magazine version so as to ensure that the ratings of the Magazine remain on top whenever Pakistan, travel or tourism appears in the search. This should be universally applicable to all search engines, as well as, social media sites.

- (2) Onboarding Government Institutions. The relevant Government ministries, departments and institutions need to be taken on board right at the outset in order to ensure patronage, promotion, growth and facilitation, thereby creating an enabling environment for the Magazine to achieve its objectives.
- (3) Collaboration with Service Providers. In tandem with the official channels, the potential of the private sector also needs to be tapped to optimize the efforts and consequently establish sturdy credibility.

e. **Revenue Generation Strategy**

- (1) Amplification of Project Scope. The Project should not only be self-sustaining but should also earn revenue for the Company to undertake other initiatives. There is, thus, a need to magnify the scope of the Project to revenue generating domains. Such options should be explored, deliberated, shortlisted and incorporated in the growth plans in a graduated manner.
- (2) Advertisement Generation. There is a need to pursue advertisements and commercials for the Magazine through all available means, including search engines, social media sites, local promoters and related services industries. Efforts be made to accrue optimal with least.
- (3) Bloggers/Vloggers Sponsorships. In line with the trends in vogue, bloggers and vloggers need to be engaged to lend additional credibility to the Magazine, while at the same time burgeoning its ratings and consequent returns. However, rather than burdening the Company with financial liability, means be explored to seek sponsorships for such engagements through government, semi-government, corporate and private sectors.

f. **Print Version**

- (1) Frequency. It was decided that the frequency of the Printed Magazine should be Half Yearly to start with.
- (2) Cover Page. The Cover Page should be majestic and eye catching, featuring the title 'travelinfo' on the top in bold letters, an iconic photograph of Pakistan, maximum of 3-4 small windows and a mention of featured stories. It must not be too loud or too busy.
- (3) Layout/Formatting. To begin with, the Magazine should be of at least 100 pages (50 leaves), including the advertisements and promotions. The paper should be the top quality glaze which supports the best print. The photographs should be of highest resolution.
- (4) Distribution. The number of print copies may be finalized by the Project Director in consultation with the CEO, however, it must cater for complimentary distribution to relevant Government ministries/departments, National carriers, important embassies/consulates, selected libraries and any other entity deemed appropriate.

g. **Tapping of Unbridled Realms**. Pakistan has a plethora of nature's bounties. Yet only a segment of it remains explored in terms of tourism and promotion. There is a need to research and rein in the henceforth un-scouted territories and harness the potential of these treasure troves before the gold rush sets in.

h. **Collaborative Effort**. It was agreed that although the focal person for the Project would be Zubair Chughtai, however, it will have to be a collaborative effort on part of all the Members.

5. **BitsOfGold.** Sequel to the Guild's Meeting with SECP hierarchy and the ensuing discussion, it was decided to conceive and effectuate an economically viable financial instrument which should benefit of masses while duly securing the financial rewards for the Company. Consequently the Development Team of GBC Guild was assigned the responsibility to envisage and develop a unique and innovative blockchain based pecuniary product which could be fielded in the SECP's impending Sandbox Cohort. The Development Team headed by the CEO set about the seemingly impossible task under grueling time constraints and successfully accomplished the feat within a fleeting span of one month. The resultant product has been denominated as BitsOfGold, which aims at transforming the very perceptions of saving and wealth building. The CEO made a very thorough presentation covering the genesis/background of the idea (use of gold as a hedge against short/long term inflation), elaborate research methodology employed, statistical hypotheses conceived and validated/negated, the business possibility, objectives and model, technological basis, potential users/beneficiaries and effects on National economy. The presentation was trailed by a very fruitful and intense discussion/deliberation session in which all aspects of the proposal were thrashed threadbare. Essentials of the discourse and decisions arrived at are mentioned hereunder:

- a. **Appellation of the Instrument.** On the desire of the CEO, a debate was initiated to finalize the appellation for the product. It was highlighted that bulk of the target audience may not be able to understand yet alone identify, connect and associate themselves with the current title of the instrument. It was also observed that name should in no way be misconstrued or misinterpreted to become synonymous or homonymous with "Bitcoin". A number of alternates were suggested; one of which needs to be finally adopted:

- (1) GoldBit.

- (2) SonaBit.
- (3) Ashrafi.
- (4) GoldMasha.
- (5) RuttiGold.

b. **Shariah Compliance Option**

- (1) Although the very basic premise and concept of the proposed instrument renders it 'halal' for all practical purposes for following reasons:
 - (a) The prospective profits are not fixed and remain variable for all durations of the contract.
 - (b) The element of risk is inbuilt for all stakeholders because of market variations.
 - (c) The instrument neither promotes nor encourages hoarding entire wealth, rather only provides a means of partial saving or diversifying the portfolio.
 - (d) Falls within the broad purview of "Mudarabah" (an Islamic contract in which one party supplies the money and the other provides management expertise to undertake a specific trade. The party supplying the capital is called owner of the capital. The other party is referred to as an agent who actually runs the business. In Islamic finance, Mudaraba is a trust financing contract).
- (2) However, in order to uphold the principles of Islamic teachings / to ensure strict conformity with the precepts of Shariah and to satisfy the requirements of all schools of thought, it was decided that the

option must be made available to the investors / consumers / clients who may choose to so opt.

- (3) It was also decided that (for those customers who choose to opt for Shariah Compliance), a Zakat intimation be triggered as and when their holdings reach the limit of "Nisaab".
- (4) To further over ensure compliance to Shariah precepts, it was agreed that in addition to the long term trading, a system be introduced for short term trading of the holdings to avoid even the minutest doubts.

c. **Reinvestment in Other Initiatives.** To build upon the reserves created as a result of this venture and to ensure that the funds remain in circulation, it was established that the same be re-invested in other financially viable initiatives which promise maximum returns in shortest possible time.

d. **Security Concerns**

(1) Considering the virtual and physical security environment, there was a growing concern with regards instituting a fool-proof safety and security regime. The issue was exhaustively argued and several loopholes were identified. It was concluded that an elaborate safety and security mechanism must be devised, matured and incorporated, covering all possible/foreseeable vulnerabilities. Following was acceded to in this context:

- (a) Technical/cyber security liability remains the onus of CEO being the Development Team Lead. This may include:
 - i. Complying to best available Cyber Standards.
 - ii. Undertaking a periodic Cyber Audit.

- (b) Responsibility for formulation of SOPs regarding physical security was graciously accepted by Muhammad Maalik and it was agreed that a comprehensive doctrine be evolved covering all imaginable features. Undermentioned aspects may provide a baseline for the same:
- i. Security during Sale/Purchase, Transit and Storage of Physical Denominations.
 - ii. Redundancy in Deposit.
 - iii. Insurance Coverage.
- (2) Both the 'Security Leads' may engage/convoke any Member for support or assistance as deemed appropriate.
- e. **Company Charges.** The purchase, sale, storage, transfer and redemption of assets, as well as, dealings / undertakings / transactions with the financial / holding institutions and insurance companies involve considerable subscriptions, fees, commissions, service charges, dues and taxes; not to mention the significant expenditure on establishing, operationalizing and maintaining an elaborate soft/hard infrastructure, as well as, the overheads covering rents, bills, salaries etc. All such expenses if not flawlessly catered for, would render an unaffordable financial liability on the Company. Therefore, there is a need to precisely analyze, accurately calculate and appropriately infuse/interpolate all these incidentals into the basic cost of the instrument.
- f. **Instrument Value.** Value of the proposed instrument, as proposed by the CEO, was unanimously approved by the Executive Body. It was, however, underlined that the same be kept open to revision as per the dictates of business and environment. A mechanism for revision may be subsequently formulated through a mutual agreement between the Development & Business Development Teams.

- g. **Controlled Growth.** In order to ensure that we retain a sustainable control over the Project, the growth of the initiative will have to be regulated and measured. This would not only entail setting up realistic objectives and benchmarks, but may also imply enforcing upper limits on the investments. In the same context the option of individuals registering on the Company Portal and purchasing the instrument online will have to be so tailored that it does not allow them to exceed the prescribed upper limit.
- h. **Redemption Pre-requisites.** Although the Company proposes to afford all investors, customers and clients the opportunity to redeem their respective investments at any point in time, but redemptions terms/conditions still need to be realistically worked out and finalized. These should include but not be limited to:
- (1) Redemption charges covering thus far un-retrieved expenses/arrears.
 - (2) Redemption timelines duly catering for processing time of the partnered financial/holding institutions, holidays and unforeseen.
 - (3) Redemption threshold with a clear understanding that gold bullions / denominations are not available below a specific weight classification.
- i. **Target Audience.** The Product has been designed to target a very wide and diverse variety of clients and customers. In view of this disparity, separate targeting strategies need to be envisaged for each category of clientele to attain desired outcomes. This may even entail contriving different business models for distinct groups.
- j. **Marketing Strategy.** In order to make the initiative a roaring success a very robust and aggressive Marketing Strategy will have to be adopted. Considering the novelty of the idea and the fact that it

challenges the status quo, it is most likely to attract strong resistance and public/private bureaucratic impediments. Market inertia and obstacles will have to be amicably handled and surmounted through a multi-pronged approach. All available marketing means will have to be exploited to the optimum and all the Members must bring to bear the synergized weight of their collective wisdom and potential to make this Project a booming success. A few pointers in this regards are appended below:

- (1) Highlighting the importance and advantages of Gold as a hedge against inflation.
- (2) Schemes and manoeuvres to tackle competition / market spoilers.
- (3) Addressing the concerns of Government.
- (4) Measures to attract investors.
- (5) Ways to instill a culture of saving amongst the lower and lower middle classes.
- (6) Verification / enlisting of vendors and supervising their operations.

- k. **Force Majeure.** It was discussed and consented that the Company should add the clause of "Force Majeure" in the Product Documents and Contracts, citing following statement:

"GBC Guild will not be held responsible for any fluctuations in the prices of gold, outcomes from investing in the commodity or delays occurring in eventual redemption, due to events of 'Force Majeure' such as Acts of God, War, Riots, Civil Commotion, Strike, Lockouts, Acts of Own/Foreign Governments or International Financial Institutions and/or any Disturbance directly affecting the Company and/or events or Circumstances on which the Company has no control. In such an event the Company shall inform the clients / investors in writing of the possible outcomes/consequences, within 15 days of any such happening".

7. This issues with the concurrence and approval of the Chairman GBC Guild (Private) Limited.

Muhammad Iqbal Khan

Dated: February 27, 2020

Chief Executive Officer

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