

13 April 2018

AVN/PSX/130418

The General Manager  
Pakistan Stock Exchange Limited  
Stock Exchange Building  
Stock Exchange Road  
Karachi.

**Subject: Enhancement of Paid-up Capital – Issuance of shares under Employees Share Option Scheme 2013**

Dear Sir,

We would like to inform you that the Paid-up Capital of the company has been enhanced from 132,124,125 to 136,323,754 shares after CDC allotment of 4,199,629 shares at Rs. 1/- per share to employees who exercised their share option under Employee Share Option Scheme 2013 (after completion of 5 years vesting period), first issue without right offer under Sec 83 of the Companies Act, 2017 duly approved by the Commission vide letter dated September 26, 2013.

The closing market price for the aforementioned shares at the date of credit of shares into the respective CDC sub accounts of the entitled employees, i.e. Thursday, April 12, 2018 was Rs.57.37/- per share (**Closing Market Price**).

The following documents are enclosed and sent to your good office.

- Employees Share Option Scheme along with SECP Approval letter.
- HR & R Committee Resolution
- Auditor Certificate
- Form 3

Yours Sincerely,



Ahsan Khalil | Company Secretary



CC: The Chief Executive Officer  
National Clearing Company of Pakistan Limited  
8<sup>th</sup> Floor, Stock Exchange Building,  
Stock Exchange Road,  
Karachi.

**AVANCEON LIMITED**

**17 Mar 2018**

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To,

Mr. Umar Ahsan Khan  
Mr. Khalid Hameed Wain  
Mr. Bakhtiar Hameed Wain

It is proposed to approve the ESOS-1 issuance of shares on completion of vesting period and exercise period commencing on 01 April 2018 to 31 Dec 2018, for share options given to employees in 2013 under the Share Employee Share Option Scheme 2013.

The attached resolution No.001-18/AVN/HRRC authorizes the above proposals.

You are, therefore requested to please sign the attached Resolution in the space provided and return the same to me or Company secretary.



Hussain Ahmad  
Secretary HR & R Committee

**AVANCEON LIMITED**

**17 Mar 2018**

**Resolution No. 001-18/AVN/HRRC**

We the undersigned, being all directors of Avanceon Limited and members of the Human Resources and Remuneration committee for the time being, do UNANIMOUSLY RESOLVE:

All eligible employees of the Company who have been granted stock options of the shares of Avanceon Limited at an exercise price of Rs.1/- per share in 2013, vesting completion on 31 Mar 2018 and commencement of exercise period from 01 April 2018 to 31 Dec 2018 are hereby approved.

RESOLVED THAT The exercise price commences on 01 April 2018 to 31 Dec 2018, in this regard it is hereby approved to obtain written acceptances from all such employees who have been issued (exclusion any lapses of grants for resigned employees) and issue the shares within the stipulated time line after receipt of payment @ Rs1/- per share, CDC account details and related approval/filing of CDC/ SECP/ PSX.

RESOLVED THAT attached standard form for the acceptance is approved.

FURTHER RESOLVED AND approved that this issue is specific for the shares against accepted grants that have completed the vesting period, i.e. grants offered in 2013 – exercise period commences on 01 April 2018 (under clause 6.1 (i) of the Employee share option scheme of Avanceon Limited 2013 approved by SECP), and overwrite the exercise date mentioned in grant letters i.e. 01 May 2018.

Lahore  
17 Mar 2018

Chairman HR & R Committee  
Umar Ahsan Khan

**NAME**

**SIGNATURE**

1. Mr. Bakhtiar H. Wain

2. Mr. Khalid Wain

3. Mr. Umar Ahsan Khan

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**AVANCEON LIMITED**

**17 Mar 2018**

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Lahore  
17 Mar 2018

Chairman HR & R Committee  
Umar Ahsan Khan

**NAME**

**SIGNATURE**


1. Mr. Bakhtiar H. Wain

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2. Mr. Khalid Wain

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3. Mr. Umar Ahsan Khan

  
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**AVANCEON LIMITED**

**17 Mar 2018**

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Lahore  
17 Mar 2018

Chairman HR & R Committee  
Umar Ahsan Khan

**NAME**

**SIGNATURE**

1. Mr. Bakhtiar H. Wain



2. Mr. Khalid Wain

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3. Mr. Umar Ahsan Khan

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EY Ford Rhodes  
Chartered Accountants  
96-B-I, 4th Floor, Pace Mall Building  
M. M. Alam Road, Gulberg-II  
P.O. Box 104, Lahore-54660

Tel: +9242 3577 8402-11  
Fax: +9242 3577 8412-13  
ey.lhr@pk.ey.com  
ey.com/pk

LA/4567/18  
11 April 2018

Company Secretary  
Avanceon Limited  
19 Km, Multan Road  
Lahore.

Dear Sir

**CERTIFICATE ON ISSUE OF SHARE CAPITAL AS REQUIRED UNDER CENTRAL DEPOSITORY SYSTEM - STANDARD OPERATING PROCEDURES OF CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED**

We have been requested to provide you with a certificate on issue of shares under Employees' Share Option Scheme (ESOS 2013) by Avanceon Limited (the Company) as required under Central Depository System - Standard Operating Procedures (CDS SOPs) of Central Depository Company of Pakistan Limited (CDC).

**Scope of Certificate**

This certificate is issued in accordance with the "Guidelines for Auditors' Certificate" of Central Depository System - Standard Operating Procedures for further Issue of Shares other than Rights (against cash or other than cash).

**Management Responsibility**

It is the management responsibility to ensure compliance with all requirements with regards to allotment of securities in the name of CDC. The management's responsibilities include causing the maintenance of adequate records of options granted and issued, compliance with the SoPs, report if there is any non-compliance and detection of frauds and irregularities. This certification does not relieve the management of its responsibilities.

**Auditors' Responsibility**

Our responsibility is to certify the compliance with the SoPs with regards to allotment of shares in the name of CDC in accordance with the 'Guidelines for issue of Certificates for Special Purposes by Practicing Chartered Accountant Firms' issued by the Institute of Chartered Accountants of Pakistan.

Our verification was limited to the procedures mentioned below:

1. Confirming the revised paid up capital / total issue after issue of shares under Employees' Share Option Scheme I.

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2. Obtaining the
  - i) Supporting documents of allotment of shares under the scheme:
    - a) Certified True Copy of SECP Approval Letter of the Scheme
    - b) Certified True Copy of the Employees' Share Option Scheme of Avanceon Limited-(ESOS-2013)
    - c) Certified True Copy of the Form-26 filed for the approval of the Scheme and
  - ii) bank statement of the designated account
3. Matching the amount of Share Capital issued with amount received with 2 (ii) above;
4. Reviewing compliance with the SoPs and reporting non-compliance, if any.

### Certificate

Based on the procedures mentioned above, we are pleased to certify that as per the books and records of the Company, an aggregate subscription amount of Rs. 4,199,629 has been received by the Company by 6 April 2018 against the issue of 4,199,629 share options at a discount of Rs. 9/- per share as approved and envisaged in the approved Employee Share Option Scheme 2013 of the Company. The paid up capital of the Company before and after taking into account further issue of shares would be as follows:

Particulars	No. Of Ordinary Shares (Per Audited Accounts)	*Post Ballot Rejection shares	Total Shares (Per share Register)	Face Value Rupees	Paid-up Capital Rupees
Before Issue	132,121,128	2,997	132,124,125	Rs10/- each	1,321,241,250
After Issue	136,320,757	2,997	136,323,754	Rs10/- each	1,363,237,540

\*This represents un-subscribed shares out of post ballot rejected portion of Initial Public Offering in 2014.

We state that all the requirements as mentioned in this letter with regards to allotment of shares in the name of CDC have been fulfilled by the Company. Further, we have obtained representation from the Company that no special condition have been imposed by the Securities and Exchange Commission of Pakistan relating to the Scheme.

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### Restriction on use and distribution

This letter is being issued in the capacity of statutory auditor of the Company and on the specific request of the management of the Company for onward submission to the CDC and Pakistan Stock Exchange Limited (PSX). Accordingly, this should not be distributed to any other third party without our prior written consent. This certificate is restricted to the facts stated herein.

Yours faithfully

Chartered Accountants  
Audit Engagement Partner: Farooq Hameed  
Lahore: 11 April 2018



Corporate Supervision Department  
Company Law Division

Say No To Corruption

THROUGH UMS  
March 15, 2018

No. SMD/CIW/ESOS/08/2008 -1470

Mr. Ahsan Khalil  
Company Secretary  
Avanceon Limited  
19-KM, Multan Road  
Lahore  
Fax: 042-37515128

Subject: Certified true Copy of Approval dated September 26, 2013. Avanceon Limited Share Option Scheme

Dear Sir,

With reference to your letter dated March 13, 2018 on the subject, please find enclosed herewith certified true copy of Approval dated September 26, 2013 with Employees Share Option Scheme, 2013.

Regards,

Zohra Sarwar Khan  
Additional Joint Director



Securities and Exchange Commission of Pakistan  
Securities Market Division – Market Supervision and Registration Department  
\*\*\*

No. SMD/CIW/ESOS/08/2008

September 26, 2013

✓ Mr. Saeed Ullah Khan Niazi,  
Company Secretary,  
Avanceon Limited,  
19-KM, Multan Road,  
Lahore  
Fax: 042-37515128

Subject: Approval (i) of the Employee Stock Option Scheme, 2013 (the Scheme) under the second proviso to sub-section (1) of Section 86 of the Companies Ordinance, 1984 (the Ordinance) read with rule 2(1) and 6(1) of the Public Companies (Employees Stock Option Scheme) Rules, 2001 (the Rules);

(ii) to issue shares under the Scheme at discount to face value beyond the time period of 60 days from the date of sanction under sub-section (2) and (1) of Section 84 of the Ordinance; and

(iii) to issue further shares without right issue under the first proviso to sub-section (1) of Section 86 of the Ordinance.

Dear Sir,

Please refer to your two different letters both dated September 18, 2013 and e-mail dated September 23, 2013 on the subject noted above.

2. I have been directed to inform you that the Securities and Exchange Commission of Pakistan (the Commission) is pleased to:

- (i) approve the Employees Stock Option Scheme, 2013 hereinafter referred to as the Scheme (copy attached) of Avanceon Limited (the Company) under the second proviso to sub-section (1) of Section 86 of the Companies Ordinance, 1984 (the Ordinance) read with rule 2(1) and 6(1) of the Public Companies (Employees Stock Option Scheme) Rules, 2001 (the Rules);
- (ii) allow the Company to issue upto five million shares under the Scheme at a discount of upto 90% of the face value beyond the time period of sixty (60) days of this sanction till February 14, 2023 under sub-section (2) and (1) of Section 84 of the Ordinance; and
- (iii) allow the Company to issue further upto five million shares (adjustable pursuant to any corporate action in the manner as provided in the Scheme) pursuant to the Scheme without right issue under the first proviso to sub-section (1) of Section 86 of the Ordinance.

3. The above-mentioned approvals are subject to the following conditions and to any other condition(s) that may be imposed thereafter: -

- (i) the Company shall disclose particulars of the discount allowed on issue of shares, in every prospectus relating to the issue of shares and every balance sheet issued by it subsequent to the issue of shares at discount in the manner as required under sub-section (4) of Section 84 of the Ordinance;
- (ii) the Company shall remain compliant with the requirements of rule 12, 13, 14 & 15 of the Rules; and

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NIC Building, 63 Jinnah Avenue, Blue Area, Islamabad

Tel: 051-9203958, UAN: 111-11-SECP (7327) PABX: 051-9207094, Fax: 051-9218595 URL: <http://www.secp.gov.pk>

*Zohra Sarwar Khan*

**ZOHRA SARWAR KHAN**  
Additional Joint Director - CSD  
Securities & Exchange  
Commission of Pakistan  
Islamabad

- (iii) the Company shall submit progress report on semi-annual basis on offer and administration of the Scheme containing information including level-wise breakup of the options granted, options accepted/exercised and number of shares issued, options lapsed, adjustment of offer price as a consequence of corporate actions, if any, variation in the terms of the Scheme, if any, and amount of money received against exercise of options etc.

Yours truly,



(Amir M. Khan Afridi)  
Director (CI)

Copy to:

The Executive Director (CCD), Company Law Division, SECP, Islamabad.

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**ZOHRA SARWAR KHAN**  
Additional Joint Director - CSD  
Securities & Exchange  
Commission of Pakistan  
Islamabad

AVANCEON LIMITED

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Additional Joint Director - CSD  
Securities & Exchange  
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Islamabad



**AVANCEON LIMITED**  
**EMPLOYEES SHARE OPTION SCHEME, 2013**

**1. Purpose**

- Avanceon Limited (the Company) hereby establishes a stock option Scheme to be known as the Avanceon Limited Employees Share Option Scheme, 2013 (the Scheme) for its eligible employees. The purposes of the Scheme are:
- to motivate executive directors and all the eligible employees in order to promote business of the Company;
- to reward the abilities and efforts of all such eligible employees of the Company, as considered fit by the Compensation Committee;
- to attract and retain such eligible employees; and
- to align the interests of such employees with those of the Company's shareholders.

**2. Interpretation**

2.1 In this Scheme, unless the context otherwise requires, the words and expressions set out below shall have the following meanings:

Board	means the Board of Directors of Avanceon Limited.
Company	means Avanceon Limited.
Compensation Committee (Committee)	means the committee constituted by the Company and approved by the Board responsible for, amongst other things, grant



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Additional Joint Director - CSD  
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of Options and administration and superintendence of this Scheme, consisting of Three non-executive Directors of the Company who are not eligible to participate in the Scheme. The Committee comprises of Mr. Bakhtiar Hameed Wain as Chairman and Mr. Khalid Hameed Wain and Mr. Umar Ahsan Khan as members.

Date of Adoption

means the date on which the Securities and Exchange Commission of Pakistan [the Commission] approves the Scheme in accordance with the requirements of Section 86 of the Companies Ordinance, 1984 [the Ordinance] and the Public Companies (Employee Stock Option Scheme) Rules, 2001 [the Rules].

Date of Grant

such date, as may be decided by the Committee being the date on which an Option is issued to an Eligible Employee in accordance with this Scheme and as detailed in clause 5.1 (ii).

Eligible Employee

means a full-time regular employee, who is the Chief Executive, an Executive Director or other employee of the Company in the Company's employee classification level MT3 and above entitled to grant of Options under this Scheme as detailed in clause 5.2 of the Scheme. Present employees and those employees who join or are promoted to level MT3 till 31/03/2017 shall be considered as "Eligible Employees".

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Additional Joint Director - CSD  
Securities & Exchange  
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Entitlement Pool	means upto a maximum of five million shares (6.62% of the existing paid up capital of Rs.755.000 million divided into 75.500 million shares of Rs. 10/- each) of the Company, Options for which shall be available and may be granted / offered to such Eligible Employees, as may be determined by the Committee. The Entitlement Pool shall be adjustable pursuant to any event and in the manner as mentioned in clause 3.2.
Executive Director	means the member of the Board who is also an employee of the Company.
Exercise Period	means the various periods as detailed in clause 6.1 as applicable to each set of Options granted, within which an Option Holder may exercise an Option.
Exercise Price	Means Rs. 1, Rs. 1.20, Rs. 1.44, Rs. 1.73 and Rs. 2.07 for Options granted soon after the Date of Adoption, in 2013, 2014, 2015, 2016 and 2017 respectively. The Exercise Price shall be adjustable pursuant to any event and in the manner as mentioned in clause 3.2.
Option	means a right of the Option Holders to acquire Shares, at the Exercise Price, pursuant to this Scheme.
Option Holder	means a grantee being an Eligible Employee who has received an Option under the Scheme.
Option Letter	means a letter issued to an Option Holder

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 Additional Joint Director - CSD  
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- v. to determine and prescribe the guidelines, process and procedures for the exercise of Options;
- vi. to adopt such rules, regulations, agreements, guidelines and instruments for the administration of the Scheme and for the conduct of its business as the Committee deems necessary or advisable;
- vii. the Committee may delegate the procedural aspects of their powers and duties to such persons or officers of the Company as it deems fit.

3.3 The Committee's interpretations of the Scheme and any and all actions required to be taken pursuant to it, and all actions taken and determinations made by the Committee pursuant to the powers vested in it hereunder shall be conclusive and binding on all parties concerned, including the Company, its shareholders and any Eligible Employee receiving an Option under the Scheme and all other employees of the Company.


#### 4. Scheme and Eligibility

4.1 Under the Scheme, Options for a maximum of five million (5,000,000) shares (6.62% of the existing paid up capital) of the Company (adjustable pursuant to any event and in the manner as mentioned in clause 3.2) will be offered to Eligible Employees of the Company by the Committee. Each Option granted shall be exercisable during the relevant Exercise Period at the relevant Exercise Price.

4.2 The Committee shall decide entitlement of the "Eligible Employees" in line with the below-mentioned guidelines:

- i. The Committee shall decide which of the Eligible Employees of the Company shall be entitled for grant of Option and such decision to be

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based on the criticality of the individuals' position for the Company's business and his ability. The Committee's decision shall be final.

ii. Options will be issued over 5 years as detailed in clause 5.1 (ii) below.

## 5. Grant of Options

5.1 i Share Option Entitlements for individual Eligible Employees shall be decided by the Committee, in its discretion. The maximum number of Options to be issued to any one Eligible Employee shall not exceed 1,000,000 (1.32% of the paid up capital of the Company).

ii Options may be granted as follows:

(a) Options for a maximum of 4,200,000 shares may be granted to existing Eligible Employees in 2013.

(b) Options for upto a further 200,000 shares may be granted in 2014 to existing and/or new Eligible Employees.

(c) Options for upto a further 200,000 shares may be granted in 2015 to existing and/or new Eligible Employees.

(d) Options for upto a further 200,000 shares may be granted in 2016 to existing and/or new Eligible Employees.

(e) Options for upto a further 200,000 shares may be granted in 2017 to existing and/or new Eligible Employees.

It is clarified that if in any one year, including 2013, the full number of Options is not granted, then the unutilized Options may be carried forward to subsequent year(s) and granted in such subsequent year(s).

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Additional Joint Director - CSD  
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It is also clarified that the Committee, in its discretion, may grant Options to Eligible Employees including those presently in employment and those who join in the future. Whether further Options are to be granted to any such employee who has already been granted Options in any one year will also be in the discretion of the Committee.

The relevant Exercise Period and the relevant Exercise Price for each set of Options granted are detailed in clause 6 of this Scheme.

- 5.2 The Committee shall grant Options, in accordance with the Share Option Entitlements decided by it to all the entitled Eligible Employees.

The appraisal process to be used by the Committee for grant of Options to Eligible Employees shall be as follows:-

- (a) only employees of level MT3 and above shall be granted Options.
- (b) to determine the ability of the employee [as required by clause 4.2 (i) above] the Committee shall rely on the performance ranking process of the Company. This is a transparent annual process whereby every employee is ranked in accordance to his performance. This ranking system of all the employees is reviewed and finally approved by a committee consisting of some of the senior Executives of the Company. The Executives themselves are ranked by the Chairman of the Board.
- (c) to determine the criticality of the individuals position to the Company's business, (as required by clause 4.2 (i) above) the Committee shall maintain a list of jobs (from amongst all the jobs in the Company) of all the eligible employees. This list will be based on job seniority/level and the potential loss or gain that could be caused to the Company if the job is/or not performed well.

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Additional Joint Director - CSD  
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- 5.3 In evidence of the Option granted to an Eligible Employee, the Committee shall deliver an Option Letter to such Eligible Employee, stating therein the Share Option Entitlement of the Eligible Employee, the Date of Grant, the Vesting Period, the Exercise Price and the Exercise Period.
- 5.4 The Committee shall make suitable policies and systems to ensure that there is no violation of the provisions of "insider trading" as are prescribed in the Securities and Exchange Commission of Pakistan Act, 1997 the Securities and Exchange Ordinance, 1969 or the Rules made thereunder. The Policy for this is attached as **Annexure - II**.
- 5.5 Each Option shall be personal to the Option Holder to whom it is granted and shall not be transferable, assignable, chargeable or otherwise available for disposition except upon death of the Option Holder. An Option shall lapse forthwith if it is, or is purported to be, transferred, assigned, charged, disposed of or otherwise dealt with or if the Option Holder is adjudged bankrupt.

**6. Exercise Price/Exercise Period**

- 6.1 (i) For Options granted in 2013 the Exercise Price shall be Rs. 1.00 and the Exercise Period shall be from 1<sup>st</sup> April 2018 to 31<sup>st</sup> December 2018.
- (ii) For Options granted in 2014, the Exercise Price shall be Rs 1.20 and the Exercise Period shall be from 1<sup>st</sup> January 2019 to 31<sup>st</sup> December 2019.
- (iii) For Options granted in 2015, the Exercise Price shall be Rs. 1.44 and the Exercise Period shall be from 1<sup>st</sup> January 2020 to 31<sup>st</sup> December 2020.
- (iv) For Options granted in 2016 the Exercise Price shall be Rs. 1.73 and the Exercise Period shall be from 1<sup>st</sup> January 2021 to 31<sup>st</sup> December 2021.

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*Zohra Sarwar Khan*

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(v)

For Options granted in 2017 the Exercise Price shall be Rs. 2.07 and the Exercise Period shall be from 1<sup>st</sup> January 2022 to 31<sup>st</sup> December 2022.

7. Exercise of Options

7.1 An Option Holder may exercise the Options in full or once in part only or more than once in parts at any time during the Exercise Period, by delivering a notice in writing to the Committee along with payment of the applicable relevant Exercise Price.

7.2 The date of delivery of the Option Notice to the Committee alongwith the payment shall constitute for all purposes the date of exercise of such Option. Each Option Notice shall be given only in such form as the Committee may approve and prescribe.

7.3 As soon as practicable and in any event not more than 45 days after receipt by the Committee of each Option Notice, and the payment of the Exercise Price, the Shares in respect of which the Option has been exercised shall be issued and allotted by the Company to the Eligible Employee, the share certificates. In case the Company is listed at the time of receipt of Option Notice, the Option Holders upon exercise of the Option shall be issued shares in dematerialized form and shall be credited in their respective depository accounts. Each Option Holder, therefore, must maintain a depository account with the CDC and mention the same in the Option Notice for Exercising the Options. Upon the issue/credit of shares, name of such Eligible Employee shall be entered in the register of members of the Company in respect of the Shares so issued/credited. The shares to be allotted pursuant to the Scheme shall be new shares to be issued by the Company.

8. Rights attaching to the Shares

8.1 The new Shares to be allotted and issued upon exercise of an Option will rank pari passu in all respects with the existing issued Shares of the Company except

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that the new Shares will not be entitled to any dividends, rights, bonus and / or any other distributions or any other rights attaching to issued shares which may be declared, made or paid to shareholders prior to the date of allotment of the new Shares. The date of allotment is the date the Shares are deemed to be allotted by the Company as evidenced by the date mentioned in Form 3 to be filed by the Company with the Company Registration Office.

8.2 The new Shares will be subject to all the provisions of the Company's Articles of Association in relation to their transfer, transmission or otherwise.

## 9. Lapse of Options

9.1(a) Upon an Option Holder ceasing to be in employment during the Vesting Period due to his resignation, all the Options held by him shall lapse. In case he resigns during the Exercise Period, the Options must be exercised within 3 months of the effective date of resignation, otherwise they will lapse.

(b) In case of termination of service for any reason during the Vesting Period, all Options held by him shall lapse. In case of such termination during the Exercise Period, the unexercised Options must be exercised within 3 months of the date of termination, otherwise such Options will lapse.

9.2 Upon the Option Holder ceasing to be in employment by reason of retirement, the Options already granted to him during the course of employment shall vest in normal course at the end of their Vesting Period and can be exercised at any time during the Exercise Period. However (i) in case an Option Holder opts for early retirement (other than for reason of disability), and such early retirement is during the Vesting Period, the Options held by him shall lapse and in case such early retirement is during the Exercise Period, the Options must be exercised within 3 months of the effective date of the early retirement, otherwise they will lapse, and (ii) if the early retirement is with the permission of the Company and the

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Additional Joint Director - CSD  
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Committee in its discretion so decides, the Options already granted to him shall Vest in normal course at the end of their Vesting Periods and can be exercised at any time during the Exercise Period.

9.3(a) Upon the death of any Option Holder, all the Options granted to him shall vest in and shall be capable of exercise by his legal heirs / nominees at any time during the relevant Exercise Period.

(b) In case of permanent total incapacity of the option Holder, all unvested options will vest in him on the date of the incapacity and can be exercised at any time during the relevant Exercise Period.

9.4 Upon the expiry of an Exercise Period, the Options for which the Option Holder holds an Option Letter and does not exercise the Option shall lapse.

9.5 An Option shall lapse immediately in the event of the Company being wound-up otherwise than in the event of a voluntary winding-up or being wound-up or amalgamated pursuant to a compromise or arrangement sanctioned by Court in which case they shall vest immediately.

## 10. Expenses

Any expenses involved in any issue of Shares in the name of any Option Holder or his legal heir/representative nominee (as the case may be) shall be payable by the Company Provided that the Exercise Price and Taxes, if any, applicable at the time of grant and/or exercise of the Options and/or sale of the shares issued to the employees pursuant to the Scheme shall be paid by the Option Holders.

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**ZOHRA SARWAR KHAN**  
Additional Joint Director - CSD  
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Islamabad



## 11. General

- 11.1 Any notification or other notice in writing which the Company is required to give, or may desire to give, to any Eligible Employee or Option Holder (or his legal representative/heirs/nominees, as the case may be) in pursuance of this Scheme shall be sufficiently given if delivered to him by hand or sent through post in prepaid cover addressed to the Eligible Employee or Option Holder at the last address known to the Company as being his address. Any certificate, notification or other notice in writing required to be given to the Company shall be properly given if sent to or delivered to the registered office of the Company.
- 11.2 The Company shall at all times keep available for issue such authorized and un-issued Shares as may be required to meet the subsisting subscription rights of the Option Holders.
- 11.3 The decision of the Committee in any dispute or question relating to any Option or its lapse or exercise shall be final and conclusive.
- 11.4 (i) Participation in this Scheme by an Option Holder is a matter entirely separate from any gratuity, provident fund or pension right or entitlement he may have and from his terms or conditions of employment and participation in this Scheme shall in no respects whatever affect in any way an Option Holder's rights or entitlement or terms or conditions of his employment except as may be varied by the Scheme.  
(ii) Any Option Holder who is no longer in employment shall not be entitled to any compensation for any loss of any right or benefit or prospective right or benefit under this Scheme which he might have otherwise enjoyed whether such compensation is claimed by way of damages for wrongful dismissal or breach of contract or by way of compensation for loss of office or otherwise howsoever.

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**ZOHRA SARWAR KHAN**  
Additional Joint Director - CSD  
Securities & Exchange  
Commission of Pakistan  
Islamabad



## Avanceon Limited

INSIDER TRADING POLICY

## Applicability of Policy

This Policy applies to all transactions in securities of Avanceon Limited (the Company) including ordinary shares, options for common shares including employee share option schemes and any other securities the Company may issue from time to time, such as preferred shares. It applies to all employees of the Company, and all members of the Company's Board of Directors, who receive or have access to Material Non-public Information (as defined below) regarding the Company. This group of people, and members of their immediate families, are referred to in this Policy as "Insiders." This Policy also applies to any person who receives Material Non-public Information from any Insider (Tipping).

Any person who possesses Material Non-public Information regarding the Company is an Insider for so long as the information is not publicly known.

## Statement of the Policy

The Policy, which governs Trading in the Company's securities and "Tipping" states that;

- a) Subject to (b) and (c) below, trading in the Company's securities (i.e., purchase or sale of shares, and the exercise of share options granted by the Company to some of its employees) is permitted throughout the year by all employees, directors and officers.
- b) No trading in the securities of the Company is permitted for directors, and all employees who are "Executives" as defined in the Code of Corporate Governance within the Closed Periods announced by the Company.
- c) Notwithstanding paragraph (a) above, no director, or employee who has actual knowledge of Material Non-Public Information relating to the Company is permitted to trade, either directly or indirectly, in the Company's securities or to disclose that information except as required in the necessary course of business. Any concern over the interpretation of this rule should be referred to either the Chief Financial Officer or the Company Secretary of the Company.
- d) All trades of the Company's securities by all "Executives" must be reported within five days to the Company Secretary of the Company.

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Securities & Exchange  
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- e) No Insider shall disclose or "tip" any Material Non-public Information to any other person nor shall such Insider make recommendations or express opinions on the basis of Material Non-public Information as to trading in the Company's securities.

It is emphasized that any failure to observe this Policy may expose the director, or employee, as well as the Company, to legal liability including penal consequences, under applicable securities laws and therefore a violation of the Company's policy on Business Ethics. Furthermore, employees who violate this Policy shall also be subject to disciplinary action by the Company which may include ineligibility for future participation in the Company's equity incentive plans or termination of employment.

### Material Non-Public Information

It is not possible to define all categories of material information. However information should be regarded as material if there is a reasonable likelihood that it would be considered important to a reasonable investor in making an investment decision regarding the purchase or sale of the Company's securities. The final decision with regard to materiality of information shall rest with the Management of the Company.

Material information which has not been disclosed to the general public is defined as Material Non-Public Information and may include, but is not restricted to:

- Financial results
- Projections of future earnings or losses
- Results of product developments / new product announcements
- News of a pending or proposed merger, acquisition or joint venture
- News of the disposition of a subsidiary
- New equity or debt offerings
- Impending bankruptcy or financial liquidity problems
- Major changes in senior management
- Significant litigation exposure



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*Zohra*

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