



October 01, 2015

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

Subject: **Notice of 19th Annual General Meeting**

Dear Sir,

Enclosed please find herewith the following documents for your record and information.

1. Notice of 19th Annual General Meeting of the company to be held on Tuesday October 27, 2015 which will be published in "Business Recorder" (in English language) and "Daily Khabrain" (in Urdu language) on October 05, 2015 at Karachi, Lahore and Islamabad issue of respective newspapers. (Annexure -I)
2. Statement under Section 160(1)(b) of the Companies Ordinance 1984 pertaining to the special business to be transacted in the AGM. (Annexure-II)

Yours Faithfully,


(BOO-ALI SIDDIQUI)
Company Secretary

Encl: As Above

C.C to:

- 1) **The Company Secretary,**
Lahore Stock Exchange Ltd.
19, Khayaban-e-Aiwan-e-Iqbal
Lahore.
- 2) **The Secretary,**
Islamabad Stock Exchange Ltd.
55-B, ISE Towers, Jinnah
Avenue
Islamabad.
- 3) **Securities And Exchange
Commission Of Pakistan**
N.I.C Building, Jinnah
Avenue,
Islamabad.



Lahore Office:

NetSol IT Village (Software Technology Park)
Lahore Ring Road, Ghazi Road Interchange,
Lahore Cantt. 54792, Pakistan.

Tel: (92-42) 111-44-88-00, 35727006-7, Fax: (92-42) 35726740



Karachi Office:

43/1/Q, Amna Villa 1,
Block-6, PECHS, Karachi

Tel: (92-21) 111-638-765, Fax: (92-21) 34313464



Rawalpindi Office:

H-No. 4 Saffari Villas,
Bahria Town - Near Car Chowk, Rawalpindi

Tel: (92-51) 5707011

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the 19th Annual General Meeting of the shareholders of NetSol Technologies Limited will be held on Tuesday October 27, 2015 at 11:00 A.M at Falatties Hotel, 24-Egerton Road, Lahore Cantt., to transact the following business:

Ordinary Business

1. To receive, consider and adopt the Reports of Directors and Auditors together with Audited Annual Separate and Consolidated Financial Statements for the year ended 30 June 2015.
2. To appoint auditors for the year ending June 30, 2016 and fix their remuneration.

Special Business

3. To consider and approve the changes proposed by the Board of Directors in the Employees Stock Option Scheme by passing the following resolution as Special Resolution, with or without any modification, addition or deletion:

RESOLVED THAT:

“Subject to the permission of the Securities and Exchange Commission of Pakistan, approval of the Company be and is hereby granted to change the vesting period of stock options to be granted by the Company in future pursuant to the Employees Stock Option Scheme 2009 as under:”

Immediately after grant	Initial 50% of options would vest
After 24 months of grant	Additional 30% of options would vest
After 36 months of grant	Remaining 20% of options would vest

RESOLVED FURTHER THAT:

“The Company Secretary be and is hereby authorized to complete all legal formalities, file application to the Securities and Exchange Commission of Pakistan for requisite permission and to execute all documents required in this regard and to implement the above resolution.”

4. To consider and approve delisting of the Company from Lahore Stock Exchange Limited and Islamabad Stock Exchange Limited, while retaining the listing on Karachi Stock Exchange Limited by passing the following resolution as Special Resolution, with or without any modification, addition or deletion:

RESOLVED THAT:

“The Company be de-listed from the Lahore Stock Exchange Limited (“LSE”), and the Islamabad Stock Exchange Limited (“ISE”) under Section 9(5) of the Securities & Exchange Ordinance, 1969 while the Company shall remain listed on the Karachi Stock Exchange Limited.”

RESOLVED FURTHER THAT:

“That the Chief Executive Officer and /or the Company Secretary, be and are hereby singly authorized to complete all requisite legal and procedural formalities for accomplishing the de-listing of the Company from LSE and ISE and to make application, sign and submit requisite documents as may be reasonably required by LSE and ISE so as to effectuate the de-listing of the Company and to take all actions and do necessary acts, deeds and things for implementation of this resolution including filing of appeals before the appropriate forum, if need be.”

5. To transact any other business with the permission of the Chair.

A statement under Section 160(1)(b) of the Companies Ordinance, 1984 pertaining to the special business is being sent to the members along with the notice.

By Order of the Board

Boo-Ali Siddiqui
Company Secretary

Lahore
October 05, 2015

NOTE:

1. Share transfer books of the Company will remain closed from October 21, 2015 to October 27, 2015 (both days inclusive).
2. Shareholders are requested to notify the change of addresses, if any, to our Shares Registrar, **M/s Vision Consulting Ltd.**, 3-C, LDA Flats, Lawrence Road, Lahore Tel: (92 42) 36283096, 36283097 and Fax: (+92 42) 36312550 maximum by the close of business hours on October 20, 2015. This will be treated in time for attending the annual general meeting.
3. A member entitled to attend and vote at the meeting may appoint another member as his/her proxy to attend and vote on his/her behalf. In order to be effective, proxies, complete in all respect, must be received at the registered office of the company not less than 48 hours before the scheduled time of the meeting⁴
4. CDC account holders will further have to follow the under mentioned guidelines as laid down by the Securities and Exchange Commission of Pakistan.

5. Notice to Shareholders who have not provided CNIC:

The Company has made several requests through advertisements in Urdu and English newspapers having circulation throughout the country and Independent Share Registrar of the Company has also sent letters through Registered Post to the shareholders who have not yet provided valid copies of their Computerized National Identity Card (CNIC), requesting them to provide their CNIC's. The directive of the Securities and Exchange Commission of Pakistan contained in S.R.O. 831(I)/2012 dated 5 July 2012 requires that the dividend warrants should bear the Computerized National Identity Card Numbers (CNIC) of the registered shareholders or the authorized person except in the case of minor(s) and corporate shareholders.

CNIC number of the shareholders is, therefore, mandatory for the issuance of future dividend warrants and in the absence of such information, payment of dividend may be withheld in term of SECP's above mentioned directive. Therefore, the shareholders who have not yet provided their CNICs are once again advised to provide the attested copies of their CNICs directly to our Independent Share Registrar at the address given herein above without any further delay.

6. Mandate for E-DIVIDENDS for shareholders

In order to make process of payment of cash dividend more efficient, e-dividend mechanism has been envisaged where shareholders can get amount of dividend credited into their respective bank accounts electronically without any delay. In this way, dividends may be instantly credited to respective bank accounts and there are no chances of dividend warrants getting lost in the post, undelivered or delivered to the wrong address, etc. The Securities and Exchange Commission of Pakistan (SECP) through Notice No. 8(4) SM/CDC 2008 dated 5 April 2013 has advised all Listed Companies to adopt e-dividend mechanism due to the benefits it entails for shareholders. In view of the above, you are hereby encouraged to provide a dividend mandate in favour of e-dividend by providing dividend mandate form duly filled in and signed.

7. Placement of Financial Statements

The Company has placed the Audited Annual Separate and Consolidated Financial Statements for the year ended 30 June 2015 along with Auditors and Directors Reports thereon on its website: www.netsolpk.com

EXPLANATORY STATEMENT ACCOMPANYING NOTICE TO THE MEMBERS UNDER SECTION 160(1) (b) OF THE COMPANIES ORDINANCE, 1984

Agenda Item No.3:

As per the current structure of employees stock option scheme, the options granted to any employee would take seven years to become 100% vested in his name. The below table explain how the granted options become exercisable:

After 12 months of grant	Initial 40% of options would vest
After 24 months of grant	Additional 30% of options would vest
After 36 months of grant	Additional 20% of options would vest
After 84 months of grant	Balance 10% of options would vest

The main purpose of introducing the Stock Option Scheme is to retain the employees but such a long vesting period has reduced the charm of ownership for any employee. Moreover, due to huge volatility in the stock market, there is a big uncertainty factor as to whether the stock price after three or four years would be attractive enough to buy shares at that time or not. The board reviewed the vesting period and proposed that it should be reduced to three years with the following revised structure:

Immediately after grant	Initial 50% of options would vest
After 12 months of grant	Additional 30% of options would vest
After 24 months of grant	Remaining 20% of options would vest

The Directors have no personal interest, directly or indirectly, in the proposed special business except in their capacities as shareholders and directors of the company.

The change in the vesting period under the Employees Stock Option Scheme 2009 shall be subject to approval of the Securities and Exchange Commission of Pakistan.

Agenda Item No.4

The Company is listed on all the three stock exchanges of Pakistan i.e., Karachi, Lahore and Islamabad. The Board of Directors of the Company is of the view that there is no need to keep the Company listed on Lahore Stock Exchange and Islamabad Stock Exchange as it involves unnecessary expenditure (including annual listing fees, additional listing fees, printing cost etc.) which is not in the interest of the Company and its shareholders. These expenditures would also continue to increase in future. In addition to it, the Company is not getting any benefit of being listed on LSE or ISE as the trading in the Company's share on these stock exchanges is minimal. That's why it is proposed that the company should retain only one listing on The Karachi Stock Exchange Limited.

The Directors have no personal interest, directly or indirectly, in the proposed special business except in their capacities as shareholders and directors of the company.