

**THE KARACHI STOCK EXCHANGE (GUARANTEE) LIMITED****KSE/N-7883****N O T I C E****December 05, 2008**

Reproduced hereunder letter received from **CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED** for information of members of the Exchange.

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**PROGRESSIVE INSURANCE COMPANY LIMITED****N O T I C E**

**To:** - The Chief Executive Officer, Progressive Insurance Company Limited

**CC:** - Joint Director (SMD-South), Securities and Exchange Commission of Pakistan  
 - Managing Director, The Karachi Stock Exchange (Guarantee) Limited  
 - Managing Director, Lahore Stock Exchange (Guarantee) Limited  
 - Managing Director, Islamabad Stock Exchange (Guarantee) Limited  
 - The Chief Executive Officer, National Clearing Company of Pakistan Limited  
 - CDS Elements - Account Holders/ Participants/ Eligible Pledgers

**From:** - Kamran Qazi  
 CFO & Company Secretary

**Date:** - December 04, 2008

**Subject:** - **NOTICE OF INTENTION TO SUSPEND CDS ELIGIBILITY OF ORDINARY SHARES OF PROGRESSIVE INSURANCE COMPANY LIMITED UNDER THE CDC REGULATIONS**

This notice is issued pursuant to Regulation 14.12.1 (d) of the Central Depository Company of Pakistan Limited Regulations (the "CDC Regulations") for notifying the intention to suspend the Central Depository System Eligibility ("CDS Eligibility") of the Securities of Progressive Insurance Company Limited (hereinafter referred to as the "Issuer") on account of its failure to pay the fee and charges in accordance with the Schedule of Fees and Deposits of the CDC Regulations (hereinafter referred to as the "Schedule").

In this regard please note that:

- (a) The Issuer has failed to discharge its obligations to pay the fee and charges of CDC as per Invoice No. 58234 dated August 13, 2008 in the sum of Rs. 33,750 in accordance with the Schedule.
- (b) Regulation 3.8.2 of the CDC Regulations provides that in consideration for the facilities and services provided to it by CDC, each CDS Element (including the Issuer) shall pay fees and charges to CDC in accordance with the Schedule. Further, as per the Issuer Agreement the CDC Regulations constitute a contractual obligation between CDC and the Issuer and are to be read as an integral part of the said Agreement.
- (c) The Issuer is contractually obligated to settle the invoice without raising any objection, however, the Issuer has withheld the payment under the Invoice despite CDC's reminder thereby causing loss to CDC.

In view of the afore going facts and circumstances arising due to conduct of the Issuer, the Issuer is hereby required to settle the invoice on or before ten (10) Business Days from the date of this notice, failing which CDS Eligibility of the Securities of the Issuer shall stand suspended with effect from Friday, December 19, 2008.

Further, as required under Regulation 14.12.1(d), a copy of this notice is being sent to the Stock Exchanges on which the Securities of the Issuer are listed.

Regards,

Note: CDS Participants are required to forthwith inform their relevant Sub-Account Holders regarding issuance of this notice.