



WorldCall

WorldCall Telecom Limited

December 15, 2017

Muhammad Ghufan
Deputy General Manager - Operations
Pakistan Stock Exchange Limited
Stock Exchange Building
Stock Exchange Road
Karachi - 74000.

Respected Sir

Subject: Conversion of Preference Shares into Ordinary Shares

This is to bring to your attention that pursuant to conversion notice received from a Preference Shareholder and as permitted by the Articles of Association of the Company, WorldCall Telecom Limited (WTL) has converted 14,500 of its Preference Shares into 99,112,745 Ordinary Shares. The Articles of Association requires the price to be used for conversion shall be 60% of the last 90 days volume weighted average price of the Ordinary Shares of the Company, if the conversion is exercised after 4th anniversary from the issue of Preference Shares. Accordingly conversion of shares effected on December 04, 2017 whereby the last 90 days volume weighted average price turned out to be Rs. 3.24/- per share resulting in conversion price of 1.95/ per share.

Further to this please find enclosed to this letter

- Certificate from the statutory auditors certifying the increase in paid up capital of the Company;
- 2 Cheques in respect of Additional Listing Fee (under PSX Regulation No. 5.18.1) and Supervisory Fee of SECP (under PSX' Notice: PSX/N-4413) in favour of Pakistan Stock Exchange amounting to Rs. 911,837 and Rs. 99,113 respectively; and
- Tax Challan for previous Additional Listing Fee paid.

The Tax Challan and Return of Allotment for this instance of conversion shall be shared in due course. You are requested to update the paid up capital of the Company to 1,121,854,844 Ordinary Shares on the basis of auditor's certificate.

Thanking you.

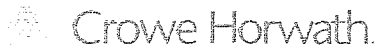
Yours Sincerely
For WorldCall Telecom Limited

Mueen Tauqir
Manager Corporate Affairs



Head Office:

WorldCall Head Office: Plot No. 1566/124,
Main Walton Road, Lahore-Pakistan
Tel # (+92 42) 36671191-94
Fax # (+92 42) 36671197



November 29, 2017

Ref. No. A/C000473/16863/17

Company Secretary
Worldcall Telecom Limited
Plot # 1566/124, Main Walton Road
Lahore Cantt.

Dear Sir,

PRACTICING MEMBERS' CERTIFICATE ON "CONVERSION OF PREFERENCE SHARES AND DIVIDEND PAYABLE ON SUCH PREFERENCE SHARES TO ORDINARY SHARE CAPITAL" AS REQUIRED UNDER "PROCEDURES FOR PARTIAL CANCELLATION OF SECURITIES IN CDS DUE TO REDEMPTION OR CONVERSION"

We have been requested by the management of Worldcall Telecom Limited (the Company) to provide a certificate on number of ordinary shares to be issued on conversion of preference shares into ordinary shares (the Conversion) as required under "*Procedures for Partial Cancellation of Securities in CDS due to Redemption or Conversion (the Procedures)*".

Scope of Certificate

As per Annexure D of the Procedures, statutory auditor's certificate is required for onward submission to CDS on the Conversion. This certificate is issued to certify the calculation of number of shares that may be issued on the Conversion in compliance with the Articles of Association of the Company.

Management Responsibility

The responsibility for accurate Conversion; compliance with the Procedures, Articles of Association and regulatory formalities; compliance with other contractual requirements and obtaining relevant approvals is that of the management and those charged with governance.

Auditor's Responsibility

Our responsibility is to certify the position of paid-up capital, both before and after the issuance of ordinary shares upon the Conversion, and certify the number of ordinary shares to be issued on the Conversion. Our verification was limited to the procedures performed on the following documents / information as provided by the management:

1. Conversion notice for Class B Preference Shares issued by Mr. Muhammad Shoaib;
2. Review of the calculation of the Conversion as per clause 17-B of the Articles of Association;
3. CDC statement showing preference shares of the Company held by Mr. Muhammad Shoaib; and
4. Obtaining Management Representation regarding the Conversion and Regulatory Compliance.

Certificate

Based on the procedures performed in the preceding paragraph, we, the statutory auditors of the Company, hereby certify that:

- The Conversion of 14,500 Class B, non-voting, cumulative, convertible preference shares into ordinary shares of the Company to Mr. Muhammad Shoaib (the holder of preference shares) would amount to 99,112,745 ordinary shares of Rs. 10 each as per the Conversion formula defined in the Articles of Association of the Company; and
- The Company has complied with relevant regulatory requirements pursuant to the cancellation and Conversion.

Accordingly, the pre and post factual position of paid-up capital / total issue (No. of shares) due to conversion would be as follows:

Ordinary Shares:

	Ordinary Shares of Rupees 10 each
Paid-up capital (before conversion)	1,022,742,099
Add: Number of securities converted	99,112,745
Paid-up capital (after conversion)	1,121,854,844

Preference Shares:

	Preference Shares of USD 100 each [Class B]
Paid-up capital (before conversion)	176,000
Less: Number of securities converted	14,500
Paid-up capital (after conversion)	161,500

Restriction on Use and Distribution

This certificate is issued in relation to "Procedures for Partial Cancellation of Securities in CDS due to Redemption or Conversion" and is not to be used or distributed for any other purpose or to be presented in any court of law. This certificate is restricted to the facts stated herein.

Yours truly,


Horwath Hussain Chaudhury & Co.
Chartered Accountants
Lahore



No. FMD/233/666/05 - 1068

June 7, 2013

The Chief Executive,
RS Corporate Advisory,
First Floor, Plot No. 62,
Central Commercial Area (CCA),
Block -T, Phase- 2, DHA,
Lahore Cantt.

SUB: Application under Rule 5 of the Companies Share Capital (Variation in Rights and Privileges) Rules, 2000 read with Section 90 of the Companies Ordinance, 1984- Issuance of cumulative and convertible non-voting otherwise than right preference shares

Dear Sir,

Please refer to application dated May 13, 2013 and related documents submitted regarding the aforementioned subject.

2. I am pleased to inform you that on the basis of special resolution passed by the shareholders of the Company in extra ordinary general meeting of the members of the Company held on May 4, 2013, and circumstances of the case, the competent authority has granted approvals to Worldcell Telecom Limited (the "Company") to issue and 150,000 Class A and 200,000- Class B, Cumulative, Non-voting and convertible Preference shares, each of face value of USD 100 per preference share, to Habib Bank Limited, Bahrain Branch ("HBL") and Oman Telecommunication Company ("Omantel"), by way of otherwise than right in terms of section 86(1) of the Companies Ordinance, 1984 ("Ordinance");

3. In the event that the Company does not have sufficient distributable profits and the accumulated reserves, and the dividend on preference shares is carried beyond the tenor of the subject issue of preference shares, the Company shall issue ordinary shares to the holders of preference shares in lieu of the accumulated dividends.

4. In addition, the Company is required to submit a report to the Commission within 15 days from the completion of right issue of total number of preference shares subscribed along with its break up into Class A and Class B preference shares and complete disclosures with regard to said preference share issue shall be made in the financial statements of the Company.

5. It may be noted that the aforementioned preference shares shall be governed by the terms and conditions as approved by the shareholders in the aforesaid extra ordinary general meeting and any changes in the features affecting the proposed scheme of issuance of shares shall be intimated to the Commission immediately. Further, the Company is expected to comply with the relevant requirements of the Listing Regulations of the Stock Exchange. Moreover, the Company shall ensure that relevant approvals are obtained from other regulatory bodies as and when desired.

Please acknowledge the receipt.

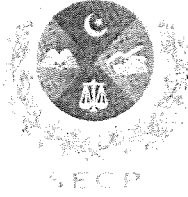
Yours truly,

Ali Azeem Ikram
Head of Department / Director (Enforcement)

Copy to: Chief Executive, Worldcell Telecom Limited

SECURITIES & EXCHANGE
COMMISSION OF PAKISTAN
NIC Building, 63 Jinnah Avenue,
Islamabad, Pakistan

PABX: +92-51-9207091-4, Fax: +92-51-9218592, 9204915, Email: webmaster@secp.gov.pk, Website: www.secp.gov.pk



SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN
ACKNOWLEDGEMENT OF FILING
[See-regulation-13 (1)]

No. JR-I/0042200 447

Dated: 04/07/2013

In the matter of WORLDCALL TELECOM LIMITED

The Receipt of the under mentioned document(s) filed, registered and recorded pursuant to the provisions of the Companies Ordinance, 1984 (XLVII of 1984), is hereby acknowledged.

1. Form 26 dated 07-05-2013.

(Shahbaz Sarwar)

Joint Registrar

3rd and 4th Floor, Associated House,
7 Egerton Road, Lahore

Fee Rs. 600/-

THE COMPANY SECRETARY,
WORLDCALL TELECOM LIMITED,
67-A-C-III, GULBERG-III,
LAHORE



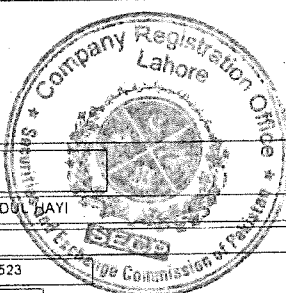

THE COMPANIES ORDINANCE, 1984

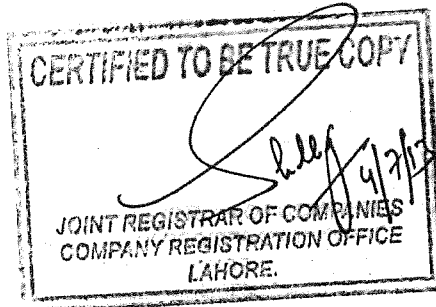
FORM 26

[SECTION 172]

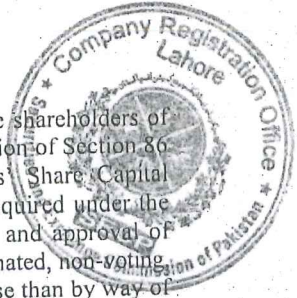
SPECIAL RESOLUTION

Only Pdf files are allowed for attachment

1. Incorporation Number	0042200		
2. Name of the Company	WORLDCALL TELECOM LIMITED		
3. Fee Paid (Rs.)	600.00	Name & Branch of the Bank	LAHORE, MCB - Model Town [0967]
4. Receipt No.	E-2013-153463		
5. Date of Dispatch of Notice (DD/MM/YYYY)	09/04/2013		
6. Specify the intention to propose the resolution as Special Resolution	Increase in Authorised Capital for Ordinary Shares from PKR 9 Billion to PKR 15 Billion and for Preference Shares PKR 6 Billion. Issue of Preference Shares and all regulatory sanctions to be included in the Memorandum and Articles of Association. Issue of Shares other than Right to Omantel and HBL and shareholders sanction for forgoing their pre-emptive right. Approval of conversion formulae of Preference Share to Ordinary Shares Approval of Preference Dividend at 5.9% per annum to be paid semi-annually in the form of specie shares. Approval of Issue of shares at discount as per the conversion formula given in the agreement signed between Omantel and HBL on January 27, 2013.		
7. Date of Passing of Special Resolution (DD/MM/YYYY)	04/05/2013		
8. Total Number of Members	9647	Representing	860571513 Shares of Rs. 10.00 each
9. Members Present in Person and/or through proxy in the meeting	127	Representing	489335356 Shares of Rs. 10.00 each
10. Members voted for	127	Representing	489335356 Shares of Rs. 10.00 each
11. Members voted against	0	Representing	0 Shares of Rs. 10.00 each
12. At a general meeting of the members of the said company, duly convened and held at	Avari Hotel 87 Shahrah e Quad I Azam LAHORE Punjab 54600		
13. Place(City)	LAHORE		
14. Text of special resolution (attach copy, if space is insufficient to reproduce it.)			
15. Signature of Chief Executive/Secretary			
16. Name of Signatory	RIZWAN ABDUL BAYI		
17. Designation	Secretary		
18. NIC Number	3520226829523		
19. Date (DD/MM/YYYY)	07/05/2013		



RESOLVED THAT:



I. Subject to compliance with the provisions of all applicable laws, the approval of the shareholders of the Company, the approval of SECP (including approval under Section 84, the provision of Section 86 (1) and Section 90 of the Companies Ordinance and Rule 5 of the Companies Share Capital (Variation in Rights and Privileges) Rules, 2000), any other regulatory approval required under the Companies Ordinance, the approval of the Pakistan Telecommunication Authority and approval of SBP, the Company be and is hereby authorized to issue United States Dollar denominated, non-voting, cumulative and convertible preference shares at the price of US\$ 100 per share otherwise than by way of a rights issue to the Investor and Omantel (an existing shareholder of the Company) in the following proportions:

- (i) Two hundred thousand (200,000) United States Dollar denominated, non-voting, cumulative and convertible Class B Preference Shares having a face value of US\$ 100/- each to be issued to Omantel at the time of investment by Omantel ("Class B Preference Shares");
- (ii) One hundred and fifty thousand (150,000) United States Dollar denominated, non-voting, cumulative and convertible Class A Preference Shares having a face value of US\$ 100/- each to be issued to the Investor at the time of investment by the Investor ("Class A Preference Shares");

(the Class A Preference Shares and the Class B Preference Shares are hereinafter referred to as the "Preference Shares")

- (iii) Sixty seven thousand two hundred and sixty two (67,262) United States Dollars denominated, non-voting, cumulative and convertible Class B Preference Shares having a face value of US\$ 100/- each to be issued to Omantel from time to time during the term of the Preference Shares at the rate of 5.9% per annum or such higher number of United States Dollars denominated, non-voting, cumulative and convertible Class B Preference Shares in case the dividend declared by the Company for its ordinary shareholders is higher than the rate agreed rate of dividend (hereinafter referred to as the "Class B Dividend Shares"), provided that the tenor of any such Class B Dividend Shares issued from time to time shall not be more than the remaining tenor of the Preference Shares issued at the time of investment by Omantel; and
- (iv) Fifty thousand four hundred and forty six (50,446) United States Dollars denominated, non-voting, cumulative and convertible Class A Preference Shares having a face value of US\$ 100/- each to be issued to the Investor from time to time during the term of the Preference Shares at the rate of 5.9% per annum or such higher number of United States Dollars denominated, non-voting, cumulative and convertible Class A Preference Shares in case the dividend declared by the Company for its ordinary shareholders is higher than the rate agreed rate of dividend (hereinafter referred to as the "Class A Dividend Shares"), provided that the tenor of any such Class A Dividend Shares issued from time to time shall not be more than the remaining tenor of the Preference Shares issued at the time of issue of Dividend Shares.

(the Class B Dividend Shares and the Class A Dividend Shares are hereinafter collectively referred to as the "Dividend Shares")

2. The issuance of the Preference Shares (including Dividend Shares to be issued from time to time) be and is hereby approved on the following terms and conditions:

TERMS AND CONDITIONS OF PREFERENCE SHARES:

Issuer	The Company or WTL
Equity Advisor & Structuring Agent	Habib Bank Limited
Instrument Issue Currency	United States Dollar ("USD")
Participation Amount	USD 20 Million from Omantel USD 15 Million from the Investor
No. of Preference Shares	(i) Two hundred thousand United States Dollar denominated, non-voting, cumulative and convertible Class B preference shares having a face value of US\$ 100/- each to be issued to Omantel; and (ii) One hundred fifty thousand United States Dollar denominated, non-voting, cumulative and convertible Class A preference shares having a face value of US\$ 100/- each to be issued to the Investor.



Dividend

The Investor and Omantel will be entitled to a non-cash dividend which will be calculated at the rate higher of (i) 5.9% per annum on each of the Preference Shares or the dividend declared by the Company for ordinary shareholders. Please note that there will be no cash paid out by the Company as dividend to either the Investor or Omantel (in their capacity as the holders of the Preference Shares), and any dividend which is declared in respect of the Preference Shares (including accumulated dividends) will be paid to the Investor and Omantel in the form of specie dividends by issuance of new United States Dollars denominated, non-voting, cumulative and Convertible Preference Shares. The Dividend Shares will be issued only when the Company will have sufficient profits to pay dividend on Preference Shares.

First dividend to be paid following the first anniversary of the issuance of the Preference Share and each semi-annual period thereafter. Dividend on Preference shares will have priority over any dividends declared on ordinary shares.

Any unpaid dividend amount shall be accumulated and paid to Omantel and the Investor in the form of Dividend Shares (as specie dividends) at the end of the following semi-annual period.

It is clarified that the tenor of the Dividend Shares issued from time to time shall not be more than the remaining tenor of the initial Preference Shares issued at the time of investment by Omantel and the Investor. By way of example, if Dividend Shares are issued two (2) years after issuance of the Preference

Shares, then the tenor of the Dividend Shares shall be three (3) years (i.e. the remaining tenor of the initial Preference Share).

Conversion Option Mechanism

Omantel and the Investor shall have the option to convert the Preference Shares (including any Dividend Shares) into ordinary shares of the Company on the basis of the mechanism specified in the Articles of Association (which is specified below)

Repatriation

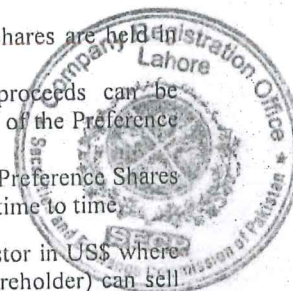
Repatriation restricted for a duration which is 1.5 x from the date of issuance of the Preference Shares, where:

- (a) X is duration for which Preference Shares are held in USD denomination;
- (b) 1.5X is total period after which proceeds can be repatriated to the non-resident holders of the Preference Shares
- (c) Repatriation restriction applies to the Preference Shares and any Dividend Shares issued from time to time

Put Option

Omantel will provide a put option to the Investor in US\$ where the Investor (being a Class A Preference Shareholder) can sell its Class A Preference Shares (which shall for avoidance of doubt also include the Class A Dividend Shares issued from time to time) at the Participation Amount along with any accumulated, unpaid and accrued dividend up to 5.9% per annum and other pre-agreed charges and expenses (Put Strike Price). This Put Option may be exercised fully or partially in a multiple of US\$ 1 Million from the 3rd anniversary of the Preference Shares till the 5th anniversary and under certain circumstance (agreed trigger events), prior to the 3rd anniversary of the Preference Shares.

3. Subject to the approval of SECP, the Preference Shares including the Dividend Shares be and are hereby issued otherwise than by way of a rights issue under the proviso of Section 86(1) of the Companies Ordinance, 1984 to Omantel and the Investor in the proportions set out above and not to all the other shareholders of the Company and the Company is not required to obtain the approval of the shareholders of the Company for any issuance of Dividend Shares from time to time in accordance with the terms and conditions of the Preference Shares.
4. Subject to the approval of SECP including under Section 84 and the proviso of Section 86 (1) of the Companies Ordinance, 1984, the issuance of ordinary shares at a discount (at the rate specified in the terms and conditions of the Preference Shares) to either Omantel or the Investor (which term shall include Habib Bank Limited, Bahrain Branch and its transferees) upon exercise of the conversion option by either of them at any time during the tenor of the Preference Shares or at the end of the five (5) year period and otherwise than by way of a rights issue under the proviso of Section 86(1) of the Companies Ordinance, 1984 and at a discount under Section 84 of the Companies Ordinance, be and is hereby approved and no additional approvals will be required from the shareholders of the Company in respect of the same.
5. The Company be and is hereby authorized to apply to SECP to seek an extended period of time for issue of ordinary shares at discount under Section 84(1)(d) of the Companies Ordinance, 1984 from sixty (60) days till a period up to sixty (60) days after the fifth (5th) anniversary of the Preference Share issue date.



6. Subject to the approval of the shareholders by way of special resolution and in order to allow the Company to issue the Preference Shares (including Dividend Shares from time to time), the following amendments and alterations in the Memorandum and Articles of Association of the Company be and are hereby made and approved:

(i) Increase in Authorised Capital

The Authorized Capital of the Company be and is hereby increased from Rs. 9,000,000,000/- divided into 900,000,000 ordinary shares of Rs.10/- each to Rs. 15,000,000,000/- divided into 1,500,000,000 ordinary shares of Rs.10/- each.

(ii) Clause V of the Memorandum of Association

The Authorised Capital of the Company shall be the sum of:

- a) *PKR 15,000,000,000 (Pak Rupees Fifteen Billion only), divided into 1,500,000,000 (One Billion Five Hundred Thousand only) Ordinary Shares of PKR 10/- each; and*
- b) *US\$ 50,000,000 (United States Dollars Fifty million only) divided into 500,000 (Five Hundred Thousand only) Preference Shares of US\$ 100/- each (equivalent to Rupees Rs. 6,000,000,000/- (Rupees Six billion only) converted at exchange rate of Rs. 120/- for each US Dollar ;*

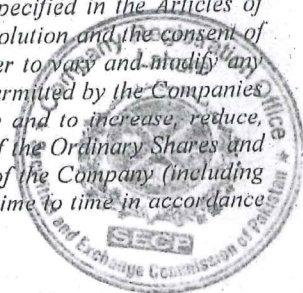
with such rights, preferences, privileges and restrictions as are specified in the Articles of Association. The Company shall with the authority of a special resolution and the consent of the Class A Preference Shareholder, also have the right and power to vary and modify any such rights, privileges and conditions in such manner as may be permitted by the Companies Ordinance, 1984 and the Articles of Association of the Company and to increase, reduce, reorganize, consolidate or subdivide the share capital in respect of the Ordinary Shares and Preference Shares on such terms and conditions as the Members of the Company (including the Class A Preference Shareholder) may deem appropriate from time to time in accordance with the law.

(iii) Article 4 of the Articles shall be deleted in its entirety and replaced as follows:

The Authorised Capital of the Company shall be the sum of:

- a) *PKR 15,000,000,000 (Pak Rupees Fifteen Billion only), divided into 1,500,000,000 (One Billion Five Hundred Thousand only) Ordinary Shares of PKR 10/- each; and*
- b) *US\$ 50,000,000 (United States Dollars Fifty million only) divided into 500,000 (Five Hundred Thousand only) Preference Shares of US\$ 100/- each (equivalent to Rupees Rs. 6,000,000,000/- (Rupees Six billion only) converted at exchange rate of Rs. 120/- for each US Dollar ;*

with such rights, preferences, privileges and restrictions as are specified in these Articles of Association. The Company shall with the authority of a special resolution and the consent of the Class A Preference Shareholder, also have the right and power to vary and modify any such rights, privileges and conditions in such manner as may be permitted by the Companies



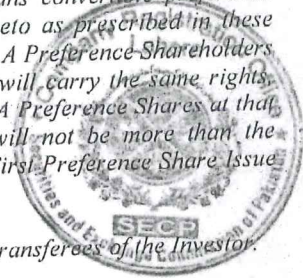
Ordinance, 1984 and the Articles of Association of the Company and to increase, reduce, reorganize, consolidate or subdivide the share capital in respect of the Ordinary Shares and Preference Shares on such terms and conditions as the Members of the Company (including the Class A Preference Shareholder) may deem appropriate from time to time in accordance with the law.

- (iv) Amendments required for issuance of Preference Shares

Article 2 of the Articles shall be deleted and replaced with the following:

"In these Articles, unless the context or the subject matter otherwise requires:

- (a) *"Articles" means these Articles as originally framed or as from time to time altered in accordance with law.*
- (b) *"Board" means a meeting of the Directors duly called and constituted or as the case may be, the Directors assembled by the Board.*
- (c) *"Business Day" means a calendar day on which banks are open for general banking business in Pakistan.*
- (d) *"Capital" means the capital for the time being raised or authorized to be raised for the purpose of the Company.*
- (e) *"Class A Preference Shares" not being Ordinary Shares, means convertible preference shares with such rights, privileges and conditions attached thereto as prescribed in these Articles and shall include any Dividend Shares issued to the Class A Preference Shareholders as specie dividend. It being clarified that such Dividend Shares will carry the same rights, privileges and conditions as are available / attached to the Class A Preference Shares at that time and the tenor of the Dividend Shares whenever issued will not be more than the remaining tenor of the Class A Preference Shares issued on the First Preference Share Issue Date.*
- (f) *"Class A Preference Shareholders" means the Investor and any transferees of the Investor.*
- (g) *"Class B Preference Shares not being Ordinary Shares, means convertible preference shares with such rights, privileges and conditions attached thereto as prescribed in these Articles and shall include any Dividend Shares issued to the Class B Preference Shareholders as specie dividend. It being clarified that such Dividend Shares will carry the same rights, privileges and conditions as are available / attached to the Class B Preference Shares at that time and the tenor of the Dividend Shares whenever issued will not be more than the remaining tenor of the Class B Preference Shares issued on the First Preference Share Issue Date.*
- (h) *"Class B Preference Shareholders" not being Ordinary Shareholders, means in relation to the Company, every person to whom the Company has allotted, or who becomes the holder of Class B Preference Shares and whose name is entered into the Register of Members.*
- (i) *"Company" means "Worldcall Telecom Limited".*
- (j) *"Conversion" means the conversion of Preference Shares into Ordinary Shares in terms of these Articles, and the word "Converted" shall be construed accordingly.*



- (k) "Conversion Adjustments" is defined in Article 17-B(b).
- (l) "Conversion Date" is defined in Article 17-B(a)(ii).
- (m) "Conversion Ratio" means the following ratio which will be used for the Conversion, provided however, that the Conversion Ratio shall always be subject to the Conversion Adjustments:

In case where dividends (in the form of issuance of Dividend Shares) are paid to the Preferred Shareholders each year in accordance with these Articles and no dividend (in the form of issuance of Dividend Shares) has been accumulated:

$$X = (P) / (D)$$

In case where dividends (in the form of issuance of Dividend Shares) are not paid to Preferred Shareholders each year in accordance with these Articles:

$$X = (P + Div) / (D)$$

Where:

Div: means the aggregate of:

- (i) *notional amount of overdue, accrued and cumulative dividend payable / to be issued as specie dividend in the form of Dividend Shares by the Company to a Preferred Shareholder; and*
- (ii) *in the event the Conversion Option is being exercised during a semi-annual period in a financial year, the Proportionate Dividend Shares;*

where the amounts calculated in (i) and (ii) above are converted to Pakistan Rupees at the State Bank of Pakistan US\$ settlement rate prevailing on the Conversion Date.

X: means Number of Ordinary Shares to be issued

P: means the face value of US\$ 100/- multiplied by the no of Preference Shares, converted to Pakistan Rupees at the State Bank of Pakistan US\$ settlement rate prevailing on the Conversion Date

D: means the discounted share price, which shall be calculated in the following manner:

- (i) *Conversion between the period commencing from the 1st anniversary but prior to the 2nd anniversary of the First Preference Shares Issue Date*
- (90%) of the last 90 days volume weighted average price of the Ordinary Shares of the Company*
- (ii) *Conversion between the period commencing from the 2nd anniversary but prior to the 3rd anniversary of the First Preference Shares Issue Date*



(80%) of the last 90 days volume weighted average price of the Ordinary Shares of the Company

- (iii) **Conversion between the period commencing from the 3rd anniversary but prior to the 4th anniversary of the First Preference Shares Issue Date**

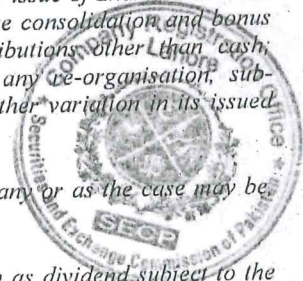
(70%) of the last 90 days volume weighted average price of the Ordinary Shares of the Company

- (iv) **Conversion between the period commencing from the 4th anniversary of the First Preference Share Issue Date and ending on no later than the Mandatory Conversion Date**

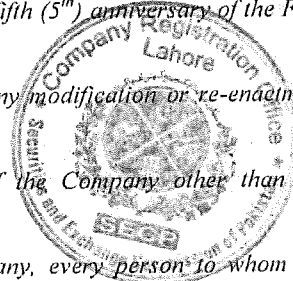
(60%) of the last 90 days volume weighted average price of the Ordinary Shares of the Company

It being clarified that the discount to be granted in accordance with (i) and (iv) above will be adjusted for the number of months (rounded to the nearest month) that the Preference Shares have been outstanding and will be interpolated between the relevant discount.

- (n) "Conversion Notice" means a written notice by a Preferred Shareholder to the Company setting forth the number of Preference Shares that it desires to be Converted, to which Notice shall be enclosed original certificates representing Preference Shares intended to be Converted along with transfer deeds duly signed, verified and witnessed.
- (o) "Dilutive Issuances" means that subject to the applicable laws, the Company effecting any issuances of Ordinary Shares or Ordinary Share equivalents and customary adjustments for any preferential allotment, capitalization of profits and reserves; creation of convertible or exchangeable loans / bonds / term finance certificates / securities; issue of Shares and other equity securities by way of rights or otherwise; share splits; share consolidation and bonus shares; employee stock options; spin off events; capital distributions other than cash; warrants and merger, consolidation and / or acquisition; or any re-organisation, subdivision, consolidation or reduction of its share capital or any other variation in its issued share capital.
- (p) "Directors" means the Directors for the time being of the Company or as the case may be the Directors assembled at a Board.
- (q) "Distributable Profits" mean the profit available for distribution as dividend subject to the provisions of Section 248 and Section 249 of the Ordinance, whereby the profits are determined in accordance with accepted accounting principles and after allowing for retention of profits for continuing and expansion of operations of the Company.
- (r) "Dividend Shares" means Preference Shares having a face value of US\$ 100/- each to be issued by the Company to a Preferred Shareholder as specie dividend on the Preference Shares;
- (s) "Dividend Shares Date" means:
- (i) in respect of first dividend on the Preference Shares which shall be paid as specie dividend in the form of issuance of Dividend Shares, the first (1st) anniversary of the First Preference Share Issue Date; and



- (ii) in respect of all subsequent dividends to be paid to the Preferred Shareholders which shall be paid as specie dividend in the form of issuance of Dividend Shares, each semi-annual date starting from the first Dividend Shares Date.
- (i) "Exercised" means the date on which the Conversion Notice is issued by a Preferred Shareholder in accordance with these Articles.
- (u) "Financial Year" means the date on which the annual audited accounts of the Company are prepared.
- (v) "First Preference Share Issue Date" means the date on which Class A Preference Shares and the Class B Preference Shares are issued to the Class A Preference Shareholders and Class B Preference Shares, respectively, for the first time in accordance with the terms and conditions contained in these Articles.
- (w) "Investor" means [please insert name of Habib Bank Limited's investing entity or any transferees to whom the Investor transfers its Shares].
- (x) "Mandatory Conversion" is defined in Article 17-C.
- (y) "Mandatory Conversion Date" means the Business Day falling immediately after the expiry of the fifth (5th) anniversary of the First Preference Share Issue Date.
- (z) "Members" means the Ordinary Shareholders and a Preferred Shareholders.
- (aa) "Month" means calendar month according to English Calendar.
- (bb) "Office" means the Registered Office for the time being of the Company.
- (cc) "Optional Conversion Period" means the period commencing from the first (1st) anniversary of the First Preference Share Issue Date and ending on the fifth (5th) anniversary of the First Preference Share Issue Date.
- (dd) "Ordinance" means the Companies Ordinance, 1984 or any modification or re-enactment thereof for the time being in force.
- (ee) "Ordinary Shares" mean the voting ordinary shares of the Company other than the Preference Shares.
- (ff) "Ordinary Shareholders" mean in relation to the Company, every person to whom the Company has allotted, or who becomes the holder of the Ordinary Shares and whose name is entered in the Register of Members.
- (gg) "Preference Shares" not being Ordinary Shares, means the Class A Preference Shares and the Class B Preference Shares, issued to a Preferred Shareholder and shall include any Dividend Shares issued to the Preferred Shareholder as specie dividend in accordance with the class of Preference Shares held by such Preferred Shareholder, in accordance with the Share Capital Rules.
- (hh) "Preference Shares Issue Date" means the date on which the Preference Shares are issued to a Preferred Shareholders subject to the terms and conditions contained in these Articles and for avoidance of doubt shall also include the First Preference Share Issue Date.



(ii) "Preferred Shareholder" means the Class A Preference Shareholders and the Class B Preference Shareholder.

(jj) "Proportionate Dividend Shares" means the proportionate amount of Dividend Shares calculated from the last Dividend Shares Date till the Conversion Date in the following manner:

$$[X = P * (R/360) * n / US\$ 100]$$

Where:

X: means the Proportionate Dividend Shares

P: means the face value of US\$ 100/- x no of Preference Shares held by the Preferred Shareholder

R: means dividend rate as specified in Article 36-A (a)

n: means the number of days from the last Dividend Share Date till the Conversion Date

(kk) "Register" means, unless the context otherwise requires, the register of members to be kept pursuant to Section 147 of the Ordinance.

(ll) "Seal" means the common or official Seal of the Company.

(mm) "SECP" shall mean the Securities and Exchange Commission of Pakistan.

(nn) "Section" means a section of the Ordinance.

(oo) "Shares" mean the Ordinary Shares and the Preference Shares.

(pp) "Share Capital Rules" means the Companies Share Capital (Variation in Rights and Privileges) Rules, 2000.

(qq) "Special Resolution" means the special resolution of the Company as defined in Section 2(1)(36) of the Ordinance.

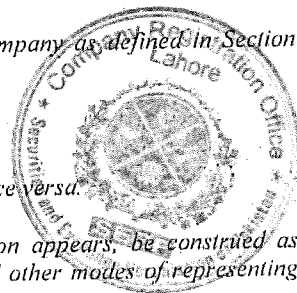
(rr) Words importing masculine gender include the feminine gender.

(ss) Words importing singular number include plural number and vice versa.

(tt) Expression referring to writing shall, unless contrary intention appears, be construed as including references to printing, lithography, photography and other modes of representing or reproducing words in a visible form.

(uu) Words importing persons shall include bodies corporate.

(vv) The head notes are inserted for convenience and shall not affect the construction of these Articles.



- (ww) Unless the context otherwise requires words or expressions contained in these Articles shall bear the same meaning as in the Ordinance.

The following be and are hereby inserted as Articles 17-A, 17-B and 17-C in the Articles of Association of the Company:

17-A Issue of Preference Shares:

- (a) Subject to the provisions of Articles 4, 16, 17-B, 17-C and 36-A, the Company may issue the Preference Shares (including any Dividend Shares issued from time to time as specie dividend) to a Preferred Shareholders in terms of these Articles.
- (b) Subject to the proviso of Section 86(1) of the Ordinance, the Preference Shares (including any Dividend Shares issued from time to time as specie dividend) may be issued by the Company without a rights offering, to such persons as it shall think fit from time to time.
- (c) Class A Preference Shares shall only be issued to the Class A Preference Shareholder and no Class A Preference Shares shall be issued to any person or party till such time as all Class A Preference Shareholders have provided their consent and approval in respect of the same.
- (d) A Preferred Shareholder, by virtue of being a Member of the Company, shall be entitled to receive notices of general meeting(s) and attend such general meeting(s), provided however, that a Preferred Shareholder shall have no voting rights at general meetings of the Company.
- (e) In the event of any inconsistency between the provisions of this Articles 4, 16, 17-A, 17-B, 17-C and 36-A and any other Articles contained herein, provisions of Articles 4, 16, 17-A, 17-B, 17-C and 36-A shall prevail.

17-B - Conversion of Preference Shares:

The Preference Shares (including any Dividend Shares issued from time to time as specie dividend) issued to Preferred Shareholders pursuant to Articles 4, 16, 17-A and 36-A shall be convertible into Ordinary Shares of the Company, subject to the following terms and conditions:

- (a) A Preferred Shareholder shall at its complete discretion have the option for Conversion of any or all of the Preference Shares (including any Dividend Shares issued by the Company issued from time to time as specie dividend) into Ordinary Shares based on the Conversion Ratio, during the Optional Conversion Period ("Conversion Option"). The Conversion Option shall be subject to the following terms and conditions:
- (i) a Conversion Notice may only be issued by a Preferred Shareholder for exercising the Conversion Option during the Optional Conversion Period.
- (ii) within thirty (30) days of the issuance of the Conversion Notice by a Preferred Shareholder informing the Company of the Exercise of the Conversion Option, the Company shall issue Ordinary Shares in respect of the Conversion ("Conversion Date"). The Conversion Notice once issued shall be revocable at the sole discretion of a Preferred Shareholders anytime time before the Conversion Date.
- (iii) the number of Ordinary Shares to be allotted and issued by the Company as a result of Conversion shall be determined by multiplying the number of Preference Shares to be converted by the Conversion Ratio. The Ordinary Shares to be issued on the basis

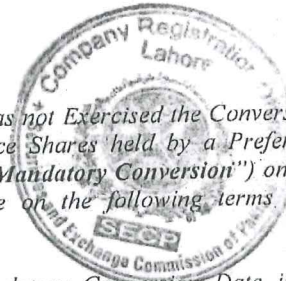
of the Conversion Ratio shall be issued and allotted on the applicable Conversion Date.

- (iv) upon issuance of Ordinary Shares as a result of Conversion, such Ordinary Shares shall in all respect rank *pari passu* with Ordinary Shares already existing, issued and allotted.
 - (v) no fractional Ordinary Shares shall be issued upon Conversion, instead of fractional Ordinary Shares, which would otherwise be issued upon Conversion, the Company shall pay cash to the holders of Preference Shares in respect of their fractional interest.
 - (vi) Preference Shares (including any Dividend Shares issued by the Company issued from time to time as *specie dividend*) Converted pursuant to this Article shall not be resold and shall stand cancelled forthwith.
- (b) If any time during the Optional Conversion Period, the Company effects or undertakes any Dilutive Issuances, then the Conversion Ratio shall be adjusted in such a manner so as to ensure that a Preferred Shareholder is in the same position as regards the percentage of the total issued share capital of the Company which a Preferred Shareholder would have been entitled to prior to Company effecting the Dilutive Issuance. For the purposes of computing the quantum of the adjustment, the determination of the external auditors of the Company shall be binding whose expense shall be borne solely by the Company (hereinafter referred to as "Conversion Adjustments"). It is clarified that such external auditors engaged for the purposes of computing the Conversion Adjustments shall act as experts and not as arbitrators.
- (c) Notwithstanding anything contained in this Article 17-B, no Class B Preference Shareholder shall be entitled to exercise the Conversion Option during the Optional Conversion Period, till such time as prior written notification in respect of the proposed conversion has been given to the Class A Preference Shareholder.

17-C – Mandatory Conversion of Preference Shares:

If prior the Mandatory Conversion Date, a Preferred Shareholder has not Exercised the Conversion Option, then to the extent not Exercised, the remaining Preference Shares held by a Preferred Shareholder shall be mandatorily converted into Ordinary Shares ("Mandatory Conversion") on the Mandatory Conversion Date. The Mandatory Conversion will be on the following terms and conditions:

- (a) the Company shall within 30 calendar days of the Mandatory Conversion Date issue Ordinary Shares in respect of the Mandatory Conversion.
- (b) the number of Ordinary Shares to be allotted and issued by the Company as a result of Mandatory Conversion shall be determined by multiplying the number of Preference Shares to be converted by the Conversion Ratio subject to Conversion Adjustments.
- (c) upon issuance of Ordinary Shares as a result of Mandatory Conversion, such Ordinary Shares shall in all respect rank *pari passu* with Ordinary Shares already existing, issued and allotted.
- (d) no fractional Ordinary Shares shall be issued upon Mandatory Conversion, instead of fractional Ordinary Shares, which would otherwise be issued upon Mandatory Conversion,



the Company shall pay cash to the holders of Preference Shares in respect of their fractional interest.

- (e) Preference Shares (including any Dividend Shares issued by the Company issued from time to time as specie dividend) Converted pursuant to this Article shall not be resold and shall stand cancelled forthwith.

The following be and is hereby inserted as Article 18 – A in the Articles of Association of the Company:

18-A Shareholders Right to New Shares:

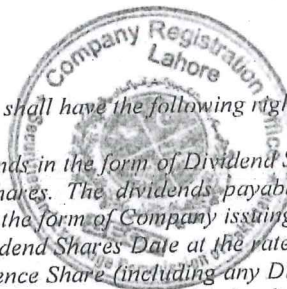
Subject to the provisions of Section 36-A(g), any new shares shall, before issue, be offered to such persons as of the date of the offer are entitled to receive notices from the Company of General Meetings in proportion to the amount of existing shares to which they are entitled. The offer shall be made by notice specifying the number of shares offered, and limiting a time within which the offer, if not accepted, will be deemed to have been declined, and after the expiration of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares offered, the Directors, subject to the provisions of these Articles, dispose of the same in such manner as they think most beneficial to the Company in terms of Section 86(7) of the Ordinance.

The following shall stand inserted as Article 36-A in the Articles:

36 – A Rights of Preferred Shareholder

Subject to the provisions of the Ordinance, Preferred Shareholders shall have the following rights:

- (a) A Preferred Shareholder shall be entitled to specie dividends in the form of Dividend Shares, in priority over any dividends declared on Ordinary Shares. The dividends payable to a Preferred Shareholder shall be paid as specie dividend in the form of Company issuing to the Preferred Shareholders the Dividend Shares on each Dividend Shares Date at the rate which is the higher of (i) 5.9% per annum on the of each Preference Share (including any Dividend Shares issued by the Company from time to time as specie dividend); or (ii) the dividends declared by the Directors and the Company for Ordinary Shareholders. It is clarified that: (i) no cash dividend will be payable on the Preference Shares (including any Dividend Shares issued by the Company from time to time as specie dividend); (ii) all dividends to be declared in respect of the Preference Shares (including any Dividend Shares issued by the Company from time to time as specie dividend) shall only be paid as a specie dividend in the form of Dividend Shares; (iii) the tenor of the Dividend Shares issued from time to time shall not be more than the remaining tenor of the Preference Shares issued by the Company on the First Preference Shares Issue Date; and (iv) the Dividend Shares issued by the Company from time to time shall also be the same class of Preference Shares with the same terms and conditions as were / are held by the respective Preferred Shareholder at the time of receiving such Dividend Share.
- (b) Dividends to Preferred Shareholders shall be paid as specie dividend in the form of Dividend Shares to be issued by the Company on each Dividend Shares Date only out of Distributable Profits of the Company, as calculated in terms of generally accepted accounting principles applicable under the applicable law and the Company's accounting policies.
- (c) If on any Dividend Shares Date, distributable profits are not sufficient for issuance of Dividend Shares (as specie dividend) to a Preferred Shareholder at the rate of 5.9% per annum (in the manner contemplated herein), then so much of the profits as are available for



distribution shall be distributed and the Company shall issue Dividend Shares and unpaid dividends shall be accumulated and shall be paid as specie dividend by issuance of Dividend Shares to a Preferred Shareholder on the next Dividend Shares Date. Any further issuance of Preference Shares (including Dividend Shares issued on the Dividend Shares Date) shall result in the issuance of the same class of shares with the same terms and conditions to a Preferred Shareholder as such Preferred Shareholder held prior to the date of further issuance of the Preference Shares. For avoidance of doubt, it is clarified that notwithstanding the fact that dividends (except for the first dividend) will be paid by issuance of the Dividend Shares on each semi-annual date, the Company shall ensure that the dividend paid as specie dividend by issuance of the Dividend Shares to a Preferred Shareholder on each Dividend Shares Date is in accordance with the rate of dividend specified in these Articles.

- (d) No dividend shall be declared or paid (by issuance of the Dividend Shares) in any Financial Year to Ordinary Shareholders out of revenue reserves, till such time as all unpaid accumulated dividends payable to a Preferred Shareholder have been paid by issuance of Dividend Shares. If the Company has distributable profits at the end of any Financial Year, such distributable profits will be mandatorily utilized for the purposes of issuing the Dividend Shares.
- (e) A Preferred Shareholders on winding up shall have the first right, before the Ordinary Shareholders over the assets of the Company, limited to the nominal value of the shares held by a Preferred Shareholders, plus dividend unpaid or unissued in the case of Dividend Shares (or cumulative dividend if applicable) reduced by the amounts already redeemed, if any, prior to winding-up.
- (f) The Class A Preference Shareholder, shall be allowed to freely trade and transfer the Preference Shares (either in part or completely), subject to any restrictions as set out in these Articles and/or the Ordinance. However, the Class B Preference Shareholder shall not be allowed or authorized to transfer the Class B Preference Shares without the prior approval and consent of the Class A Preference Shareholder.
- (g) In the event a Class A Preference Shareholder exercises the Conversion Option in respect of any and all of the Preference Shares (including any Dividend Shares issued by the Company from time to time as specie dividend), then the Class B Preference Shareholder shall be obligated and required to convert its Class B Preference Shares (including any Dividend Shares issued by the Company from time to time as specie dividend) to such extent as the Class A Preference Shareholder has converted, provided however, in the event the Class B Preference Shareholder exercises the Conversion Option in respect of the Class B Preference Shares (including any Dividend Shares issued by the Company from time to time as specie dividend), the Class A Preference Shareholder shall not be obligated or required to convert the Class A Preference Shares.

Following the first issue and allotment of the Class A Preference Shares, where the Directors decide to increase the Capital by issuance of either Ordinary Shares or Preference Shares (excluding the issuance of the Dividend Shares), then such further shares of the Company, shall be offered to all Members of the Company (including the Class A Preference Shareholder) in proportion to their existing shareholding in the Capital of the Company. In addition to the right of the Class A Preference Shareholder to be offered any new shares proposed to be issued by the Company, where any shares forming part of the new share issue are not subscribed to by the existing Members of the Company ("Declined Shares"), then the Board shall offer such Declined Shares to the Class A Preference Shareholder prior to offering the same to any other third person or party in exercise of the powers of the Directors under Section 86(7) of the Ordinance.

The following shall stand inserted as Article 36-B in the Articles:

36 - B Variation in Rights:

The rights attached to either class of Shares may only be varied, modified or abrogated in the manner provided by the Ordinance and these Articles: (a) with the prior consent in writing of the Class A Preference Shareholder; and (b) by way of a Special Resolution passed at a general meeting of the holders of that class and all provisions hereinafter contained as to general meetings shall mutatis mutandis apply to every such meeting.

Article 77 of the Articles shall be deleted in its entirety and replaced with the following:

Article 77 - Declaration of Dividends:

The Company in general meeting may declare a dividend to be paid to the Registered holders of Ordinary Shares and Preference Shares but the dividend declared shall not exceed the dividend recommended by the Directors. The Company in general meeting may, however, declare a similar dividend, provided that the Board may from time to time make specific rules in respect of issuance of and/or dividend to pay out in respect of Preference Shares and for carrying out the full intent thereof and shall be empowered to do all reasonable acts necessary therefore provided however, that such rules do not violate any of these Articles and/or the Ordinance. It being clarified that the dividend to be paid on the Preference Shares shall only be in the form of Dividend Shares (as specie dividends).

The following shall stand inserted as Article 77-A to the Articles:

77- A Payment of Dividends:

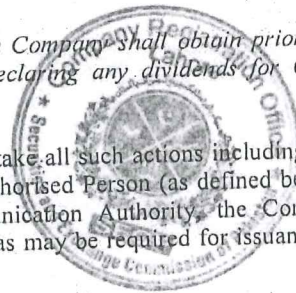
Subject to Article 36-A, no dividends shall be paid otherwise than out of profits of the year or any other undistributed profits.

The following shall stand inserted as Article 79-A in the Articles:

79 - A Class A Preference Shareholder's Consent:

Notwithstanding anything else contained in these Articles, the Company shall obtain prior written consent from the Class A Preference Shareholder before declaring any dividends for Ordinary Shareholders."

7. The Company be and is hereby authorized and empowered to take all such actions including but not limited to the filing the requisite applications (through the Authorised Person (as defined below) for seeking permission from SECP, SBP, Pakistan Telecommunication Authority, the Competition Commission of Pakistan and such other regulatory authorities as may be required for issuance of the Preference Shares and all matters relating thereto.
8. The Chief Executive Officer of the Company, be and is hereby authorized ("Authorised Person") to enter into and execute such documents as may be required in relation to the Preference Shares.
9. The Authorised Person, be and is hereby authorized, to take all steps necessary, ancillary and incidental for the issuance of the Preference Shares (including Dividend Shares to be issued from time to time), the issuance of the discount shares upon conversion of the Preference Shares (including Dividend Shares to be issued from time to time) including but not limited to obtaining all requisite regulatory approvals, preparation and circulation of the notice of the General Meeting, preparing the resolution to be passed at the General Meeting; engaging legal counsel and consultants for the



purposes of the above; filing of all the requisite statutory forms and all other documents as may be required to be filed with SECP, SBP, the Competition Commission of Pakistan and Pakistan Telecommunication Authority, preparation, submitting all such documents as may be required with SECP, SBP and Pakistan Telecommunication Authority, executing all such certificates, applications, notices, reports, letters and any other document or instrument including any amendments or substitutions to any of the foregoing as may be required in respect of the Preference Shares issue and all other matters incidental or ancillary thereto.

10. All acts, deeds, and actions taken by the Authorized Person pursuant to the above resolutions for and on behalf of and in the name of the Company shall be binding acts, deeds and things done by the Company and be and are hereby ratified and confirmed by the Company
11. That the aforesaid resolutions shall be subject to any amendment, modification, addition or deletion as may be suggested, directed and advised by the SECP and / or any other regulatory body which suggestion, direction and advice shall be deemed to be part of these Special Resolutions without the need of the shareholders to pass fresh Special Resolution(s).

