

PART II

Statutory Notifications (S. R. O.)

GOVERNMENT OF PAKISTAN

SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

Islamabad, the 26th April, 2021

NOTIFICATION

S.R.O. 519(I)/2021:- The following draft amendments to Public Offering Regulations, 2017 proposed to be made by the Securities and Exchange Commission of Pakistan in exercise of the powers conferred under section 169 of the Securities Act, 2015 (III of 2015), are hereby published in the official Gazette for the information of all the persons likely to be affected thereby and notice is hereby given that objections or suggestions, if any, received within fourteen days from the date of its placement on the website of the Commission, shall be taken into consideration by the Securities and Exchange Commission of Pakistan, namely:-

DRAFT AMENDMENTS

In the aforesaid Regulations, -

(1) in regulation 2, in sub-regulation (1), -

(a) after clause (xviii), the following new clauses shall be inserted, namely: -

“(xviii) “Credit enhancement” means an arrangement within a securitization transaction, intended to decrease the likelihood of default on the securitized debt securities, in the form of cash collateral, profit retention, subordination, insurance, letter of credit, over-collateralization, undertakings and guarantees by third party including financial institution;

(xviiiic) “Custodian” means an investment agent, Bank or DFI engaged in regulated activities not being an associate of the Special Purpose Acquisition Company appointed for securing the monies of investors in the escrow account.”;

(b) after clause (xxi), the following clause shall be inserted, namely:-

“(xxia) “Escrow Account” means an account maintained with a scheduled bank by a custodian appointed by the Special Purpose Acquisition Company, with an investment grade rating, to hold on its behalf proceeds from issuance of securities by the Special Purpose Acquisition Company;”;

(c) after clause (xxxiii), the following clause shall be inserted, namely:-

“(xxxiiia) “Obligor” means an entity that owe the originator payments on the underlying assets including receivables;”;

(d) after clause (xxxvi), the following clause shall be inserted, namely:-

“(xxxviiia) “Permitted Investments” means investments in Government securities, mutual funds, money market instruments and securities with investment grade ratings;”;

(e) after clause (liii), the following clauses shall be inserted, namely:-

“(liiiia) “Special Purpose Acquisition Company or (SPAC)” means a Company registered with the Commission under these regulations for the sole purpose of performing the function of merger or acquisition Transactions;

(liiib) “Special Purpose Company or (SPC)” includes Special Purpose Vehicle (SPV) and a Special Purpose Acquisition Company (SPAC);”;

(f) in clause (lvi), the expression “and” at the end shall be omitted and thereafter the following new clause shall be inserted, namely:-

“(lvia) “true sale” means the sale of asset(s) by the owner to another person, such that the assets are protected from claims against the originator's assets in the event of the originator's insolvency; and”;

(2) after regulation 12, the following new regulations and Chapters shall be inserted, namely:-

“Chapter VI-A

Registration of Special Purpose Acquisition Company (SPAC)

12a. Eligibility and Registration of SPAC.— (1) No person shall commence business as a SPAC unless it is registered with the Commission under these regulations.

(2) A person proposing to commence business as a SPAC shall be eligible for registration under these regulations if,-

- (i) it is registered as a public company under the Companies Act, 2017 (XIX of 2017) having a paid-up capital of not less than one million rupees; or
- (ii) it is a body corporate; and
- (iii) its promoters or sponsors, directors, chief executive, officer or employee fulfil the Fit & Proper criteria as specified in the Ninth Schedule.

(3) An entity eligible for registration as SPAC may make an application to the Commission for registration under these regulations on Form-I along with documents as specified in Annexure to Form-I of the Tenth Schedule.

(4) The Commission, if it is satisfied after making such inquiry and after obtaining such information as may be considered necessary, may grant a certificate of registration to such person on such conditions as may be deemed necessary.

12b. Cancellation of registration.-- (1) Where the Commission is of the opinion that SPAC-

- (a) has contravened or failed to comply with any provisions of these regulations or has failed or neglected to carry out its duties in accordance with law; or
- (b) fails to offer securities within such time frame and in such manner as may be specified by the Commission,

the Commission may on its own motion, or on the application of the investors holding not less than ten percent of the securities issued by SPAC, by order in writing, cancel the registration of the SPAC:

Provided that no such order shall be made without giving the SPAC an opportunity of being heard:

Provided further that a SPAC may also apply for cancellation of its registration under exceptional circumstances.

(2) If the registration of a SPAC is cancelled under sub-regulation (1), the Commission shall appoint an administrator to manage the business of the Special Purpose Company.

Chapter VI-B

Obligations of Special Purpose Acquisition Company and other requirements

12c. Obligations of Special Purpose Acquisition Company.- A Special Purpose Acquisition Company shall, -

- (i) raise funds for the sole purpose of merger or acquisition and complete the transaction within permitted time frame as per these regulations;
- (ii) list the acquired entity within a period of two years from the date of acquisition.;
- (iii) not utilize the amount of fund raised for any other purpose except merger or acquisition of companies;
- (iv) open an escrow account and deposit therein at least 90% of the fund raised through issuance of securities;
- (v) secure and maintain custodial arrangements at all times over the monies in the escrow account until the termination of the escrow account.
- (vi) be obliged to manage its assets in the interest of the investors in good faith and to the best of its ability and without gaining any undue advantage for itself or any of its related parties, associates or its officers;
- (vii) shall ensure that at least 30% of its shares are held by the sponsors for a period of at least three years from the date of listing;
- (viii) shall prepare the draft prospectus as per the format and disclosures prescribed in **Eleven Schedule** of the Regulations.

12d. Listing.- A Special Purpose Acquisition Company offering securities to the public shall be listed on the stock exchange.

12e. Modes of fund raising.- A Special Purpose Acquisition Company can raise funds through issuance of equity securities and warrants either by way of;

- (a) Initial Public Offer (IPO); or
- (b) Private Placement.

12f. Minimum Fund Raised.- A Special Purpose Acquisition Company shall raise at least Rs. 200 million to undertake a merger or acquisition transaction and which will enable the SPAC to have a core business with

sufficient size and scale relative to the industry in which the business operates; and offer reasonable returns to investors based on the equity capital employed, relative to industry returns.; and enable the SPAC to acquire management control.

12g. Shareholders Approval.- (1) Each merger or acquisition transaction shall be approved by the shareholders by way of special resolution and while presenting to the shareholder, the SANC shall provide the disclosures as specified in Schedule Thirteen.

(2) The shareholder disapproving the merger or acquisition transaction are entitled for refund of their money out of Escrow account as per entitlement.

12h. Rights of holders of voting securities who vote against a qualifying acquisition /Refund to Investors.- (1) A SPAC can make refund to the entitled shareholders from the Escrow account as follows,-

- (i) where the company is unable to complete the merger or acquisition transaction within the stipulated time period of twenty four (24) months;
- (ii) to those the entitled shareholders, who do not approve the merger or acquisition transaction.

(2) Holders of voting securities, other than the members of the management team and persons connected to them, who voted against a merger or acquisition transaction must be—

- (i) entitled to receive, in exchange for their securities, a sum equivalent to a pro rata portion of the amount then held in the escrow account, net of any taxes payable and expenses related to the facilitation of the exchange, provided that such merger or acquisition transaction is approved and completed within the permitted time frame; and
- (ii) paid as soon as practicable upon completion of the merger or acquisition transaction should they elect to exchange their securities. The securities tendered in exchange for cash must be

cancelled. In complying with this requirement, the SPAC must specify, in the circular to shareholders in relation to the qualifying acquisition, the timeframe for payment to holders of securities electing to exchange their securities. The SPAC must also demonstrate that this timeframe is reasonable, including providing details of all milestones or steps to be taken.

(3) The basis of computation for the pro rata entitlement must be disclosed in the prospectus.

12i. Management of Escrow Account.- (1) SPAC must place at least ninety percent (90%) of the funds raised in an escrow account immediately upon receipt of all proceeds.

(2) The monies in the escrow account can be released by the custodian upon termination of the escrow account. The escrow account can be terminated—

- (i) following the completion of all merger or acquisition within the permitted time frame; or
- (ii) upon liquidation of the SPAC.

(3) The proceeds in the escrow account can be invested in permitted investments and any income generated by the funds held in the escrow account, including profit or dividend income derived from the permitted investments, must accrue to the escrow account.

(4) The fund raised that are not placed in the escrow account may be utilized to defray expenses related to the initial public offering/private placements and operating costs, fund the search for a target business and complete the qualifying acquisition.

12j. Fair market value of Acquisition.- (1) The acquisition, which may comprise more than one acquisition, must have an aggregate fair market value equal to at least eighty percent (80%) of the aggregate amount in the escrow account, net of any taxes payable.

(2) The fair market value should be supported by a competent valuer's report.

12k. Additional financing.- (1) An SPAC can raise additional funds by way of rights issue, other than right issue or through secondary public offering to complete its merger or acquisition transaction within the stipulated time period subject to the condition that it shall deposit at least ninety percent (90%) of the proceeds into escrow account immediately upon its receipt.

(2) Where an SPAC proposes to obtain debt financing, the SPAC must ensure that—

- (i) any credit facility obtained prior to the completion of the merger or acquisition may only be drawn down after the approval of the merger or acquisition;
- (ii) the funds from the credit facility obtained must be applied towards the financing of the merger or acquisition, defraying related costs or enhancing the business(es) acquired under the merger or acquisition; and
- (iii) the monies in the escrow account must not be used as collateral for the debt financing.

12l. Majority ownership and management control:- The merger or acquisition by SPAC should result in majority ownership and management control by the SPAC.

12m. Time frame for completion of qualifying acquisition.- SPAC must complete the merger or acquisition transaction within the permitted time frame of twenty four (24) months from the date of listing on the exchange.

12n. Change in board of directors and management team.- A merger or acquisition transaction by SPAC shall not result in a change in the board of directors or the key members of the management team of the SPAC:

Provided that change in the board, if so required, shall only be made with the approval of the shareholders and the board shall at all times comprise of such persons which comply with fit and proper criteria given under **Ninth Schedule**.

12o. The Custodian and its roles and responsibilities.- (1) SPAC must secure and maintain custodial arrangements at all times over the monies in the escrow account until the termination of the escrow account.

(2) The funds raised by SPAC from issuance of securities shall be kept by the custodian in escrow account, in accordance with the custodian agreement, these Regulations and applicable laws.

(3) A custodian must take appropriate measures to ensure the safekeeping of the monies held in the escrow account.

(4) A custodian must ensure that proper accounting records and other records as necessary are kept in relation to the escrow account; and custody and control of monies held in the escrow account is in accordance with the provisions of the custodian agreement.

(5) A custodian may be provided a mandate by the SPACs to invest the amounts held in the escrow account in permitted investments.

(6) A custodian may only distribute or liquidate the funds held in the escrow account in accordance with the provisions in the custodian agreement.

(7) The minimum contents of the Custodian Agreement shall be as follows,-

- (i) provisions relating to the powers of the custodian including any indemnity given by the SPAC to the custodian;

- (ii) general covenants by the SPAC to—
 - (a) comply with the provisions of the custodian agreement;
 - (b) send to the custodian an annual audited financial statements of the SPAC within 3 months of the close of its financial year and any other financial statements, report, notice, statement or circular simultaneously issued to holders of voting securities; and
 - (c) provide the custodian any information which the custodian may require in order to discharge its duties and obligations as custodian under the custodian agreement;
- (iii) reporting covenants by the SPAC to immediately notify the custodian of any—
 - (a) circumstance that has occurred that would materially prejudice the SPAC;
 - (b) change in the utilization of proceeds; and
 - (c) other matter that may materially prejudice the interests of the holders of voting securities;
- (iv) where the custodian is allowed to invest the monies kept in the escrow account, the conditions under which it is permitted to do so and the types of permitted investment;
- (v) provision on the termination of the escrow account in relation to—
 - (a) the release of funds to the holders of voting securities who had voted against the qualifying merger or acquisition and the remaining funds to the SPAC upon completion of the qualifying acquisition within the permitted time frame; and
 - (b) the release of funds to the holders of voting securities upon liquidation of the SPAC;
- (vi) the obligation by the custodian to disclose any information to the Commission and PSX upon request;
- (vii) the conditions for the resignation and termination of the custodian.

- (8) The custodian agreement will terminate—
- (i) on the appointment of a new custodian following the resignation or termination of services of the existing custodian; or
 - (ii) following the termination of the escrow account.

12p. Liquidation / Winding up.- (1) SPAC which fails to complete merger or acquisition transaction within the permitted time frame shall notify the Commission and the concerned stock exchange of the same fact within seven days of the lapse of permitted time.

(2) The Commission may if deem appropriate, upon request by the SPAC extend the permitted time by a further period of six months.

(3) The registration of those SPAC shall be deemed to be cancelled who failed to complete the merger or acquisition transaction within the permitted time frame or extended time frame and the sponsors of the SPAC shall initiate the process of its winding up.

(4) The amount then held in the escrow account(s), net of any taxes payable and direct expenses related to the liquidation distribution, must be distributed to the respective holders of voting securities on a pro rata basis within thirty days after the expiry of permitted time.

(5) Any income earned from permitted investments accruing in the escrow account will form part of the liquidation distribution.

(6) Members of the management team and persons connected to them shall not participate in the liquidation distribution, other than in relation to securities purchased by them after the date of listing.

(7) After successfully completion of the acquisition and lock in period of three years as per regulation 12(c), the sponsors of SPAC shall initiate the process of its winding up.

12q. Reporting.- The special purpose companies shall file such reports and furnish such documents and information to the Commission or to the investors, as directed by the Commission from time to time.”;

(3) after regulation 15c, the following new Chapter VII-A and regulations shall be inserted, namely:-

“Chapter VII-A

Special Purpose Vehicle (SPV)

15e. Conditions of Operation.-- No Special Purpose Vehicle shall, --

- (a) merge with, acquire or take over any other company or business, unless it has obtained the prior approval of the Commission in writing to the scheme of such merger, acquisition or take-over;
- (b) pledge any of the assets held or beneficially owned by such Special Purpose Vehicle except for the benefit of the investors;
- (c) make a loan or advance money to any person except in connection with its normal business;
- (d) participate in a joint account with others in any transaction;
- (e) make any investment with the purpose of having the effect of vesting the management, or control, in the Special Purpose Vehicle; and
- (f) give guarantee, indemnity or security for any liability of a third party.

15f. Obligations of Special Purpose Vehicle.-- A Special Purpose Vehicle shall

—

- (a) be obliged to manage its assets in the interest of the investors in good faith and to the best of its ability and without gaining any undue advantage for itself or any of its related parties, associates or its officers;

- (b) be responsible for the acts and omissions of all persons to whom it may delegate any of its functions as manager as if they were its own acts and omissions;
- (c) keep at its registered office, proper books of accounts and records to enable a complete and accurate view to be formed of its assets, liabilities, income and expenditure;
- (d) prepare and transmit its annual report, together with a copy of the balance sheet and profit and loss account, prepared in compliance with the requirements set out in the Companies Act, 2017 (XIX of 2017) and the Schedules thereto, and the auditor's report within three months of closing of the accounting period to the investors;
- (e) prepare and transmit to the investors and the Commission a profit and loss account for, and balance sheet as at the end of that half year, whether audited or otherwise;
- (f) keep a register of investors at its registered office;
- (g) appoint an auditor or auditors who shall be a chartered accountant within the meaning of the Chartered Accountants Ordinance, 1961 (X of 1961), in accordance with the relevant provisions of the Companies Act, 2017; provided that the auditors so appointed shall be a person other than the auditor of the originator.
- (h) furnish a copy of annual report together with copies of its balance sheet, profit and loss account and the auditor's report to the Commission within such time period as prescribed in the Companies Act, 2017 (XIX of 2017) together with a statement containing the following information namely:
 - (i) total number of investors; and
 - (ii) particulars of its directors, or executives as the case may be.

15g. Special Purpose Vehicle and the Originator relationship.— (1) The Originator and SPV shall be independent of each other.

(2) The Originator may established a 100% owned SPV subject to compliance of the following conditions:

- (i) the assets shall be transferred from the originator to its subsidiary SPV strictly on true sale basis;
- (ii) all transactions between SPV and the originator shall be conducted at arms length /commercial basis;
- (iii) the offering document issued by the SPV shall clearly disclose the relationship and any other interests between the originator and SPV;
- (iv) the Board of SPV shall comprise of two third independent directors and CEO of SPV shall be from amongst the independent directors;
- (v) the originator shall have no role in decision making process of SPV w.r.t securitization transaction.

(3) The Board of Directors of the SPV shall be responsible to ensure compliance with the above mentioned conditions.

15h. Credit enhancement and liquidity facilities.- (1) A special purpose vehicle may opt for credit enhancement of the asset pool, subject to making full disclosures of the arrangements in the offer document.

(2) A special purpose vehicle may avail the services of a liquidity provider, subject to making full disclosures of the arrangements in the offer document or the particulars submitted to the securities exchange.

15i. Servicers.- (1) A special purpose vehicle may appoint either the originator or any other person as Servicer in respect of any of its schemes.

(2) The Servicer appointed by the special purpose vehicle shall perform the following functions, namely:-

- (i) to coordinate with the obligors, manage the asset pool and collections therefrom;

(ii) administer the cash flows of such asset pool, distributions to investors; and reinvestment, if any, in accordance with the scheme; and

(iii) manage incidental matters.

(3) Where a special purpose vehicle appoints the originator as servicer, it shall adopt internal procedures designed to avoid conflict of interest and shall provide such information to the Commission.

(4) The investment agent shall ensure that the Servicer keeps proper accounts in respect of the activities delegated to him and that the servicer has adequate operational systems and resources to administer the asset pool in relation to a securitization transaction.

15j. Credit rating.- (1) No special purpose vehicle shall offer securitized debt securities or shariah compliant securitized instruments unless credit rating of the Instrument is obtained from a credit rating agency registered with the Commission.

(2) All credit ratings obtained by a special purpose vehicle on the securitized instruments shall be disclosed in the offer document.

(3) A credit rating agency rating the securitized instruments issued by a special purpose vehicle shall include reference to the following in the rating rationale:

- (i) quality of the asset pool and the strength of cash flows;
- (ii) payment structure;
- (iii) adequacy of credit enhancements;
- (iv) originator profile;
- (v) risks and concerns for investors and mitigating factors;
- (vi) quality and experience of the servicer, if any.
- (vii) terms of the servicer contract;
- (viii) provision for appointment of back-up servicer, if any;
- (ix) any other relevant information.

15k. Requirements for Assets that may be securitized

(1) The assets that are the subject matter of a securitization transaction must fulfil all of the following criteria:

- (i) the assets must generate cash flow;
- (ii) the Originator has a valid and enforceable interest in the assets and in the cash flows of the assets prior to any securitization transaction;
- (iii) no impediments (contractual or otherwise) that prevent the effective transfer of the assets or the rights in relation to such assets from an originator to an SPV. All necessary regulatory or contractual consents have been obtained in order to effect the transfer of such assets from an Originator to an SPV
- (iv) the assets are transferred at a fair value;
- (v) no third party's interest appears to exist in competition with an originator's interest over the assets; and
- (vi) any transfer of assets by an originator to an SPV must comply with the true sale criteria.

(2) Where the issue, offer or invitation of asset backed securities is Islamic in nature, the assets that are the subject matter of the securitization transaction must be acceptable in accordance with Shariah principles.

15l. Disclosures in the Offering Document.- The special purpose vehicle shall prepare the draft prospectus as per the format and disclosures prescribed in **Twelve Schedule** of the Regulations.”; and

(4) after the Eighth Schedule, the following new Schedules shall be inserted, namely:-

“Ninth Schedule

FIT AND PROPER CRITERIA

[see Regulation 12(b)]

Fit and proper criteria for Promoters / Sponsors, directors, chief executive and officer & employees of Special Purpose Companies (SPCs).

(A) Application and Scope:

The Fit and Proper Criteria in relation to Special Purpose Companies (SPCs) shall be applicable to the following persons:

- (i) Promoters or sponsors;
- (ii) Directors and chief executive officer; and
- (iii) Officer and employees.

(B) Integrity and Track Record:

A person shall not be considered Fit and Proper if he:

- (i) has been convicted of an offence involving moral turpitude, fraud or breach of trust;
- (ii) has been involved in the mismanagement of investments, financial or business misconduct, fraud etc.;
- (iii) has been suspended or barred from capital market activities;
- (iv) has been subject to adverse findings, after conducting an inquiry, by the Commission or any other regulatory or professional body or government agency;
- (v) has been actively involved in the management of a company or firm whose registration or license has been revoked or cancelled or which has gone into liquidation or other similar proceedings due to mismanagement of affairs, financial misconduct or malpractices;
- (vi) is ineligible, under the Act, Companies Act or any other legislation or regulation, from acting as a director or serving in a managerial capacity of a company;
- (vii) found involved in money laundering or terrorist financing, illegal deposit taking/ banking business/ financial dealings;
- (viii) has been adjudged as insolvent or has suspended payment or has compounded with his creditors;

- (ix) The fitness and propriety of any person shall be assessed by taking into account all the relevant factors including but not limited to the following:
 - (a) Integrity and track record of such person;
 - (b) Competence and capability of the person; and
 - (c) Conflict of interest of such person;

Undertaking from all the sponsors, directors and key management with regard to the above shall be enclosed along with application for registration as SPC.

(C) Competence and Capability:

In determining a person's competence and capability the following shall be considered:

- (i) the chief executive and director must be fully conversant with their duties as prescribed under the statutes, rules and regulations; and
- (ii) in case of promoters or sponsors or directors, should have special knowledge of matters which the company may have to deal with as a SPC.

(D) General:

- (i) The Fit and Proper Criteria is perpetual in nature and SPC shall ensure compliance with the provisions of Fit and Proper Criteria;
- (ii) In case of any change in status result in non-compliance with the Fit and Proper Criteria, the SPC shall immediately stop the person from performing his assigned functions, inform the Commission and initiate the process for replacement of the individual with a fit and proper individual;
- (iii) All persons subject to Fit and Proper Criteria shall report any change with reference to their fitness and propriety to the SPC within three business days of such change taking effect and SPC shall within three business days from the date of receipt, report the same to the Commission;
- (iv) Any violations or circumvention of the Fit and Proper Criteria shall be dealt with under the provisions of the Act; and

- (v) All persons subject to fit and proper criteria shall submit an affidavit to the Commission affirming under the oath that the person meets the fit and proper criteria and it has no overdue payment of any financial institution.

Tenth Schedule

FORM I

[see regulation 12(a)]

APPLICATION FOR REGISTRATION AS A SPECIAL PURPOSE COMPANY (SPC)

To

The Securities and Exchange Commission of Pakistan,

Islamabad.

Dear Sir,

1. We hereby apply for registration of _____ [Name of Company] as a Special Purpose Acquisition Company (SPAC)/Special Purpose Vehicle (SPV) under regulation 12(a) of the Public Offering Regulations, 2017 (the Regulations).

2. Certified true copies of all the documents as specified in **Annexure-A** are enclosed.

Yours faithfully,

Signature of the Chief Executive

Annexure-A

Information and documents to be provided along-with application for registration as a Special Purpose Company (SPC) [see regulation 12(a)]

1. Brief history of the applicant containing the name of the applicant, date and place of its incorporation and profile of its promoters/sponsors and directors;
2. Copy of the securitization transaction summary/brief. (in case of SPV)
3. Undertakings by the directors/ investment agent / custodian (in case of SPAC) on non-judicial stamp papers attested by Oath Commissioner regarding compliance with the requirements of Regulations;
4. Certificate from a Chartered Accountant certifying that future receivables or cash flows have been properly calculated based on track record of the Company or considering the nature and viability of the project for which funds are to be raised through securitization; (in case of SPV);
5. Affidavits/undertakings from the promoters, directors of the SPC that they meet the fit & proper criteria as required under regulation 12(b) of the Regulations, duly attested by Oath Commissioner;
6. Profiles of the directors and sponsors/ of the SPC containing the details regarding their professional experience;

7. Forms 28 and 29 duly certified from the concerned Company Registration Office (CRO);
 8. Confirmation by the legal advisor of the Originator that true sale criteria for sale of receivables to SPV has been met; (in case of SPV)
 9. Copies of all other approvals required under any law and/or contract;
 10. Paid e-challan evidencing payment of Rs.100,000/- as application filing fee;
 11. Undertaking, on Non-Judicial Stamp Paper, from the Chief Executive or any Director/Sponsor of the SPC authorized by the Board of Directors to the effect that the SPC shall comply with the requirements of the Regulations;
 12. Undertaking, on Non-Judicial Stamp Paper, from the Sponsor/Promoters of SPAC to the effect that they shall not utilize the amount of fund raised from the public for any other purpose except for merger or acquisition transaction and related expenses as permitted under these regulations.
 13. Power of attorney by the SPC in favor of consultants/advisors, if any;
 14. Credit Rating Report of the instrument and that of the originator; (in case of SPV).
 15. Certificate of Incorporation, Memorandum and Articles of Association/constitutive document of SPC;
 16. Copy of the Information Memorandum, if any;
 17. Copies of the audited accounts of the Originator for the last five (5) years; (in case of SPV); and
 18. Performance Guarantee by the Originator to Prime Obligation(s) in case the future receivables purchased by the SPV from the Originator are used as security. (in case of SPV).
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Eleven Schedule

[Format of the Prospectus - SPAC]

ADVICE FOR INVESTORS

INVESTORS ARE STRONGLY ADVISED IN THEIR OWN INTEREST TO CAREFULLY READ THE CONTENTS OF THIS PROSPECTUS, ESPECIALLY THE RISK FACTORS GIVEN PART -- OF THIS PROSPECTUS BEFORE MAKING ANY INVESTMENT DECISION.

SUBMISSION OF FALSE AND FICTITIOUS APPLICATIONS IS PROHIBITED AND SUCH APPLICATIONS' MONEY MAY BE FORFEITED UNDER SECTION 87(8) OF THE SECURITIES ACT, 2015.

ADVICE FOR INSTITUTIONAL INVESTORS AND HIGH NET WORTH INDIVIDUAL INVESTORS

A SINGLE INVESTOR CANNOT SUBMIT MORE THAN ONE BIDDING APPLICATION EXCEPT IN THE CASE OF UPWARD REVISION OF BID. IF AN INVESTOR SUBMITS MORE THAN ONE BIDDING APPLICATION THEN ALL SUCH APPLICATIONS SHALL BE SUBJECT TO REJECTION.

SUBMISSION OF CONSOLIDATED BID IS PROHIBITED UNDER PUBLIC OFFERING REGULATIONS, 2017. A BID APPLICATION WHICH IS BENEFICIALLY OWNED (FULLY OR PARTIALLY) BY PERSONS OTHER THAN THE ONE NAMED THEREIN SHALL BE DEEMED TO BE A CONSOLIDATED BID.

PLEASE NOTE THAT A SUPPLEMENT TO THE PROSPECTUS SHALL BE PUBLISHED WITHIN THREE WORKING DAYS OF THE CLOSING OF THE BIDDING PERIOD WHICH SHALL CONTAIN INFORMATION RELATING TO THE STRIKE PRICE, THE OFFER PRICE, COMMITMENT BY THE SUCCESSFUL BIDDERS FOR SUBSCRIBING THE UNDERSUBSCRIBED RETAIL PORTION IN CASE OF HUNDRED PERCENT BOOK BUILDING, CATEGORY WISE BREAKUP OF THE SUCCESSFUL BIDDERS ALONG WITH

Company Name (xyz SPAC/Acquisition Co. Ltd.) &

PROSPECTUS

..... (name of the company) is incorporate on.....(date) and registered as a Special Purpose Acquisition Company (SPAC). The money raised through IPO will be used for acquisition of company(ies) or merging with company within a period of two years from the date of listing of SPAC on the exchange.

SPAC currently does not have any specific business combination under consideration and that the SPAC's officers and directors have neither individually selected nor considered a target business for the business combination nor have they had any discussions regarding possible target businesses among themselves or with underwriters or other advisors

For more information about Company, please refer to its website at at <http://----->

Contact person of the Company: Mr./Ms.-----Phone-----Email:.....

Issue Size: The Issue consists of ----- Ordinary Shares (i.e. ---% of the total post-IPO paid up capital of(name of company) of face value of PKR 10/- each. [Plz also disclose the size of warrants and features, If the issue also consists of warrants, convertible in to shares post acquisition or merger]

Method of Offering: 75% / 100% Book Building Method (whichever is applicable)

Book Building method and Floor Price: The entire Issue will be offered through book building method at a Floor Price of PKR --/- per share (including premium (if any) of PKR --/- per share with a price band of upto 40%. Justification of premium is given under “Valuation Section”, i.e. Section ---). The bidders shall be allowed to place bids for hundred percent (100%/75%(whichever is applicable) of the Issue size and the Strike Price shall be the price at which the hundred percent (100%/75%(whichever is applicable) of the Issue is subscribed. However, the successful bidders shall be provisionally allotted only seventy-five percent (75%)(in case of 100% book building) of the Issue size i.e. ----- shares and the remaining twenty five percent (25%) i.e. ----- shares shall be offered to the retail investors.

Retail/general public portion: General Public portion of the Issue comprises of ----- ordinary shares (---- of the total issue) at the Strike Price. In case retail portion of the Issue remains unsubscribed, the unsubscribed shares will be allotted to the successful bidders of book building on a pro rata basis.

Public Comments: The Draft Prospectus was placed on PSX’s website for seeking public comments starting from -----(date) to -----(date). The comments received have been duly responded/incorporated by the Lead Manager.

REGISTRATION OF ELIGIBLE INVESTORS: The registration of eligible investors will commence at 9:00 am on ---- (date) and will close at 3:00 pm on ----(date)

BIDDING PERIOD DATES: From -----(date) to -----(date) (From: 9:00 am to 5:00 pm)

DATE OF PUBLIC SUBSCRIPTION: From -----(date) to -----(date) (both days inclusive) From: 9:00 am to 5:00 pm

| Lead manager/ consultant to the issue | Book runner | Custodian |
|--|---|------------------|
| Bankers to the Book Building portion of the Issue | Bankers to the Issue (Retail Portion)* | |

*Online applications can be submitted through Centralized E-IPO system (CES) of Central Depository Company of Pakistan Limited (CDC) and ---(name of bank) e-IPO system. CES and --(name of bank) e-IPO system can be accessed via web link www.cdceipo.com and <http://www.---> respectively. For details please refer to section --- of the Prospectus.

In order to facilitate investors, -----Bank Limited (“--”) is providing the facility of electronic submission of application (e-IPO) to their account holders. ---[name of bank] account holders can use ---[name of bank] net banking to submit their application via link <http://----->. Further, please note that online applications can be submitted 24 hours a day during the subscription period which will close at midnight on -----[Date].

The Company is Proposed to be listed at the Pakistan Stock Exchange Limited

For investor education, please visit www.jamapunji.com.pk, and read the IPO Investor Guide placed at web link <https://www.secp.gov.pk/document/initial-public-offering-ipo-aconcise-guide-for-investors/?wpdmdl=29584> Jama Punji is an investor education initiative of the Securities & Exchange Commission of Pakistan.

Prospectus and Subscription Forms can be downloaded from the following websites <http://----->; <http://----->; and <http://----->

For further information/queries you may contact:

| | | |
|--------------------|-----------------------|-----------------------|
| Mr./Ms..... | Mr./Ms..... | Mr./Ms..... |
| Phone:..... | Phone:..... Email:... | Phone:..... Email:... |
| Email:... | | |

DATE OF PUBLICATION OF THIS PROSPECTUS: -----

UNDERTAKING BY THE ISSUER, CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER

DATE: -----

WE, Mr./Ms.------(name & designation) AND Mr./Ms.------(name & designation) OF ----- LIMITED hereby certify that:

1. We being the Chief Executive Officer and Chief Financial Officer of the issuer accept absolute responsibility for the disclosures made in this prospectus.
2. We hereby certify that we have reviewed this prospectus and that it contains all the necessary information with regard to the issue and constitutes full, true and plain disclosures of all material facts relating to the shares being offered through this prospectus and that nothing has been concealed.
3. The information contained in this prospectus is true and correct to the best of our knowledge and the opinions and intendeds expressed herein are honestly held.
4. This prospectus contains all information with regard to the issuer and the issue, which is material in the context of the issue and nothing has been concealed in this respect;
5. There are no other facts, the omission of which makes this prospectus as a whole or any part thereof misleading;
6. All requirements of the Securities Act, 2015, the disclosures in Public Offering Regulations, 2017 for preparation of prospectus, relating to approval and disclosures have been fulfilled; and all information as required under the Listing of Companies and Securities Regulations of the Pakistan Stock Exchange Limited has been disclosed in the Prospectus; and
7. No charges, fee, expenses, payments etc. have been committed to be paid to any person in relation to this public offering except for those as disclosed in the prospectus.
8. Whatever stated in Prospectus and the supporting documents is true and correct to the best of our knowledge and belief and that nothing has been concealed.
9. The funds raised through IPO shall be utilized only for the purpose of Acquisition or Merger.

JOINTLY IN THEIR INDIVIDUAL CAPACITY AND FOR AND BEHALF OF -----
----- LIMITED

-sd-

-sd-

Witness-1

Witness-2

Mr./Ms.....

Mr./Ms.....

PRESIDENT & CEO

CHIEF FINANCIAL OFFICER

UNDERTAKING BY THE COMPANY AND SPONSORS

The Company and its sponsors undertakes:

1. The SPAC has been formed for the sole purpose of merger and/or acquisition and the funds raised from IPO shall be utilized for the said purpose;
2. That neither Issuer nor its directors, sponsors or substantial shareholders have been holding the office of the directors, or have been sponsors or substantial shareholders in any company:
 - (i) which had been declared defaulter by the securities exchange or futures exchange;
or
 - (ii) whose TRE Certificate has been cancelled or forfeited by the Exchange, PMEX or any other registered stock exchange of Pakistan that existed prior to integration of stock exchanges pursuant to Integration Order number 01/2016 dated January 11, 2016 issued by SECP due to noncompliance of any applicable rules, regulations, notices, procedures, guidelines etc. which has been de-listed by the securities exchange due to non-compliance of its regulations.
 - (iii) which has been de-listed by the Exchange due to its non-compliance of any applicable provision of PSX Regulation.
3. That none of the Sponsors, Major Shareholders, Directors or Management of the Company as well as the Company itself or its Associated Company / Entity have been found guilty of being engaged in any fraudulent activity. The Company have made full disclosure regarding any / or all cases in relation to involvement of the person named above in any alleged fraudulent activity i.e.,

pending before any Court of Law / Regulatory Body / Investigation Agency in or outside of the Country.

-sd-

-sd-

Witness-1

Witness-2

Mr./Ms.....

Mr./Ms.....

For and on behalf of the Issuer

For and on behalf of the
Sponsors

UNDERTAKING BY THE CONSULTANT TO THE ISSUE

The General Manager

Pakistan Stock Exchange Limited

Stock Exchange Limited

Stock Exchange Road

Karachi

Being mandated as Consultant to this Initial Public Offering of shares of -----
SPAC Limited, we hereby confirm that;

- (i) all material information as required under the Companies Act, 2017, the Securities Act, 2015, the Listing of Companies and Securities Regulations of the Pakistan Stock Exchange Limited and the Public Offering Regulations, 2017 has been disclosed in this Prospectus and that whatever is stated in Prospectus and in the supporting documents is true and correct to the best of our knowledge and belief and that nothing has been concealed.
- (ii) We have examined the business model and audited financial statements of the Issuer and based on the same, material information, including risks that would enable the investor to make an informed decision, has been disclosed in the Prospectus.

For and on behalf of ----- Limited

- sd-

- sd-

Witness-1

Witness-2

Mr./Ms.-----

Mr./Ms.-----

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[Designation]

[Designation]

Date: -----

UNDERTAKING BY THE BOOK RUNNER

The Chief Executive

Pakistan Stock Exchange Limited

Stock Exchange Building

Stock Exchange Road

Karachi

Being mandated as the Book Runner to this Initial Public Offering of ----- Limited through the Book Building process, we hereby confirm that all material information as required under the Securities Act, 2015, the Listing of Companies and Securities Regulations of the Pakistan Stock Exchange Limited and the Public Offering Regulations, 2017 has been disclosed in this Prospectus and that whatever is stated in Prospectus and in the supporting documents is true and correct to the best of our knowledge and belief and that nothing has been concealed.

For and behalf of --- Limited.

- sd-

- sd-

Witness-1

Witness-2

Mr./Ms.-----

Mr./Ms.-----

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[Designation]

[Designation]

Date: -----

Note: This Supplement shall be published within 3 working days of the close of Bidding Period in at least all those newspapers in which the Prospectus of ----- Limited is published.

SUPPLEMENT TO THE PROSPECTUS

This Supplement is being published pursuant to The Public Offering Regulations, 2017 and in continuation of the Prospectus of ----- Limited earlier published on -----

----- **Limited (name of the company)**

- FLOOR PRICE : PKR ---/- PER SHARE
- STRIKE PRICE : PKR ---/- PER SHARE
- ISSUE PRICE: PKR ---/- PER SHARE
- PRICE BAND (40% above the FLOOR PRICE) : PKR ---/- PER SHARE

Note:

Since this Issue is being made through 100% book building with 25% allocation to retail investors, therefore, underwriting of the retail portion is not required. In case the Issue remains unsubscribed, the unsubscribed shares shall be allotted to the successful bidders on pro rata basis. The successful bidders have already given undertakings to subscribe such unsubscribed shares on pro rata basis.

| Category wise Breakup of Successful Bidders S. No | Category | No. of Bidders | No. of shares provisionally allocated |
|---|--------------------------------------|----------------|---------------------------------------|
| 1 | Commercial Banks | ● | ● |
| 2 | Development financial institutions | ● | ● |
| 3 | Mutual Funds | ● | ● |
| 4 | Insurance Companies | ● | ● |
| 5 | Investment Banks | ● | ● |
| 6 | Employees' Provident / Pension Funds | ● | ● |
| 7 | Leasing Companies | ● | ● |
| 8 | Modarabas | ● | ● |
| 9 | Securities Brokers | ● | ● |
| 10 | Foreign Institutional Investors | ● | ● |
| 11 | Any other Institutional Investors | ● | ● |
| Total Institutional Investors | ● | ● | |
| Individual Investors: | ● | ● | |
| 12 | Foreign Investors | ● | ● |
| 13 | Local | ● | ● |
| Total Individual Investors | ● | ● | |
| GRAND TOTAL | | | |

GLOSSARY OF ABBREVIATIONS AND TECHNICAL TERMS

| | |
|---|---|
| Issuer | ----- Limited |
| Board / BOD | Board of Directors of ----- Limited |
| BR | Book Runner |
| BVPS | Rs.---/- per share |
| CAGR | Compounded Annual Growth Rate |
| CDC | The Central Depository Company of Pakistan Limited |
| CDS | Central Depository System |
| Consultant to the Issue/ Lead Manger | ----- Limited |
| Custodian | ----- Limited |
| Conditions | The terms and conditions governing and regulating the Sukuk |
| CY | Calendar Year |
| DFI | Development Financial Institutions |
| EPS | Earnings per Share |
| FY | Financial Year |
| GOP | Government of Pakistan |
| PSX | Pakistan Stock Exchange Limited |
| PKR or Rs. | Pakistani Rupee |
| SECP or the Commission | Securities & Exchange Commission of Pakistan |
| SPAC | Special Purpose Acquisition Company |
| Transfer Agent & Balloter | ----- Limited |
| Transaction Legal Counsel | ----- |

Definitions:

| | |
|------------------------------------|--|
| Application Money | In case of bidding for shares out of the Book Building portion, the total amount of money payable by a successful Bidder which is equivalent to the product of the Strike Price and the number of shares to be allotted. |
| Banker to the Book Building | Any bank(s) with whom an account is opened and maintained by the Issuer for keeping the bid amount.----- Bank Limited and ----- Limited have been appointed, in this IPO, as the Bankers to the Book Building. |
| Bid | An indication to make an offer during the Bidding Period by a Bidder to subscribe for Shares of ----- Limited at a price at or above the floor price, including upward revisions thereto. An Eligible Investor shall not make a bid with price variation of more than 10% of the prevailing indicative strike price subject to a maximum price band of 40% of the Floor Price. Please refer to Section ----- for details. |
| Bid Amount | The amount equal to the product of the number of shares Bid for and the Bid price. |
| Bid Collection Center | Designated offices of the Book Runner, specified branches of any of the Scheduled Bank and offices of any other institutions specified by the Commission where bids are received and processed. For this Issue, addresses of the Bid Collection Centers are provided in <u>Section ----- of this Prospectus</u> . |
| Bid Price | The price at which bid is made for a specified number of shares. |

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| <p>Bid Revision</p> | <p>The Eligible Investors can revise their bids upward subject to the provision of regulation 10(2)(iii) of the PO Regulations. The bids can be revised with a price variation of not more than 10% from the prevailing indicative Strike Price in compliance with Regulation 10(2)(iii) of the PO Regulations.</p> <p>As per regulation 10(2)(vi) of the PO Regulations, the bidder shall not make downward revision both in terms of Bid Price and Bid Volume; Provided that in case of upward revision of the Bid Price, the number of shares Bid for i.e. Bid Volume may be adjusted ensuring that the bid amount or bid money remains the same.</p> <p>As per regulation 10(2)(vii) of the PO Regulations, the bidder shall not withdraw their bids.</p> |
| <p>Bidder</p> | <p>An Eligible Investor who makes bids for shares in the Book Building process.</p> |
| <p>Bidding Form</p> | <p>The form prepared by the Issuer for the purpose of making bids.</p> |
| <p>Bidding Period</p> | <p>The period during which bids for subscription of shares are received.</p> <p>The Bidding Period shall be of ---- days, from ----- to ----- ----_ both days inclusive (daily from 9:00 a.m. to 5:00 p.m.).</p> |
| <p>Book Building</p> | <p>A process undertaken to elicit demand for shares offered through which bids are collected from the Bidders and a book is built which depicts demand for the shares at different price levels.</p> |

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| <p>Book Building Account</p> | <p>An account opened by the Issuer with the Collection Bank. The Bidder will pay the Margin Money / Bid Amount through demand draft, pay order or online transfer in favor of this account as per the instructions given in Section ----- of this Prospectus and the balance of the Application Money, if any, shall be paid through this account after successful allocation of shares under Book Building.</p> |
| <p>Book Building Portion</p> | <p>The part of the total Issue allocated for subscription through the Book Building.</p> |
| <p>Book Runner</p> | <p>A securities broker or a scheduled bank who holds a valid license from the Commission to act as an Underwriter and has been appointed as Book Runner by the Issuer.</p> <p>----- Limited has been appointed as Book Runner for this Issue.</p> |
| <p>Book Building System</p> | <p>An online electronic system operated by the Designated Institution for conducting Book Building.</p> |
| <p>Centralized E-IPO System</p> | <p>In order to facilitate investors, the Central Depository Company of Pakistan (“CDC”) has developed a Centralized e-IPO System (“CES”) through which applications for subscription of securities offered to the general public can be made electronically. CES has been made available in this Issue and can be accessed through the web link (www.cdceipo.com). Payment of subscription money can be made through 1LINK’s member banks available for CES, list of which is available on above mentioned website.</p> <p>For making application though CES, investors must be registered with CES. Registration with CES is one time, free</p> |

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| | <p>of cost and can be done under a self-registration process by filling the CES registration form, which is available on the above mentioned web link 24/7 all around the year.</p> <p>Investors who have valid Computerized National Identity Card (CNIC), bank account with any of the commercial banks, email address, mobile phone number may register themselves with CES.</p> <p>CDS account (Investor account or sub account) is not mandatory for subscription of securities through CES. Investors who do not have CDS account can opt for IPO facilitation account.</p> <p>For further guidance and queries regarding CES and opening of CDS account, investors may contact CDC at phone number: 0800 – 23275 (CDCPL) and e-mail: info@cdcpak.com [please also mention name of the relevant person]</p> |
| <p>Collection Banks</p> | <p>----- Bank Limited and ----- Limited are the collection banks for the Book Building portion. For this purpose, ----- Bank Limited and ---- Limited have opened an account titled “-----”, Number: [----] at its [----] Branch, [---]. The Collection Banks shall keep and maintain the bid money in the said account. Once the Strike Price is determined and lists of successful bidders and successful applicants/allottees are finalized and shares are credited to the successful bidders and applicants, the Lead Manager, after obtaining NOC from PSX, may request in writing to the Collection Banks for transfer of the money of successful and accepted applications to the Issuer’s account(s).</p> |
| <p>Company /SPAC /Issuer</p> | <p>----- Limited (the “Company” or “SPAC” or “----”)</p> |

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|--------------------------------|--|
| Company’s Legal Advisor | ----- |
| Commission | Securities & Exchange Commission of Pakistan (“SECP”). |
| Consolidated Bids | A bid which is fully or partially beneficially owned by persons other than the one named therein. |
| Custodian | Means an investment agent, Bank or DFI engaged in regulated activities not being an associate of the SPAC appointed for securing the monies of investors in the escrow account. [As per Regulation #.....of Public Offering Regulations, 2017] -----Limited has been appointed as custodian for securing the monies of investors in the escrow account. |
| Designated Institution | Pakistan Stock Exchange Limited (“PSX”) is acting as the Designated Institution for this Issue and its book building system will be used for price discovery |
| Dutch Auction Method | The method through which Strike Price is determined by arranging all the Bid Prices in descending order along with the number of shares and the cumulative number of shares bid for at each Bid Price. The Strike Price is determined by lowering the price to the extent that the total number of shares Issued under the Book Building Portion are subscribed. |
| e-IPO facility | E-IPO is submission of application for subscription of securities electronically through internet, Automated Teller Machines (ATM) and mobile phones. In order to facilitate the public during IPOs, SECP has introduced the concept of e-IPO. The following two systems are available for e-IPOs: |

I. Centralized e-IPO System (CES):

In order to facilitate investors, the Central Depository Company of Pakistan (“CDC”) has developed a Centralized e-IPO System (“CES”) through which applications for subscription of securities offered to the general public can be made electronically. CES has been made available in this Issue and can be accessed through the web link (www.cdceipo.com). Payment of subscription money can be made through ILINK’s member banks available for CES, list of which is available on above website.

For making application though CES, investors must be registered with CES. Registration with CES is free of cost and can be done under a self-registration process by filling the CES registration form, which is available 24/7 all around the year. Investors who have valid Computerized National Identity Card (CNIC), bank account with any of the commercial bank, email address, mobile phone number may registered themselves with CES.

CDS account (Investor account or sub account) is not mandatory for subscription of securities through CES. Investors who do not have CDS account can opt for IPO facilitation account.

Investors who opts for IPO facilitation account are required to open CDS account after public subscription process.

For information relating to CDS account, investors may visit www.cdcpakistan.com.

Investors who are registered with CES can submit their applications through the web link www.cdceipo.com 24

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| | <p>hours a day during the subscription period which will close at midnight on [.]</p> <p>In addition to the above, CDC has also introduced a new facility in CES through which sub-account holder(s) can request their respective TREC Holders who are Participants in Central Depository System (CDS) to make electronic subscription on their behalf for subscription of securities by authorizing (adding the details of) their respective Participant(s) in CES.</p> <p>For further guidance and queries regarding CES and opening of CDS account, investors may contact CDC at phone number: 0800 – 23275 (CDCPL) and e-mail: info@cdcpak.com or Mr. ----- at Phone ---- and email: --- -----.</p> <p>(i) e-IPO facilities by Bankers to the Issue: Currently, ----- is providing e-IPO facilities to its accountholders.</p> <p>Account holders of ---- can submit their applications through the above mentioned link 24 hours a day during the subscription period which will close at midnight on [.]</p> |
| Escrow Account | <p>Means an escrow account maintained with a scheduled bank by a custodian appointed by the SPAC, to hold on its behalf, proceeds from issuance of securities by the SPAC. [As per Regulation #.....of Public Offering Regulations, 2017]</p> |

| | |
|-----------------------------------|---|
| Eligible Investor | An Individual and Institutional Investor whose Bid Amount is not less than the minimum bid size of PKR 1,000,000 (One Million Rupees only). |
| Floor Price | The minimum price per share set by the Issuer in consultation with Lead Manager. For this Issue, Floor Price is PKR ----/- per share. |
| General Public | All Individual and Institutional Investors including both Pakistani (residents & non-residents) and foreign investors. |
| Initial Public Offer (IPO) | Initial Public Offering or IPO means first time offer of securities to the general public. |
| Institutional Investors | <p>Any of the following entities:</p> <ul style="list-style-type: none"> ▪ A financial institution; ▪ A company as defined in the Companies Act, 2017; ▪ An insurance company established under the Insurance Ordinance, 2000; ▪ A securities broker; ▪ A fund established as Collective Investment Scheme under the Non-Banking Finance Companies and Notified Entities Regulations, 2008; ▪ A fund established as Voluntary Pension Scheme under the Voluntary Pension System Rules, 2005; ▪ A private fund established under Private Fund Regulations, 2015; ▪ Any employee's fund established for beneficial of employees; ▪ Any other fund established under any special enactment; ▪ A foreign company or any other foreign legal person; and ▪ Any other entity as specified by the Commission. |

| | |
|-------------------------|---|
| Issue | Total issue size ----- Ordinary Shares of -----Ltd. |
| Issue Price | The price at which Ordinary Shares of the Company are issued to the General Public. The Issue Price will be the Strike Price. |
| Issuer / SPAC | ----- Limited (the “Company” or “----”) |
| Key Employees | Chief Executive Officer, Directors, Chief Financial Officer and Company Secretary of the Company. |
| Lead Manager | Any person licensed by the Commission to act as a Consultant to the Issue. ----- Limited has been appointed as Lead Manager by the Issuer for this Issue. |
| Limit Bid | The bid at a Limit Price. |
| Limit Price | The maximum price a prospective Bidder is willing to pay for a share under Book Building. |
| Margin Money | The partial or total amount, as the case may be, paid by a bidder at the time of registration as an Eligible Investor. The Book Runner shall collect full amount of the bid money as Margin Money in respect of bids placed by an individual investor and not less than twenty five percent (25%) of the bid money as Margin Money in respect of bids placed by an institutional investors. |
| Minimum Bid Size | The Bid amount equal to One Million Rupees (PKR 1,000,000/-). |

| | |
|-----------------------------|--|
| Ordinary Shares | Ordinary Shares of -----Ltd. having face value of PKR 10.00/- each. |
| Permitted Investment | Means investments in Government securities, money market instruments and securities with investment grade ratings. [As per Regulation #.....of Public Offering Regulations, 2017] |
| Price Band | Floor Price with an upper limit of 40% above the Floor Price, allowing Bidder to make Bid at Floor Price or within the Price Band |
| Prospectus | Prospectus means any document described or issued as a prospectus and includes any document, notice, circular, material, advertisement, and offer for sale document, publication or other invitation offering to the public (or any section of the public) or inviting offers from the public for the subscription or purchase of any securities of a company. |
| Registration Form | The form which is to be submitted by the Eligible Investors for registration to participate in the Book Building process. |
| Registration Period | The period during which registration of bidders is carried out. The registration period shall commence three days before the start of the Bidding Period from <u>DD/MM/YYYY</u> to <u>DD/MM/YYYY</u> from 9:00 am to 5:00 pm and shall remain open till 3:00 pm on the last day of the Bidding Period. |
| PO Regulations | The Public Offering Regulations, 2017 [These regulations can be accessed through website http://-----] |

| | |
|---|--|
| Related Employees | Related Employees mean such employees of the Issuer, the Book Runner, the Underwriters, and the Consultants to the Issue, who are involved in the Issue. Please refer to Section 3.21.5 for further details. |
| Listing Regulations | Chapter 5 of the Rule Book of the Pakistan Stock Exchange Limited, titled ‘Listing of Companies and Securities Regulation’. [These regulations can be accessed through website http://-----] |
| Special Purpose Acquisition Company / SPAC | Means a Company, registered with the Commission for the sole purpose of performing merger or acquisition Transactions. |
| Sponsor | <ul style="list-style-type: none"> – A person who has contributed initial capital in the issuing company or has the right to appoint majority of the directors on the board of the issuing company directly or indirectly; – A person who replaces the person referred to above; and – A person or group of persons who has control of the issuing company whether directly or indirectly. <p>[As per clause (liv) of sub-regulation (1) of Regulation 2 of the Public Offering Regulations, 2017]</p> |
| Step Bid | Step Bid means a series of limit bids at increasing prices. In case of a step bid the amount of each step will not be less than Rupees One Million (PKR 1,000,000/-). [As per regulation No.2(1)(lia) of the Public Offering Regulations, 2017] |

| | |
|-------------------------------------|--|
| Strike Price | The price per ordinary share of the Issue determined / discovered on the basis of Book Building process in the manner provided in the Regulations, at which the shares are Issued to the successful bidders. The Strike Price will be disseminated after conclusion of Book Building through publication in at least all those newspapers in which the Prospectus was published and also posted on the websites of the Securities Exchange, Lead Manager, Book Runner and the Company. |
| Supplement to the Prospectus | The Supplement to the Prospectus shall be published within three (3) working days of the closing of the Bidding Period at least in all those newspapers in which the Prospectus was earlier published and disseminated through the Securities Exchange where shares are to be listed. |
| System | An online electronic system operated by the Designated Institution i.e. PSX for conducting Book Building. |

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PART 1:

APPROVAL, CONSENTS AND LISTING ON THE STOCK EXCHANGE

1.1. APPROVAL OF THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

Approval of the Securities and Exchange Commission of Pakistan (the “Commission” or the “SECP”) as required under Section 87(2), read with Section 88(1) of the Securities Act, 2015 (the “Act”) has been obtained for the Issue, circulation and publication of this Prospectus.

DISCLAIMER:

IT MUST BE DISTINCTLY UNDERSTOOD THAT IN GIVING THIS APPROVAL, SECP DOES NOT TAKE ANY RESPONSIBILITY FOR THE FINANCIAL SOUNDNESS OF THE ISSUER AND ANY OF ITS SCHEMES STATED HEREIN OR FOR THE CORRECTNESS OF ANY OF THE STATEMENTS MADE OR OPINIONS EXPRESSED WITH REGARDS TO THEM BY THE ISSUER IN THIS PROSPECTUS.

SECP HAS NOT EVALUATED QUALITY OF THE ISSUE AND ITS APPROVAL FOR ISSUE, CIRCULATION AND PUBLICATION OF PROSPECTUS SHOULD NOT BE CONSTRUED AS ANY COMMITMENT OF THE SAME. THE PUBLIC / INVESTORS SHOULD CONDUCT THEIR OWN INDEPENDENT DUE DILIGENCE AND ANALYSIS REGARDING THE QUALITY OF THE ISSUE BEFORE SUBSCRIBING.

1.2. APPROVAL OF THE PROSPECTUS BY THE PAKISTAN STOCK EXCHANGE LIMITED

The Prospectus for the issue of -----ordinary shares has been approved by the Pakistan Stock Exchange Limited (“PSX”) vide letter No. ---- dated -----, in accordance with the requirements of its Listing Regulations.

DISCLAIMER:

- A. PSX HAS NOT EVALUATED THE QUALITY OF THE ISSUE AND ITS APPROVAL SHOULD NOT BE CONSTRUED AS ANY COMMITMENT OF THE SAME. THE PUBLIC / INVESTORS SHOULD CONDUCT THEIR OWN INDEPENDENT INVESTIGATION AND ANALYSIS REGARDING THE QUALITY OF THE ISSUE BEFORE SUBSCRIBING.**
- B. THE PUBLICATION OF THIS DOCUMENT DOES NOT REPRESENT SOLICITATION BY PSX.**
- C. THE CONTENTS OF THIS DOCUMENT DOES NOT CONSTITUTE AN INVITATION TO INVEST IN SHARES OR SUBSCRIBE FOR ANY SECURITIES OR OTHER FINANCIAL INSTRUMENT BY PSX, NOR SHOULD IT OR ANY PART OF IT FORM THE BASIS OF, OR BE RELIED UPON IN ANY CONNECTION WITH ANY CONTRACT OR COMMITMENT WHATSOEVER OF PSX.**
- D. IT IS CLARIFIED THAT INFORMATION IN THIS PROSPECTUS SHOULD NOT BE CONSTRUED AS ADVICE ON ANY PARTICULAR MATTER BY PSX AND MUST NOT BE TREATED AS A SUBSTITUTE FOR SPECIFIC ADVICE.**
- E. PSX DISCLAIMS ANY LIABILITY WHATSOEVER FOR ANY LOSS HOWEVER ARISING FROM OR IN RELIANCE UPON THIS DOCUMENT TO ANYONE, ARISING FROM ANY REASON, INCLUDING, BUT NOT LIMITED TO, INACCURACIES, INCOMPLETENESS AND / OR MISTAKES, FOR DECISIONS AND /OR ACTIONS TAKEN, BASED ON THIS DOCUMENT.**
- F. PSX NEITHER TAKES RESPONSIBILITY FOR THE CORRECTNESS OF CONTENTS OF THIS DOCUMENT NOR THE ABILITY OF THE COMPANY TO FULFILL ITS OBLIGATIONS THEREUNDER.**

G. ADVICE FROM A SUITABLY QUALIFIED PROFESSIONAL SHOULD ALWAYS BE SOUGHT BY INVESTORS IN RELATION TO ANY PARTICULAR INVESTMENT.

1.3. DETAILS OF ANY OTHER APPROVALS (if applicable, along with terms & conditions be disclosed here)

1.4. FILING OF PROSPECTUS AND OTHER DOCUMENTS WITH THE REGISTRAR OF COMPANIES

----- [name of the issuer] has delivered to the Registrar of Companies as required under Sections 57 (1) of the Act, a copy of this Prospectus signed by all the Directors of -----
-----[name of the issuer].

1.6. LISTING AT PSX

Application has been made to PSX for permission to deal in and for quotation of the shares of the Company.

If for any reason the application for formal listing is not accepted by PSX or approval for formal listing is not granted by PSX before the expiration of twenty-one days from the date of closing of the subscription period / list or such longer period not exceeding forty-two days as may, within the said twenty-one days, be notified to the applicants for permission by the PSX, the Issuer undertakes that a notice to that effect will immediately be published in the press and will refund Application Money to the applicants without surcharge as required under the provisions of Section 69 of the Companies Act.

If any such money is not repaid within eight (08) days after the Company becomes liable to repay it, the Directors of the Company shall be jointly and severally liable to repay that money from the expiration of the eight day together with surcharge at the rate of two percent (2.0%) for every month or part thereof from the expiration of the eight day and, in addition, shall be

liable to a penalty of level 3 on the standard scale in accordance with the provisions of sub-section (2) of Section 69 of the Companies Act.

As required under sub-section (3) of Section 69 of the Companies Act, the Application Money including the Bid Money, in case of Book Building, shall be deposited and kept in a separate bank account in a scheduled bank so long as the Company may become liable to repay it under sub-section (2) of Section 69 of the Companies Act; and, if default is made in complying with the said sub-section (3), the Company and every officer of the Company who authorizes or permits the default shall be liable to a penalty of level 2 on the standard scale.

PART 2:

SUMMARY OF THE PROSPECTUS

2.1. Primary Business of the Issuer

----- Limited is incorporated on and registered with SECP as a special purpose acquisition company (SPAC) with the sole object of merger or acquisition. The issuer is

required to complete the merger/acquisition transaction within a period of two years from the date of its listing. The issuer intends to acquire/merge with companies operating the following sectors.

[Please mention the sector(s) wherein the issuer intends to perform acquisition or merger]

[Please also disclose whether or not the SPAC currently have any specific business combination under consideration.]

2.2 Management/Sponsors of SPAC:

The sponsors/promoter of SPAC comprised of the followings: [Please mention complete details of SPACs sponsors/promoter alongwith their expertise. In case of individuals their professional experience alongwith education. In case of companies, their area of operations and track record]:

| S.NO. | Name of Sponsors/Promoters | Area of Expertise alongwith years of experience | Professional Qualification | Major Achievements |
|-------|----------------------------|---|----------------------------|--------------------|
|-------|----------------------------|---|----------------------------|--------------------|

2.3. Salient Features of the Issue

The Issue consists of ----- Ordinary Shares (i.e. ---% of the total post-IPO paid up capital) of face value of PKR 10/- each. [If the issue also consists of issuance of warrants Plz also disclose the size of warrants and features]

The entire Issue of ---- Ordinary Shares will be offered through the Book Building process at a Floor Price of PKR ---/- per share with a price band of 40% above the floor price i.e. Rs. ---/- .The bidders shall be allowed to place bids for hundred percent (100%) (In case of 100%book building) of the Issue size and the Strike Price shall be the price at which the hundred percent (100%) of the Issue is subscribed. However, the successful bidders shall be provisionally allotted only seventy-five percent (75%) of the Issue size i.e. ----- shares and the remaining twenty five percent (25%) i.e. ----- shares shall be offered to the retail investors. Unsubscribed shares, if any,

of the General Subscription portion will be allocated to Successful Bidders of the Book Building portion on a pro-rata basis.

2.4 PRE AND POST ISSUE SHAREHOLDING OF THE SPONSORS

Post IPO, the share capital will increase from ----- ordinary shares to ---- ordinary shares. Given below is the Pre and Post Issue shareholding of the sponsors of the Company:

| S.No. | Name of Sponsor | Shareholding (Nos. of shares- Pre-Issue) | % | Shareholding (Nos. of shares- Post-Issue) | % |
|--------------|------------------------|---|----------|--|----------|
|--------------|------------------------|---|----------|--|----------|

2.5. PRINCIPLE PURPOSE OF THE ISSUE AND UTILIZATION OF PROCEEDS

The amount of funds raised from the issuance of shares shall be used by the Company for the purpose of acquisition/merger.

[The intended area/sector of acquisition/merger and the estimated cost of merger/acquisition should also be disclosed.]

2.6. FINANCIAL HIGHLIGHTS OF THE ISSUER

The total Paid up capital of the Company as onstood at Rs.....million.

2.7. OUTSTANDING LEGAL PROCEEDINGS

All the outstanding legal proceedings of the Issuer have been disclosed in Part ----. Further, there are /no outstanding legal proceeding other than the normal course of business involving sponsors, substantial shareholders and directors of Issuer and associated companies, over which the Issuer has control, that could have material impact on the Issuer.

2.8. RISK FACTORS

For key risk factors that may have an impact on the Company, its business and the Issue, please refer to Section ---of the Prospectus.

2.8. SUMMARY OF RELATED PARTY TRANSACTIONS

PART 3:

THE SPAC AND RELATED INFORMATION

3.1 The Company/SPAC

----- Limited is incorporated on and registered with SECP as a special purpose acquisition company (SPAC) with the sole object of merger or acquisition. The sponsors/promoters of SPAC include the followings:

The issuer is required to complete the merger/acquisition transaction within a period of two years from the date of its listing. The issuer intends to acquire/merge with companies operating the following sectors.

[Please also disclose whether or not SPAC currently have any specific business combination under consideration. If the SPAC is affiliated with a private equity group, then also disclose the members of the SPAC management team employed by the private equity group, which is continuously made aware of potential business opportunities, one or more of which the SPAC may desire to pursue for a business combination.]

[Please mention the sector(s) wherein the issuer intends to perform acquisition or merger]

3.2 PRINCIPLE PURPOSE OF THE ISSUE

The funds raised from the issuance of -----shares of SPAC shall be used by the Company for the purpose of acquisition/merger.

The intended area/sector of acquisition/merger and the estimated cost of merger/acquisition are as follows:

3.3 Minimum Fund Raised:

A Special Purpose Acquisition Company shall raise at least Rs.----million (not less than Rs. 200 million prescribed under the Regulations) to undertake a merger or acquisition transaction which will enable the SPAC to have a core business with sufficient size and scale relative to the industry in which the business operates; offer reasonable returns to investors based on the equity capital employed, relative to industry returns.; and enable the SPAC to acquire management control.

3.4 Obligations of SPAC

A Special Purpose Acquisition Company shall, -

- (ix) raise funds for the sole purpose of merger or acquisition and complete the transaction within permitted time frame as per these regulations;
- (x) list the acquired entity within a period of two years from the date of acquisition.;
- (xi) not utilize the amount of fund raised for any other purpose except merger or acquisition of companies;
- (xii) open an escrow account and deposit therein at least 90% of the fund raised through issuance of securities;
- (xiii) secure and maintain custodial arrangements at all times over the monies in the escrow account until the termination of the escrow account.
- (xiv) be obliged to manage its assets in the interest of the investors in good faith and to the best of its ability and without gaining any undue advantage for itself or any of its related parties, associates or its officers;
- (xv) shall ensure that at least 51% of its shares are held by the sponsors for a period of at least three years from the date of listing;

3.5 Shareholders approval

Each merger or acquisition transaction shall be approved by the shareholders by way of special resolution. The shareholder disapproving the merger or acquisition transaction are entitled for refund of their money out of Escrow account as per entitlement.

3.6 Refund to Investors

A SPAC can make refund to the entitled shareholders from the Escrow account as follows:

- (iii) where the company is unable to complete the merger or acquisition transaction within the stipulated time period of twenty four (24) months;
- (iv) to those entitled shareholders, who do not approve the merger or acquisition transaction.

3.7 Rights of holders of voting securities who vote against a qualifying acquisition

Holders of voting securities, other than the members of the management team and persons connected to them, who voted against a merger or acquisition transaction must be—

- (iii) entitled to receive, in exchange for their securities, a sum equivalent to a pro rata portion of the amount then held in the escrow account, net of any taxes payable and expenses related to the facilitation of the exchange, provided that such merger or acquisition transaction is approved and completed within the permitted time frame; and
- (iv) paid as soon as practicable upon completion of the merger or acquisition transaction should they elect to exchange their securities. The securities tendered in exchange for cash must be cancelled. In complying with this requirement, the SPAC must specify, in the circular to shareholders in relation to the qualifying acquisition, the timeframe for payment to holders of securities electing to exchange their securities. The SPAC must also demonstrate that this timeframe is reasonable, including providing details of all milestones or steps to be taken.

3.8 Management of escrow account

SPAC shall place at least 90% of the funds raised in an escrow account immediately upon receipt of all proceeds.

The monies in the escrow account can be released by the custodian upon termination of the escrow account. The escrow account can be terminated following the completion of all merger or acquisition within the permitted time frame; or upon liquidation of the SPAC.

The proceeds in the escrow account can be invested in permitted investments. Any income generated by the funds held in the escrow account, including profit or dividend income derived from the permitted investments, must accrue to the escrow account.

The fund raised that are not placed in the escrow account may be utilized to defray expenses related to the initial public offering/private placements and operating costs, fund the search for a target business and complete the qualifying acquisition.

3.9 Additional financing

SPAC can raise additional funds by way of rights issue, other than right issue or through secondary public offering to complete its merger or acquisition transaction within the stipulated time period subject to the condition that it shall deposit at least 90% of the proceeds into escrow account immediately upon its receipt.

Where a SPAC proposes to obtain debt financing, the SPAC must ensure that any credit facility obtained prior to the completion of the merger or acquisition may only be drawn down after the approval of the merger or acquisition. The funds from the credit facility obtained must be applied towards the financing of the merger or acquisition, defraying related costs or enhancing the business(es) acquired under the merger or acquisition; and

The monies in the escrow account must not be used as collateral for the debt financing.

3.10 Time frame for completion of acquisition/merger

SPAC must complete the merger or acquisition transaction within the permitted time frame of twenty four (24) months from the date of listing on the exchange.

3.11 Custodian roles and responsibilities

SPAC must secure and maintain custodial arrangements at all times over the monies in the escrow account until the termination of the escrow account. The funds raised by SPAC from issuance of securities shall be kept by the custodian in escrow account, in accordance with the custodian agreement, and applicable laws. A custodian must take appropriate measures to ensure the safekeeping of the monies held in the escrow account.

A custodian must ensure that proper accounting records and other records as necessary are kept in relation to the escrow account; and custody and control of monies held in the escrow account is in accordance with the provisions of the custodian agreement. A custodian can invest the amounts held in the escrow account in permitted investments.

3.12 Winding up / liquidation of SPAC

SPAC which fails to complete merger or acquisition transaction within the permitted time frame shall notify the Commission and the concerned stock exchange of the same fact within seven days of the lapse of permitted time. The Commission may if deem appropriate, upon request by the SPAC extend the permitted time by a further period of six months.

The registration of SPAC which failed to complete the merger or acquisition transaction within the permitted time frame or extended time frame shall stand cancelled after lapse of the permitted time. The sponsors of the SPAC then initiate the process of its winding up.

The amount then held in the escrow account(s), net of any taxes payable and direct expenses related to the liquidation distribution, must be distributed to the respective holders of voting securities on a pro rata basis within thirty days after the expiry of permitted time .

Any income earned from permitted investments accruing in the escrow account will form part of the liquidation distribution.

Members of the management team and persons connected to them shall not participate in the liquidation distribution, other than in relation to securities purchased by them after the date of listing.

After successful completion of the acquisition and lock in period of three years as per regulation 12(h), the sponsors of SPAC shall initiate the process of its winding up.

3.13 Fair value of acquisition.

The acquisition, which may comprise more than one acquisition, must have an aggregate fair market value equal to at least 80% of the aggregate amount in the escrow account, net of any taxes payable. The fair market value should be supported by a competent valuer's report.

PART 4

SHARE CAPITAL AND RELATED MATTERS

4.1 Share Capital

(i) Authorized Share Capital:

| Description | No. of Shares | Amount |
|--------------------|----------------------|---------------|
| | | |

(ii) Issued, Subscribed, & Paid Up Share Capital:

| Description | No. of Shares | Premium (if any) | Amount |
|-----------------------------|----------------------|-------------------------|---------------|
| Issued for Cash: | | | |
| Issued for Other than cash: | | | |
| Total | | | |

(iii) Shares held by Directors/Sponsors of the Company:

| Description | No. of Shares | % | Premium (if any) | Amount |
|-----------------------------|----------------------|----------|-------------------------|---------------|
| Issued for cash: | | | | |
| Issued for Other than cash: | | | | |
| Total | | | | |

(iv) Present Issue Size:

| Description | No. of Shares | % | Premium (if any) | Amount |
|------------------------------|----------------------|----------|-------------------------|---------------|
| Book building Portion | | | | |
| Retail Portion | | | | |
| Total | | | | |

(v) Sponsors shares to be kept in blocked form

Sponsor shareholding to be kept in blocked form for a period of three years are as follows:

| Sponsors | Shareholding | % Post IPO Paid-up Capital |
|-----------------|---------------------|-----------------------------------|
| | | |

4.2 Present Issue

The Issue comprises of ----- Ordinary shares of face value worth PKR 10/- each.

The entire Issue of ----- Ordinary Shares will be offered through the Book Building process at a Floor Price of PKR ----/- per share with price band of Rs. --- per share

The bidders shall be allowed to place bids for hundred percent (100%)(in case of 100% book building) of the Issue size and the Strike Price shall be the price at which the hundred percent (100%) of the Issue is subscribed. However, the successful bidders shall be provisionally allotted only seventy-five percent (75%) of the Issue size i.e. ----- shares and the remaining twenty five percent (25%) i.e. ---- shares shall be offered to the retail investors.

Unsubscribed shares, if any, of the General Subscription portion will be allocated to Successful Bidders of the Book Building portion on a pro-rata basis.

4.3 FLOOR PRICE

The ordinary shares of -----SPAC Ltd are being offered at Floor Price (in case of book building) of PKR ----/- per share.

4.4 FEATURES OF WARRANTS (IF ANY)

The number of warrants to be issued and complete mechanism for conversion of warrants and tradability of warrants.

PART 5:

RISK FACTORS

5.1 Risk of Failure to find the target company:

The SPAC object is to find a suitable company for merger or acquisition. SPAC may be unable to find a suitable target within the stipulated time period.

5.2 Shortfall in Cost of Acquisition

SPAC may face short fall of funds due to rising prices or competition.

5.3 Foreign Exchange Risk

Currency risk is the risk of loss arising from the fluctuations of exchange rates.

5.4 Risk of Non-Compliance with Regulation of SECP and PSX

In the event of non-compliance with any regulatory requirements of SECP or PSX, the Company may be placed on the Defaulter Segment of PSX which may potentially hamper trading in the Company's shares leading up to potential suspension in trading as well.

5.5 Covid-19 Risk

In March 2020, the Government of Pakistan implemented a country wide lockdown in order to contain the spread of Covid-19 in the country. Consequently, significant reduction in traffic was witnessed particularly in large cities, although the transport of essential items continued. Despite a temporary slowdown in sales, the Company returned to normal levels after the lockdown was lifted.

Any unprecedented increase in Covid-19 cases could lead to market closure/lockdown, which may potentially impact the SPAC search for the target and may also potentially impact the timelines for implementation of merger/acquisition plan.

5.6 Under-subscription Risk

The Issue of ----- Limited may be under-subscribed due to lack of interest on the part of the investors. The book building process shall be considered as cancelled if: The Company does

not receive bids for the number of shares allocated under the Book Building portion; The Company does not receive at least 40 bids. The bid money submitted by investors shall be refunded subsequently.

5.7 Capital Market Risk

After being listed on the securities exchange, the price of Company's shares will be determined by market forces driven by socio-economic events (locally & internationally), capital & money market behavior, and Company's performance. The value of the Company's share will be subject to fluctuation based on combined impact of market forces identified above.

NOTE: IT IS STATED THAT ALL MATERIAL RISK FACTORS HAVE BEEN DISCLOSED AND THAT NOTHING HAS BEEN CONCEALED IN THIS RESPECT.

PART 6

FINANCIAL INFORMATION

CERTIFICATE BY THE AUDITOR ON ISSUED, SUBSCRIBED, AND PAID-UP-CAPITAL OF THE COMPANY TESTIFYING INJECTION OF SPONSORS EQUITY.

PART 7:

BOARD AND MANAGEMENT OF THE COMPANY

7.1 BOARD OF DIRECTORS OF THE COMPANY

| S. No | Name | Designation | Address | CNIC | Current Directorships | Past Directorships |
|--------------|-------------|--------------------|----------------|-------------|------------------------------|---------------------------|
| | | | | | | |

7.3 PROFILES OF DIRECTORS

[The profile should include, qualification, experience and major achievement of directors]

7.4 NUMBER OF DIRECTORS

Pursuant to Section 154 of the Companies Act, 2017 a listed Company shall not have less than seven (7) directors. At present, the Board consists of 7 directors, including the Chief Executive Officer.

7.5 PROFILE OF SENIOR MANAGEMENT

7.6 QUALIFICATION OF DIRECTORS

No person shall be appointed as a Director of the Company who is ineligible to be appointed as Director on any one or more of the grounds enumerated in Section 153 of the Companies Act or any other law for the time being in force.

7.7 APPOINTMENT AND ELECTION OF DIRECTORS AND CHIEF EXECUTIVE

The directors of the Company are elected for a term of three years in accordance with the procedure laid down in section 159 of the Companies Act and Article 87.

As per Article --, the directors shall comply with the provisions of Sections 154 to 159 and Sections 161 and 167 relating to the election of Directors and matters ancillary thereto.

As per article ---, any casual vacancy occurring on the Board of Directors may be filled up by the directors, but the person so appointed shall be subject to retirement at the same time as if he / she had become a Director on the day on which the Director in whose place he / she is chosen was last elected as Director.

As per Article ---, the Company may by resolution in general meeting, remove a director in accordance with the provisions of the Companies Act.

The current Board of Directors were appointed on -----.

7.8 INTEREST OF DIRECTORS AND PROMOTERS

The directors may be deemed to be interested to the extent of fees payable to them for attending the Board meetings. The Directors performing whole time services in the Company may also be deemed interested in the remuneration payable to them by the Company. The nominee directors have interest in the Company to the extent of representing the sponsors in the capital of the Company.

Following directors are holding ordinary shares of the Company:

7.9 INTEREST OF DIRECTORS AND PROMOTERS IN PROPERTIES/ASSETS AND PROFIT OF THE COMPANY

7.10 REMUNERATION OF THE DIRECTORS

7.11 BENEFITS TO PROMOTERS AND OFFICERS

7.12 VOTING RIGHTS

7.15 BORROWING POWERS OF DIRECTORS

7.16 POWERS OF DIRECTORS

7.17 INDEMNITY AVAILABLE TO DIRECTORS AND OTHER EMPLOYEES OF THE COMPANY

7.18 CORPORATE GOVERNANCE

PART 8

LEGAL PROCEEDINGS AND OVERDUE LOANS

8.1. Legal Proceedings against sponsors, company and management

[Please give details of legal proceedings, if any]

8.2. Overdue Loans

The[Issuer], its Chief Executive and directors, its sponsors, and its associated companies have/have no overdue loans (local and/or foreign currency).

PART 9

9 UNDERWRITING ARRANGEMENT, COMMISSION, BROKERAGE AND OTHER EXPENSES

9.1 UNDERWRITING

Book Building Portion

----- Limited has been appointed as the Book Runner to the Issue. The Book Runner will credit underwrite ----- shares being offered for subscription through the book building representing 100% of the Issue as required under regulation 7(6) of the PO Regulations, with the limitations in effect that the Book Runner shall only underwrite the default portion of the Book Building, if any, at the Strike Price determined through the Book Building process.

General Public Portion

The General Public Portion of the Issue has not been underwritten in terms of Regulation 7(4) of the Regulations.

9.2 BUY BACK / REPURCHASE AGREEMENT

THE BOOK RUNNER IN THE CAPACITY AS UNDERWRITER OF THE BOOK BUILDING PORTION HAS NOT ENTERED INTO ANY BUY BACK / RE-PURCHASE AGREEMENT WITH THE COMPANY OR ANY OTHER PERSON IN RESPECT OF THIS ISSUE OF SHARES.

ALSO, NEITHER THE COMPANY NOR ANY OF ITS ASSOCIATES HAVE ENTERED INTO ANY BUY BACK / RE-PURCHASE AGREEMENT WITH THE BOOK RUNNERS IN THE CAPACITY AS UNDERWRITER OR ITS ASSOCIATES. THE COMPANY AND ITS ASSOCIATES SHALL NOT BUY BACK / RE-PURCHASE SHARES FROM THE BOOK RUNNERS AND ITS ASSOCIATES TAKEN UP, IF ANY, BY IT IN CAPACITY AS THE BOOK RUNNER.

9.3 COMMISSION OF THE BANKERS TO THE ISSUE

Commission at the rate of 0.25% (inclusive of all taxes) of the amount collected on allotment in respect of successful applicants will be paid by the Company to the Bankers to the Issue for services to be rendered by them in connection with the Retail Portion of the Issue.

9.4 FEES AND EXPENSES FOR CENTRALIZED E-IPO SYSTEM (“CES”)

Commission on application received through CES will be paid to CDC which shall not be more than 0.8% of the amount of the successful applications. CDC will share, the fee with other participants of CES at a ratio agreed amongst them.

9.5 BROKERAGE

For this Issue, brokerage shall be paid to the TRE Certificate Holders of PSX at the rate of 1.00% of the value of shares (including premium, if any) on successful applications for Book Building and General Public Portion. No brokerage shall be payable in respect of shares taken up by the Successful Bidders pursuant to under subscription of retail portion of the Issue.

9.6 ESTIMATED EXPENSES OF THE ISSUE

Expenses to the Issue are estimated not to exceed PKR -----/-. The break-up of these preliminary expenses is given below:

| Particulars | Rate | Expense (PKR) |
|---|-------------|----------------------|
| Lead Manager and Book Runner Fees | | |
| Commission to banker for General Public | | |
| CDC e-IPO facility charges | | |
| E-IPO Banks Charges | | |
| Bankers to the issue out of pocket expenses | | |
| Broker's Commission | | |
| PSX Initial Listing fee | | |
| PSX Service fee | | |
| PSX Book Building software charges | | |
| Share Registrar, Transfer Agent and Balloting Agent | | |
| Marketing & Printing Expenses | | |

| | | |
|-------------------------------------|--|--|
| CDC Fresh Issue fee | | |
| CDC Annual Listing fee | | |
| SECP IPO Application Processing fee | | |
| Miscellaneous Expenses | | |
| Total | | |

PART 10:

MISCELLANEOUS INFORMATION

| | |
|--|--|
| <p>10.1. REGISTERED OFFICE / CENTRAL OFFICE</p> <p>Registered Office Address: -----</p> <p>Phone: -----</p> <p>Fax: -----Email: -----</p> <p>Website: -----</p> | <p>10.2. AUDITOR OF THE ISSUER</p> <p>M/s. -----, Chartered Accountants</p> <p>Address: -----.</p> <p>Contact No.: -----</p> <p>Email: -----</p> |
| <p>10.3. LEGAL ADVISORS OF THE ISSUER [Name and Contact details]</p> <p>1.-----</p> <p>2.-----</p> | <p>10.4. LEGAL ADVISOR TO THE ISSUE [Name and Contact details]</p> <p>1.-----</p> <p>2.-----</p> |
| <p>10.5. REGISTRAR AND TRANSFER AGENT</p> <p>-----Limited</p> <p>Office: ----- UAN: ----</p> <p>---</p> <p>FAX: -----</p> <p>Email & Website:: -----</p> | <p>10.6. CONSULTANT TO THE ISSUE</p> <p>-----Limited</p> <p>Address: -----Phone: -----</p> <p>Fax: -----</p> <p>Email & Website: -----</p> |
| <p>10.7 Custodian to the Issue</p> <p>-----Limited</p> <p>Office: ----- UAN: ----</p> <p>---</p> <p>FAX: -----</p> <p>Email & Website:: -----</p> | <p>10.8 Book Runner to the Issue</p> <p>-----Limited</p> <p>Office: ----- UAN: ----</p> <p>---</p> <p>FAX: -----</p> <p>Email & Website:: -----</p> |

| | |
|------------------------------------|-------------------------------------|
| 10.9. BANKERS TO THE BOOK BUILDING | 10.10 BANKERS TO THE RETAIL PORTION |
| 1.----- | 1.----- |
| 2.----- | 2.----- |

PATR 11:

MATERIAL CONTRACTS / DOCUMENTS RELATED TO THE ISSUE

11.1. UNDERWRITING AGREEMENTS

| S. No. | Underwriters Name | Amount (PKR) | Date of Agreement |
|---------------|--------------------------|---------------------|--------------------------|
|---------------|--------------------------|---------------------|--------------------------|

11.2. OTHER MATERIAL DOCUMENTS

| S. No. | Description | Date |
|---------------|---|-------------|
| 1 | Agreement with the Book Runner | |
| 2 | Agreement with the Custodian | |
| 3 | Approval of Pakistan Stock Exchange Limited vide letter reference no. ---- | |
| 4 | Agreement with Lead manager | |
| 5 | Approval of the Securities and Exchange Commission of Pakistan vide letter reference no. ---- | |

11.3 INSPECTION OF DOCUMENTS AND CONTRACTS

The Financial statements, Copies of the Memorandum and the Articles of Association, the Auditor's Certificates, Clearance letter from PSX and the approval letters from SECP, and the copies of agreements referred to in this Prospectus may be inspected during usual business hours on any working day at the registered office of the Bank from the date of publication of this Prospectus until the closing of the Subscription Period.

PART 12:

BOOK BUILDING PROCEDURE/INSTRUCTIONS FOR REGISTRATION AND BIDDING

12.1 BOOK BUILDING PROCEDURE

12.1.1 Brief Structure

The Present Issue

The Issue comprises of ---- Ordinary shares of face value worth PKR --/- each.

The entire Issue of --- Ordinary Shares will be offered through the Book Building process at a Floor Price of PKR --/- per share. Initially, 75% of the issue size i.e. --- Ordinary Shares will be allotted to Successful Bidders and 25% of the issue i.e. ----- Ordinary Shares will be offered to Retail Investors. Unsubscribed shares, if any, of the General Subscription portion will be allocated to Successful Bidders of the Book Building portion on a pro-rata basis

The Floor Price of PKR ---/- has a maximum Price Band of 40% above which no bid shall be accepted. At maximum Price Band, the highest strike price that can be bid for shall be PKR ---/- per share.

The bidders shall give an undertaking along with the application that they would subscribe to the unsubscribed shares, if any, by the retail investors and their remaining bid money

would remain deposited/ blocked till allotment of unsubscribed shares, if any, of the retail portion to them on pro-rata basis. In case the retail portion is fully subscribed, the bid money shall be unblocked within one (1) working day or refunded within three (3) working days of the closing of the public subscription.

Within 3 working days of the closing of the Bidding Period, a Supplement to the Prospectus will be published in at least all those newspapers in which the Prospectus is published. The Supplement will contain information related to the Strike Price, the Offer Price, dates of the Public Subscription, and category wise break-up of the Successful Bidders. Format of the Supplement is given on page 3 of this Prospectus.

12.1.2 Types of Bids and Procedure for making a Bid

Book Building is a process whereby investors bid for a specific number of shares at various prices. The Issuer set a Floor Price, which is the minimum / lowest price a Bidder can bid at. An order book of bids is maintained by the Book Runner, which is then used to determine the Strike Price through the “**Dutch Auction Method**”.

Under the Dutch Auction Method, the Strike Price is determined by lowering the Bid Price to the extent that the total number of shares issued through the Book Building process are subscribed.

A bid by a Bidder can be a “**Limit Bid**”, or a “**Step Bid**”, each of which are explained below:

□□**Limit Bid:** Limit bid is at the Limit Price, which is the maximum price a Bidder is willing to pay for a specified number of shares.

In such a case, a Bidder explicitly states a price at which he / she / it is willing to subscribe to a specific number of shares. For instance, a Bidder may bid for 1 million shares at PKR 20 per share, based on which the total Application Money would amount to PKR 20 million. In this case the Bid Amount will be also PKR 20 million. Since the Bidder has placed a Limit Bid of PKR 20 per share, this indicates that he / she / it is willing to subscribe the shares at a price up to PKR 20 per share.

Step Bid: A series of Limit Bids at increasing prices. The amount of any individual step shall not be less than PKR. 1,000,000.

Under this bidding strategy, Bidders place a number of Limit Bids at different increasing price levels. A Bidder may, for instance, make a bid for 0.7 million shares at PKR 20.00 per share, 0.6

million shares at PKR 21.00 per share and 0.5 million shares at PKR 22.00 per share. Therefore, in essence the Bidder has placed one Step Bid comprising of three Limit Bids at increasing prices. The Bid amount will be PKR ---- million. In case of individual Bidder, the Margin Money will be 100% i.e. PKR --- million whereas in case of Institutional Bidders the Margin Money shall be 25% of the Bid amount i.e. PKR -- million.

RESTRICTIONS:

(i) AN ELIGIBLE INVESTOR SHALL NOT:

(a) MAKE BID BELOW THE FLOOR PRICE AND ABOVE THE UPPER LIMIT OF THE PRICE BAND;

(b) MAKE BID FOR MORE THAN 10% OF THE SHARES ALLOCATED UNDER THE BOOK BUILDING PORTION

(c) MAKE A BID WITH A PRICE VARIATION OF MORE THAN 10% OF THE PREVAILING INDICATIVE STRIKE PRICE AS PER REGULATION 10(2)(iii) OF THE PO REGULATIONS

(d) PLACE CONSOLIDATED BID

(e) MAKE MORE THAN ONE BID SEVERALLY OR JOINTLY

(f) MAKE DOWNWARD REVISION BOTH IN TERMS OF BID PRICE AND BID VOLUME; PROVIDED THAT INCASE OF UPWARD REVISION OF THE BID PRICE, THE NUMBER OF SHARES BID FOR I.E. BID VOLUME MAY BE ADJUSTED ENSURING THAT THE BID AMOUNT OR BID MONEY REMAINS THE SAME; AND

(g) WITHDRAW BID

(ii) RELATED EMPLOYEES OF THE ISSUER, LEAD MANAGER AND THE BOOK RUNNER SHALL NOT PARTICIPATE IN THE BIDDING PROCESS.

(iii) NO PERSON SHALL TAKE PART IN THE BOOK BUILDING PROCESS, DIRECTLY OR INDIRECTLY SEVERALLY OR JOINTLY IN ANY MANNER OR ENGAGE IN ANY ACT OR PRACTICE WHICH CREATE A FALSE AND MISLEADING APPEARANCE OF ACTIVE BIDDING FOR RAISING OR DEPRESSING STRIKE PRICE IN THE BOOK BUILDING PROCESS.

(iv) AS PER REGULATION 7(8) OF THE PO REGULATION, THE ASSOCIATES OF THE ISSUER AS DISCLOSED IN THE PROSPECTUS SHALL NOT IN AGGREGATE MAKE

BIDS IN EXCESS OF TEN (10) PER CENT OF THE SHARES OFFERED THROUGH BOOK BUILDING.

(v) AS PER REGULATION 7(9) OF THE PO REGULATIONS, THE ASSOCIATES OF THE LEAD MANAGER TO THE ISSUE AND BOOK RUNNER SHALL NOT IN AGGREGATE MAKE BIDS IN EXCESS OF TEN (10) PERCENT OF THE SHARES OFFERED THROUGH BOOK BUILDING.

LIST OF ASSOCIATED COMPANIES AND UNDERTAKINGS OF THE ISSUER, NAMES OF RELATED EMPLOYEES OF THE ISSUER, LEAD MANAGER AND BOOK RUNNERS ARE PROVIDED IN SECTION 3A (v).

Once the Bidding Period has lapsed and the book has been built, the, Strike Price shall be determined on the basis of Dutch Auction Method.

Successful Bidders shall be intimated, within one (1) working day of the closing of the Bidding Period, about the Strike Price and the number of shares provisionally allotted to each of them.

The bid money of bidders who have undertaken to subscribe the unsubscribed retail portion shall remain deposited or blocked till allotment of unsubscribed retail portion, if any, to them on pro-rata basis. Upon intimation by the Book Runner of the final allocation, successful institutional bidders shall deposit their balance margin money within (3) days of such intimation. **Where a successful Bidder defaults in payment of shares allotted to him / her / it, the Margin Money deposited by such Bidder shall be forfeited to the Book Runner. As per regulation 9(16) of the PO Regulations, the successful bidders shall be issued shares at the time of issuance of shares to the retail investors. Shares to successful bidders shall be issued only in the form of book-entry through credit in their respective CDS accounts (Investors Account or Sub-Account). All the bidders shall, therefore, provide number of their CDS accounts in the bid application.**

The Bidders must fill-in the part of the Bidding Form under the heading, “Dividend Mandate” to enable the Company to directly credit their cash dividend, if any, in their respective International Bank Account Number (IBAN).

12.1.3 Mechanism for Determination of Strike Price

1. At the close of the bidding period, the Strike Price shall be determined on the basis of Dutch Auction Method by the Designated Institution. Under this methodology, the Strike Price is

determined by lowering the price to the extent that the total shares offered under the Bok Building Portion are subscribed.

2. The Order Book shall display the bid prices in a tabular form in descending order along with the number of shares bid for and the cumulative number of shares at each price level.
3. As per the regulation 9(12) of the PO Regulation, in case all the bids made above the Strike Price are accommodated and shares are still available for allotment, such available shares will be allotted on proportionate basis against the bids made at the Strike Price.

The mechanism for determination of the Strike Price can be understood by the following illustration:

PART 13

APPLICATION AND ALLOTMENT INSTRUCTIONS

13 APPLICATION AND ALLOTMENT INSTRUCTION

13.1.1 Eligible Investors Include:

1. Pakistani citizens resident in or outside Pakistan or Persons holding dual nationalities including a Pakistani nationality;
2. Foreign Nationals whether living in or outside Pakistan
3. Companies, bodies corporate or other legal entities incorporated or established in or outside Pakistan (to the extent permitted by their constitutive documents and existing regulations, as the case may be);
4. Mutual Funds, Provident / Pension / Gratuity Funds / Trusts, (subject to the terms of the Trust Deed and existing regulations); and
5. Branches in Pakistan of companies and bodies corporate incorporated outside Pakistan.

APPLICATION MUST BE MADE ON SECP's APPROVED APPLICATION FORM OR A LEGIBLE PHOTOCOPY

13.1.2 Copies of Prospectus

Copies of this Prospectus and Applications Forms can be obtained from members of PSX, the Bankers to the Issue and their branches, the Lead Manager, the Book Runner to the Issue and registered office of the Company. The Prospectus and the Application Form can also be downloaded from the following websites:

<http://www.----->, <http://-----/> & www.cdceipo.com;

Shares against the successful and accepted applications shall be issued in the Book Entry Form only and will be credited into the Applicants CDS Account mentioned in the Application. The applicants, therefore, must provide detail of their CDS Account (investors Account or Sub-Account) in the Shares Subscription Form. Investors who do not have CDS account may visit www.cdcpakistan.com for information and details. For further guidance and queries regarding opening of CDS account, investors may contact CDC at phone Number: 0800 – 23275 (CDCPL) and e-mail: info@cdcpak.com.

NAMES(S) AND ADDRESS(ES) MUST BE WRITTEN IN FULL BLOCK LETTERS, IN ENGLISH AND SHOULD NOT BE ABBREVIATED

ALL APPLICATIONS MUST BEAR THE NAME AND SIGNATURE CORRESPONDING WITH THE ONE RECORDED WITH THE APPLICANT'S BANKER. IN CASE OF DIFFERENCE OF SIGNATURE WITH THE BANK AND COMPUTERIZED NATIONAL IDENTITY CARD (CNIC) OR THE NATIONAL IDENTITY CARD FOR OVERSEAS PAKISTANI (NICOP) OR PASSPORT, BOTH THE SIGNATURES SHOULD BE AFFIXED ON THE APPLICATION FORM.

13.1.3 OPENING AND CLOSING OF THE SUBSCRIPTION LIST

The subscription list will open at the commencement of banking hours on ----- and will close on ----- at the close of banking hours. **Please note that online applications can be submitted 24 hours during the subscription period which will close at 12:00 midnight on --- -----.**

13.1.4 E-IPO SYSTEM

e-IPO is submission of application for subscription of securities electronically through internet, Automated Teller Machines (ATM) and mobile phones. In order to facilitate the public during

IPOs / SPOs / OFS, SECP has introduced the concept of e-IPO. The following two systems are available for e-IPOs:

II. Centralized e-IPO System (CES):

13.1.5 APPLICATIONS MADE BY INDIVIDUAL INVESTORS

1. In case of individual investors, an attested photocopy of CNIC (in case of Resident Pakistanis) / NICOP or Passport (in case of Non-Resident Pakistanis) as the case may be, should be enclosed and the number of CNIC / NICOP / Passport should be written against the name of the applicant. Copy of these documents can be attested by any Federal / Provincial Government Gazette Officer, Councilor, Oath Commissioner or Head Master of High School or bank manager in the country of applicant's residence.
2. Original CNIC / NICOP / Passport, along with one attested photocopy, must be produced for verification to the Banker to the Issue and the applicant's banker (if different from the Banker to the Issue) at the time of presenting the application. The attested photocopy will, after verification, be retained by the bank branch along with the application.

13.1.6 APPLICATIONS MADE BY INSTITUTIONAL INVESTORS

1. Applications made by companies, corporate bodies, mutual funds, provident / pension / gratuity funds / trusts and other legal entities must be accompanied by an attested photocopy of their Memorandum and Articles of Association or equivalent instrument / document. Where applications are made by virtue of Power of Attorney, the same should also be submitted along with the application. Any Federal / Provincial Government Gazette Officer, Councilor, Bank Manager, Oath Commissioner and Head Master of High School or bank manager in the country of applicant's residence can attest copies of such documents.
2. Attested photocopies of the documents mentioned in 13.1.5 must be produced for verification to the Banker to the Issue and the applicant's banker (if different from the Banker to the Issue) at the time of presenting the application. The attested copies, will after verification, be retained by the bank branch along with the application.

13.1.7 ADDITIONAL INSTRUCTIONS FOR INVESTORS

1. Only one application will be accepted against each account, however, in case of joint account, one application may be submitted in the name of each joint account holder.

2. Joint application in the name of more than two persons will not be accepted. In case of joint application each applicant must sign the application form and submit attested copies of their CNICs / NICOP / Passport. The share certificates will be dispatched to the person whose name appears first on the application form while in case of CDS, it will be credited to the CDS account mentioned on the face of the form and where any amount is refundable, in whole or in part, the same will be refunded by cheque or other means by post, or through the bank where the application was submitted, to the person named first on the application form, without interest, profit or return. Please note that joint application will be considered as a single application for the purpose of allotment of shares.

3. Subscription money must be paid by check drawn on applicant's own bank account or pay order / bank draft payable to one of the Bankers to the Issue "-----" and crossed "**A/C PAYEE ONLY**".

4. For the applications made through pay order / bank draft, it would be permissible for a Banker to the Issue to deduct the bank charges while making refund of subscription money to unsuccessful applicants through pay order / bank draft individually for each application.

5. The applicant should have at least one bank account with any of the commercial banks. The applicants not having a bank account at all (non-account holders) are not allowed to submit application for subscription of shares.

6. Applications are not to be made by minors and / or persons of unsound mind.

7. Applicants should ensure that the bank branch, to which the application is submitted, completes the relevant portion of the Application Form.

8. Applicants should retain the bottom portion of their Application Forms as provisional acknowledgement of submission of their applications. This should not be construed as an acceptance of the application or a guarantee that the applicant will be allotted the number of shares for which the application has been made.

9. Making of any false statements in the application or willfully embodying incorrect information therein shall make the application fictitious and the applicant or the bank shall be liable for legal action.

10. Bankers to the Issue are prohibited to recover any charges from the subscribers for collecting subscription applications. Hence, the applicants are advised not to pay any extra charges to the Bankers to the Issue.

11. It would be permissible for a Banker to the Issue to refund subscription money to unsuccessful applicants having an account in its bank by crediting such account instead of remitting the same by cheque, pay order or bank draft. Applicants should, therefore, not fail to give their bank account numbers.

12. Submission of false and fictitious applications is prohibited and such applications' money may be forfeited under section 87(8) of the Securities Act, 2015.

13.1.8 ADDITIONAL INSTRUCTIONS FOR FOREIGN / NON-RESIDENT INVESTORS

1. In case of foreign investors who are not individuals, applications must be accompanied with a letter on applicant's letterhead stating the legal status of the applicant, place of incorporation and operations and line of business. A copy of Memorandum of Association or an equivalent document should also be enclosed, if available. Where applications are made by virtue of Power of Attorney, the same must be lodged with the application. Copies of these documents can be attested by the bank manager in the country of applicant's residence.

2. Foreign / Non- resident investors should follow payment instructions given in Section 12.1.16 of this Prospectus.

13.1.9 CODE OF OCCUPATION OF INVESTORS/APPLICANTS

| Code | Occupation |
|------|-----------------------|
| 01 | Business |
| 02 | Business Executive |
| 03 | Service |
| 04 | Housewife |
| 05 | Household |
| 06 | Professional |
| 07 | Student |
| 08 | Agriculturist |

| | |
|----|---------------|
| 09 | Industrialist |
| 10 | Other |

13.1.10 NATIONALITY CODE

| Code | Name of Country |
|------|-----------------|
| 001 | U.S.A |
| 002 | U.K |
| 003 | U.A.E |
| 004 | K.S.A |
| 005 | Oman |
| 006 | Banglade sh |
| 007 | China |
| 008 | Bahrain |
| 009 | Other |

13.1.11 MINIMUM AMOUNT OF APPLICATION AND BASIS OF ALLOTMENT OF SHARES OF THE ISSUE

The basis and conditions of transfer of shares to the General Public shall be as follows:

1. Application for shares must be made for 500 shares or in multiples of 500 shares only. Applications which are neither for 500 shares nor for multiples of 500 shares shall be rejected.
2. The minimum amount of application for subscription of 500 shares is the Issue Price x 500 shares.
3. Application for shares below the minimum amount shall not be entertained.

4. SUBMISSION OF FALSE AND FICTITIOUS APPLICATIONS IS PROHIBITED AND SUCH APPLICATIONS' MONEY MAY BE FORFEITED UNDER SECTION 87(8) OF THE SECURITIES ACT, 2015.

If the shares offered to the general public are sufficient to accommodate all applications, all applications shall be accommodated.

6. If the shares applied for by the general public are in excess of the shares allocated to them, the distribution shall be made by computer balloting, in the presence of the representative(s) of PSX in the following manner:

— If all applications for 500 shares can be accommodated, then all such applications shall be accommodated first. If all applications for 500 shares cannot be accommodated, then balloting will be conducted among applications for 500 shares only.

— If all applications for 500 shares have been accommodated and shares are still available for allotment, then all applications for 1,000 shares shall be accommodated. If all applications for 1,000 shares cannot be accommodated, then balloting will be conducted among applications for 1,000 shares only.

— If all applications for 500 shares and 1,000 shares have been accommodated and shares are still available for allotment, then all applications for 1,500 shares shall be accommodated. If all applications for 1,500 shares cannot be accommodated, then balloting will be conducted among applications for 1,500 shares only.

— If all applications for 500 shares, 1,000 shares and 1,500 shares have been accommodated and shares are still available for allotment, then all applications for 2,000 shares shall be accommodated. If all applications for 2,000 shares cannot be accommodated, then balloting will be conducted among applications for 2,000 shares only.

— After the allotment in the above mentioned manner, the balance shares, if any, shall be allotted in the following manner:

o If the remaining shares are sufficient to accommodate each application for over 2,000 shares, then 2,000 shares shall be allotted to each applicant and remaining shares shall be allotted on pro-rata basis.

o If the remaining shares are not sufficient to accommodate all the remaining applications for over 2,000 shares, then balloting shall be conducted for allocation of 2,000 shares to each successful applicant.

7. If the Issue is over-subscribed in terms of amount only, then allotment of shares shall be made in the following manner:

- First preference will be given to the applicants who applied for 500 shares;
- Next preference will be given to the applicants who applied for 1,000 shares;
- Next preference will be given to the applicants who applied for 1,500 shares;
- Next preference will be given to the applicants who applied for 2,000 shares; and then
- After allotment of the above, the balance shares, if any, shall be allotted on pro rata basis to the applicants who applied for more than 2,000 shares.

8. Allotment of shares will be subject to scrutiny of applications for subscription of shares.

9. Applications, which do not meet the above requirements, or application which are incomplete, will be rejected.

13.1.12 BASIS OF ALLOTMENT

The basis and conditions of transfer of shares to the General Public shall be as follows:

1. The minimum value of application will be calculated as Issue Price 500 shares. Application for amount below the minimum value shall not be entertained.
2. Application for shares must be made for 500 shares or in multiple of 500 shares only. Applications which are neither for 500 shares nor for multiples of 500 shares shall be rejected.

Applications, which do not meet the above requirements, or applications which are incomplete will be rejected. The applicants are, therefore, required to fill in all data fields in the Application Form.

6. The Company will credit shares in the CDS Accounts of the successful applicants.

13.2 REFUND/UNBLOCKING OF SUBSCRIPTION MONEY TO UNSUCCESSFUL APPLICANTS

As per the regulation 11(4) of the PO Regulations, within ten (10) working days of the close of public subscription period the Shares shall be allotted and issued against the accepted and

successful applications and the subscription money of the unsuccessful applicants shall be unblocked/ refunded.

As per sub-section (2) of Section 68 of the Companies Act, if refund as required under sub-section (1) of Section 68 of the Companies Act is not made within the time specified hereinabove, the directors of the company shall be jointly and severally liable to repay that money with surcharge at the rate of two percent (2%) for every month or part thereof from the expiration of the fifteenth day and, in addition, shall be liable to a penalty of level 3 on the standard scale as defined in Section 479 of the Companies Act. Provided that the directors of the Company shall not be liable if it proves that the default in making the refund was not on their own account and was not due to any misconduct or negligence on their part.

In case retail portion of the Issue remains unsubscribed, the unsubscribed shares shall be allotted to the successful bidders at the strike price on pro-rata basis.

13.3 ISSUE AND CREDIT OF SHARE CERTIFICATES

Within ten (10) working days of the closing of public subscription period, the shares shall be allotted, issued and credited against the accepted and successful applications and the subscription money of the unsuccessful applicants shall be unblocked/refunded, as required under regulation 11(4) of the PO Regulations. **Shares will be issued only in the book-entry form and will be credited into the respective CDS Accounts of the successful applicants. Therefore, the applicants must provide their CDS Account Number in the Shares Subscription Applicant.**

If the Company defaults in complying with the above requirements, it shall pay PSX a penalty of PKR 5,000 per day for every day during which the default continues. PSX may also notify the fact of such default and name of the Company by notice and also by publication in its ready-board quotation of the Stock Exchange.

Name of the Company will also be notified to the TRE Certificate Holders of the PSX and placed on the web site of the PSX.

13.4 TRANSFER OF SHARES

The shares shall be transferred in accordance with the provisions of Section 74 of the Companies Act read with Section 75 thereof and the Central Depositories Act, 1997 and the CDCPL Regulations.

13.5 LIST OF BANKERS TO THE ISSUE

| Code | Name of Bank |
|-------------|------------------------------------|
| 01 | United Bank Limited* |
| 02 | Habib Metropolitan Bank Limited |
| 03 | Habib Bank Limited |
| 04 | Allied Bank Limited |

13.6 MINIMUM AMOUNT OF APPLICATION

As per PO Regulations, the minimum amount of bid shall not be less than PKR 1.0 Million.

13.7 LIST OF E-IPO FACILITIES

e-IPO is submission of application for subscription of securities electronically through internet, Automated Teller Machines (ATM) and mobile phones. In order to facilitate the public during IPOs / SPOs / OFS, SECP has introduced the concept of e-IPO. The following two systems are available for e-IPOs:

I) Centralized e-IPO Systems

In order to facilitate investors, the Central Depository Company of Pakistan (“CDC”) has developed a Centralized e-IPO System (“CES”) through which applications for subscription of securities offered to the general public can be made electronically. CES has been made available in this Issue and can be accessed through the web link (www.cdceipo.com). Payment of subscription money can be made through 1LINK’s member banks available for CES, list of which is available on above website.

For making application through CES, investors must be registered with CES. Registration with CES is free of cost and can be done under a self-registration process by filling the CES registration form, which is available 24/7 all around the year. Investors who have valid Computerized National Identity Card (CNIC), bank account with any of the commercial bank, email address, mobile phone number may register themselves with CES.

CDS account (Investor account or sub account) is not mandatory for subscription of securities through CES. Investors who do not have CDS account can opt for IPO facilitation account.

Investors who opt for IPO facilitation account are required to open CDS account after public subscription process.

For information relating to CDS account, investors may visit www.cdcpakistan.com.

Investors who are registered with CES can submit their applications through the web link www.cdceipo.com 24 hours a day during the subscription period which will close at midnight on February 04, 2021

In addition to the above, CDC has also introduced a new facility in CES through which sub-account holder(s) can request their respective TREC Holders who are Participants in Central Depository System (CDS) to make electronic subscription on their behalf for subscription of securities by authorizing (adding the details of) their respective Participant(s) in CES.

For further guidance and queries regarding CES and opening of CDS account, **investors may contact CDC at phone number: 0800 – 23275 (CDCPL) and e-mail: info@cdcpak.com or Mr. ----- at Phone ---- and email: -----.**

(ii) e-IPO facilities by Bankers to the Issue:

Currently, UBL is providing e-IPO facilities to its accountholders.

UBL account holders can use UBL Net Banking to submit their application via link <http://www.ubldirect.com/corporate/ebank>

Account holders of UBL can submit their applications through the above mentioned link 24 hours a day during the subscription period which will close at midnight on -----.

13.8 INTEREST OF SHAREHOLDERS

None of the holders of the Issued shares of the Company have any special or other interest in the property or profits of the Company other than their capacity as holder of Ordinary shares except from the shareholders who are also the Director of the company. Directors of the Company have interest in receiving remuneration for their role as Directors.

13.9 ELIGIBILITY FOR DIVIDEND

The ordinary shares issued shall rank pari-passu with the existing shares in all matters of the Company, including the right to such bonus or right issues, and dividend as may be declared by the Company subsequent to the date of issue of such shares.

13.10 DEDUCTION OF ZAKAT

Income distribution will be subject to deduction of Zakat at source, pursuant to the provisions of Zakat and Ushr Ordinance, 1980 (XVIII of 1980) as may be applicable from time to time except where the Ordinance does not apply to any shareholder or where such shareholder is otherwise exempt or has claimed exemption from payment / deduction of Zakat in terms of and as provided in that Ordinance.

13.11 CAPITAL GAINS TAX

Capital gains derived from the sale of listed securities are taxable in the following manner under section 37A of Income Tax Ordinance, 2001:

| Serial # | Capital Gain Tax for FY 19 | Filer | Non-Filer |
|-----------------|---------------------------------------|--------------|------------------|
| 1 | Applicable Capital Gain Tax Rate | 15% | 30% |

13.12 WITHHOLDING TAX ON DIVIDENDS

Dividend distribution to shareholders will be subject to withholding tax under section 150 of the Income Tax Ordinance, 2001 as specified in Part III Division I of the First Schedule of the said ordinance or any time to time amendments therein. In terms of the provision of Section 8 of the said ordinance, said deduction at source, shall be deemed to be full and final liability in respect of such profits in case of persons only. Applicable withholding tax rate on dividend is 15%

13.13 TAX ON BONUS SHARES

As per section 236M of the Income Tax Ordinance 2001, amended vide Finance Act 2018-19, tax on issue of bonus shares has been omitted and will not be applicable from 1st July 2018 and onwards.

13.14 INCOME TAX

The income of the Company is subject to Income Tax under the Income Tax Ordinance, 2001.

13.15 DEFERRED TAXATION

Deferred tax is accounted for using the balance sheet liability method in respect of on temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax basis used in the computation of taxable income. Deferred tax is calculated by using the tax rates enacted at the balance sheet date. In this regard, the effect on deferred taxation of the portion of income subjected to Final Tax Regime is adjusted in accordance with the requirements of Accounting Technical Release – 27 of the Institute of Chartered Accountants of Pakistan, if considered material.

Deferred tax liability is recognized for all taxable temporary differences and deferred tax asset is recognized for all deductible temporary differences and carry-forward of unused tax losses and unused tax credits, if any, to the extent that it is probable that future taxable profit will be available against which these can be utilized.

Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized. Significant management judgement is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

As of -----, Company has reported a deferred tax liability of PKR ---- million.

13.16 SALES TAX

General Sales Tax is applicable as per Sales Tax Act, 1990 on supplies and services. Sales tax is applicable on services as per Punjab Sales Tax on Services Act, 2012 by Punjab Revenue Authority. Sales tax is applicable on services as per Sindh Sales Tax on Services Act, 2011 by Sindh Revenue Board.

13.17 SALES TAX ON SALE / PURCHASE OF SHARES

Under the Constitution of Pakistan and Articles 49 of the 7th NFC Award, the Government of Sindh, Government of Punjab, Government of Khyber Pakhtunkhwa and Government of Baluchistan have promulgated the Sindh Sales Tax on Services Act, 2011, Punjab Sales Tax on Services Act, 2012, Khyber Pakhtunkhwa Sales Tax on services through Khyber Pakhtunkhwa Finance Act, 2013 and the Baluchistan Sales Tax on services Act, 2015 respectively. The Sindh Revenue Board, the Punjab Revenue Authority, and the Khyber Pakhtunkhwa Revenue Authority and the Baluchistan Revenue Authority administer and regulate the levy and collection

of the Sindh Sales Tax (“SST”), Punjab Sales Tax (“PST”), Khyber Pakhtunkhwa Sales Tax (“KST”) and Baluchistan Sales Tax (“BST”) respectively on the taxable services provided or rendered in Sindh, Punjab or Khyber Pakhtunkhwa provinces respectively.

The value of taxable services for the purpose of levy of sales tax is the gross commission charged from clients in respect of purchase or sale of shares in a Stock Exchange. The above mentioned Acts levy a sales tax on Brokerage at the rate of 13% in Sindh, 16% in Punjab and in Baluchistan and Khyber Pakhtunkhwa the rate is 15%. Sales tax charged under the aforementioned Acts is withheld at source under statutory requirements.

13.18 TAX CREDIT FOR INVESTMENT IN IPO

Under Section 62 of the Income tax Ordinance, 2001, a resident person other than a Company, shall be entitled to a tax credit, as mentioned in the said section, for a tax year in respect of the cost of acquiring in the year, new shares offered to the public by a public company listed on a stock exchange in Pakistan, provided the resident person is the original allottee of the shares or the shares are acquired from the Privatization Commission of Pakistan.

As per section 62(3)(b) of the Income Tax Ordinance, 2001, the time limit for holding shares has been designated as 24 months to avail tax credit.

13.19 TAX CREDIT FOR ENLISTMENT

Upon enlistment under Section 65C of the Income Tax Ordinance, 2001, tax credit at 20% of the tax payable shall be allowed for the tax year in which a Company is listed on PSX and also extended for the following three tax years of enlistment through Finance Bill 2017.

Provided that the tax credit for the last two years shall be 10% of the tax payable.

PART 14:

SIGNATORIES TO THE PROSPECTUS

| Name | Designation | Signature |
|-------------|--------------------|------------------|
|-------------|--------------------|------------------|

Signed by the above in the presence of following witnesses:

Witness 1

Witness 1

-sd-

-sd-

Name: -----

Name: -----

Designation: -----

Designation: -----

CNIC: -----

CNIC: -----

PART 15:

MEMORANDUM OF ASSOCIATION -

[Please place legible scanned copy of the Memorandum of Association of the Company hereunder]

PART 16:

APPLICATION FORM AND BIDDING FORM

Twelve Schedule

[Format of the Prospectus - Special Purpose Vehicle (SPV)]

ADVICE FOR INVESTORS

INVESTORS ARE STRONGLY ADVISED IN THEIR OWN INTEREST TO CAREFULLY READ THE CONTENTS OF THIS PROSPECTUS, ESPECIALLY THE RISK FACTORS GIVEN PART 6 OF THIS PROSPECTUS BEFORE MAKING ANY INVESTMENT DECISION.

SUBMISSION OF FALSE AND FICTITIOUS APPLICATIONS IS PROHIBITED AND SUCH APPLICATIONS' MONEY MAY BE FORFEITED UNDER SECTION 87(8) OF THE SECURITIES ACT, 2015.

-----SPV/Securitization Ltd.

[Company's Name & LOGO]

PROSPECTUS

..... (name of the company) is incorporate on.....(date) and registered as a Special Purpose Vehicle (SPV). The SPV is a subsidiary ofLtd. (In case SPV is a subsidiary of the Originator). The money raised through IPO will be used for acquiring[name of assets to be acquired from the originator] from.....[the Originator] under Securitization Transaction. For more information about the Company and Originator, please refer to para---of this prospectus and websites at at <http://-----> ; (SPV website) and <http://-----> (Originator website)

THE ISSUE SIZE OF FULLY PAID UP, RATED, PERPETUAL, UNSECURED, SUBORDINATED, NON-CUMULATIVE AND CONTINGENT CONVERTIBLE SUKUK (“SUKUK”) IS PKR ---- MILLION, OUT OF WHICH SUKUK OF PKR ---- MILLION (--- % OF ISSUE SIZE) ARE ISSUED TO THE PRE-IPO INVESTORS AND PKR --- MILLION (--% OF ISSUE SIZE) ARE BEING OFFERED TO THE GENERAL PUBLIC BY WAY OF INITIAL PUBLIC OFFER THROUGH THIS PROSPECTUS [Plz mention as per the feature of the instrument]

RATE OF RETURN/PROFIT: -----

INSTRUMENT RATING: (long term and short term)----- BY----- RATING AGENCY LIMITED

LISTING VENUE: PAKISTAN STOCK EXCHANGE LIMITED

AS PER PSX’S LISTING OF COMPANIES AND SECURITIES REGULATIONS, THE DRAFT PROSPECTUS WAS PLACED ON PSX’S WEBSITE, FOR SEEKING PUBLIC COMMENTS, FOR SEVEN (7) WORKING DAYS STARTING FROM ----- TO --

**NO COMMENTS HAVE BEEN RECEIVED ON THE DRAFT PROSPECTUS /
COMMENTS HAVE BEEN RECEIVED AND ADDRESSED**

**DATE OF PUBLIC SUBSCRIPTION: FROM ----- TO ----- (DURING
BANKING HOURS) (BOTH DAYS INCLUSIVE)**

----Ltd. [The Originator] The name and logo of the Originator]

BANKERS TO THE ISSUE (RETAIL PORTION)

1.----Bank Ltd.2.-----3.-----4.-----5.-----6.-----7.-----

In order to facilitate investors, -----Bank Limited (“--”) is providing the facility of electronic submission of application (e-IPO) to their account holders. ---[name of bank] account holders can use ---[name of bank] net banking to submit their application via link <http://----->. Further, please note that online applications can be submitted 24 hours a day during the subscription period which will close at midnight on ----- [Date].

Online applications can be submitted through Centralized E-IPO system (CES) of Central Depository Company of Pakistan Limited (CDC) and ---[name of bank] e-IPO system. CES and ---[name of bank] e-IPO system can be accessed via web link <http://-----> respectively. For details please refer to section ---- of the Prospectus.

Lead Manager/ Consultant to the Issue

| | | | |
|--|-------------------------------------|--|-----------------------------|
| Underwriters for Retail Portion of the Issue: | Designated Market Maker: | Trustee / Investment Agent: | Shariah Advisor/ |
|--|-------------------------------------|--|-----------------------------|

| | | | |
|--|--|--|---------------------------------|
| | | | Shariah Board- -----: |
|--|--|--|---------------------------------|

For investor education, please visit www.jamapunji.com.pk, and read the IPO Investor Guide placed at web link <https://www.secp.gov.pk/document/initial-public-offering-ipo-aconcise-guide-for-investors/?wpdmdl=29584> Jama Punji is an investor education initiative of the Securities & Exchange Commission of Pakistan.

Prospectus and Subscription Forms can be downloaded from the following websites <http://-----> and <http://----->

For further information/queries you may contact:

| | | |
|--|---|---|
| Mr./Ms..... Phone:..... Email:... | Mr./Ms..... Phone:..... Email:... | Mr./Ms..... Phone:..... Email:... |
|--|---|---|

DATE OF PUBLICATION OF THIS PROSPECTUS: -----

UNDERTAKING BY THE CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER

DATE: -----

WE, Mr./Ms.------(name & designation) AND Mr./Ms.------(name & designation) OF ----- LIMITED HEREBY CERTIFY THAT:

10. THIS PROSPECTUS CONTAINS ALL INFORMATION WITH REGARD TO THE ISSUER AND THE ISSUE, WHICH IS MATERIAL IN THE CONTEXT OF THE ISSUE AND NOTHING HAS BEEN CONCEALED IN THIS RESPECT;
11. THE INFORMATION CONTAINED IN THIS PROSPECTUS IS TRUE AND CORRECT TO THE BEST OF OUR KNOWLEDGE AND BELIEF;
12. THE OPINIONS AND INTENTIONS EXPRESSED THEREIN ARE HONESTLY HELD;
13. THERE ARE NO OTHER FACTS, THE OMISSION OF WHICH MAKES THIS PROSPECTUS AS A WHOLE OR ANY PART THEREOF MISLEADING;
14. ALL REQUIREMENTS OF THE SECURITIES ACT, 2015, THE DISCLOSURES IN PUBLIC OFFERING REGULATIONS, 2017 FOR PREPARATION OF PROSPECTUS, RELATING TO APPROVAL AND DISCLOSURES HAVE BEEN FULFILLED; AND
15. NO CHARGES, FEE, EXPENSES, PAYMENTS ETC. HAVE BEEN COMMITTED TO BE PAID TO ANY PERSON IN RELATION TO THIS PUBLIC OFFERING EXCEPT FOR THOSE AS DISCLOSED IN PART 10 OF THE PROSPECTUS.
16. ALL TRANSACTIONS BETWEEN ORIGINATOR AND SPV SHALL BE CONDUCTED ON ARMS LENGTH BASIS.
17. INDEPEDENT DECISION MAKING OF SPV's SHALL BE ENSURED.

FOR AND BEHALF OF ----- LIMITED

-sd-

-sd-

Mr./Ms.....
PRESIDENT & CEO

Mr./Ms.....
CHIEF FINANCIAL OFFICER

GLOSSARY OF ABBREVIATIONS AND TECHNICAL TERMS

| | |
|---|--|
| Issuer | ----- Limited |
| Board / BOD | Board of Directors of ----- Limited |
| CAGR | Compounded Annual Growth Rate |
| CDC | The Central Depository Company of Pakistan Limited |
| CDS | Central Depository System |
| Consultant to the Issue/ Lead Manger | ----- Limited |
| Credit Rating Agency | -----Rating Agency Limited (“---”) |
| Conditions | The terms and conditions governing and regulating the Sukuk |
| Credit enhancement | means an arrangement within a securitization transaction, , intended to decrease the likelihood of default on the securitized debt securities, in the form of cash collateral, profit retention, subordination, insurance, letter of credit, over-collateralization, undertakings and guarantees by third party including financial institution. |
| CY | Calendar Year |
| Designated Market Maker | ----- Limited |
| DFI | Development Financial Institutions |

| | |
|-------------------------------|--|
| DSL Regulations | Chapter 5B of the Rule Book of the Pakistan Stock Exchange Limited titled “Listing of Debt Securities Regulations”, as amended from time to time |
| EPS | Earnings per Share |
| FY | Financial Year |
| GOP | Government of Pakistan |
| Investor Agreement | The Investor Agreement entered into between each Pre-IPO Investor and the Issuer, prior to the Issue Date |
| Issue Date | Issue Date means (i) the date of closing of the subscription list for the public offering of the Sukuk Certificates in the event the Sukuk Certificates are fully subscribed, or (ii) in the case of undersubscription, the date on which the entire amount of the Sukuk Issue has been fully subscribed, which shall be achieved by the Issuer by no later than ---- (----) days from the date of closing of the subscription list for the public offering of the Sukuk Certificates. |
| KIBOR | Karachi Inter-Bank Offer Rate (Ask Side) |
| Obligor | Means an entity that owe the originator payments on the underlying assets including receivables |
| Originator | means an entity which transfers its assets to Special Purpose Vehicle in a Securitization transaction |
| PSX | Pakistan Stock Exchange Limited |
| PKR or Rs. | Pakistani Rupee |
| SECP or the Commission | Securities & Exchange Commission of Pakistan |
| Securitization | Means a process whereby any Special Purpose Vehicle raises funds through issuance of debt securities or shariah compliant securities including Sukuk, backed by assets and uses such funds for making payment to the Originator and through such process acquires the title, property or right in assets in the form of actionable claims. |

| | |
|---------------------------------------|---|
| SPV/Issuer/--- | means a special purpose vehicle registered with the Commission for the purpose of Securitization |
| Servicer | Means an entity appointed by SPV for the collection or management of the asset pool and for making allocations or distributions to holders of the securitized instrument. |
| Sukuk | Fully paid up, rated, listed ---- [Plz mention other features like secured/unsecured, convertible/non-convertible, cumulative/non-cumulative etc.] Sukuk to be issued as an instrument of redeemable capital under Section 66 of the Companies Act, 2017. |
| Sukuk Holders | Sukuk Holders mean the persons shown as holders of Sukuk in the records of the CDS, who shall be the beneficiaries under the Trust Deed/ Issuance Agreement. |
| Sukuk Issue | Issuance of Sukuk Certificates of PKR ---- million (mention full amount of the sukuk issue) |
| Transaction Documents | <ol style="list-style-type: none"> 1. Trust Deed/Issuance Agreement 2. The Investor Agreements; 3. Subscription Undertaking; and 4. Sukuk Certificates (when issued) |
| Trust Deed/ Issuance Agreement | The Trust Deed/Issuance Agreement executed between the(name of the issuer) and the Trustee/Issuance Agent dated ----- |
| Trustee / Investment Agent | ----- Limited |
| Transfer Agent & Balloter | ----- Limited |
| Transaction Legal Counsel | ----- |

A) SUMMARY OF THE ISSUE

| | |
|--------------------------------------|--|
| Issue Size | PKR ----- million |
| Pre-IPO Placement | PKR ----- million |
| Initial Public Offering (IPO) | PKR ----- million |
| Purpose | [Please mention the purpose of utilization of the proceeds of the issue] |
| Utilization of Proceeds | [The amount of funds raised from the issuance of Sukuk shall be utilized to finance] |
| Minimum Investment | The Sukuk will be offered in denominations of PKR 5,000/- or multiples thereof to the investors subject to a minimum Investment amount of PKR 5,000/-. |
| Securitization structure | [Please mention Securitization structure in brief] |
| Issue Date | the date of closing of the subscription list for the public offering of the Sukuk Certificates in the event the Sukuk Certificates are fully subscribed in the case of undersubscription, the date on which the entire amount of the Sukuk Issue has been fully subscribed, which shall be achieved by the Issuer by no later than 15 (fifteen) days from the date of closing of the subscription list for the public offering of the Sukuk Certificates. |
| Tenor | ----- |
| Principal Redemptions | ----- |
| Profit Rate | ----- |
| Profit Payment Frequency | [monthly/ quarterly/ semiannually] |

| | |
|--|--|
| Issue Price | Par (i.e. each Sukuk having a face value of PKR 5,000/-) |
| Security | ----- |
| Transaction Legal Counsel | ----- |
| Listing | Pakistan Stock Exchange Limited |
| Entity Rating | Long Term Rating: ----- Short Term Rating: ----- Rating Agency: ----- |
| Instrument Rating | “-----” (-----), assigned by ----- |
| Subscription Date | ----- to ---- (during banking hours) (both days inclusive) |
| Risk Factors | For details please refer to Part ---- of the Prospectus |
| Trustee/Investment Agent to the Issue | ----- Limited |
| Originator | ----- Limited |
| SPV | ----- Limited |
| Obligor | ----- Limited |
| Servicer | ----- Limited |
| Shariah Advisor | Shariah Board of ----- Limited |
| Compliance Officer | Mr./Ms.----- Company Secretary ----- Limited Tel: ----- Fax: ----- |
| Underwriters to the Issue | ----- Limited |
| Designated Market Maker | ----- Limited |
| Bankers to the Issue | |

| | |
|------------------------|---|
| Transferability | The Sukuk will be inducted into the CDC, transfer shall be made in accordance with the Central Depository Act, 1997 and CDC Regulations |
| Governing Law | ----- |

B) SUMMARY OF RISKS RELATED TO THE ISSUE

Following are the key risks related to the Issue:

- (i)
- (ii)
- (iii)

[Please refer to Part ----- for detailed description of risk factors.]

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PART 1:

APPROVAL, CONSENTS AND LISTING ON THE STOCK EXCHANGE

1.1. APPROVAL OF THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

Approval of the Securities and Exchange Commission of Pakistan (the “Commission” or the “SECP”) as required under Section 87(2), read with Section 88(1) of the Securities Act, 2015 (the “Act”) has been obtained for the Issue, circulation and publication of this Prospectus.

DISCLAIMER:

IT MUST BE DISTINCTLY UNDERSTOOD THAT IN GIVING THIS APPROVAL, SECP DOES NOT TAKE ANY RESPONSIBILITY FOR THE FINANCIAL SOUNDNESS OF THE ISSUER AND ANY OF ITS SCHEMES STATED HEREIN OR FOR THE CORRECTNESS OF ANY OF THE

STATEMENTS MADE OR OPINIONS EXPRESSED WITH REGARDS TO THEM BY THE ISSUER IN THIS PROSPECTUS.

SECP HAS NOT EVALUATED QUALITY OF THE ISSUE AND ITS APPROVAL FOR ISSUE, CIRCULATION AND PUBLICATION OF PROSPECTUS SHOULD NOT BE CONSTRUED AS ANY COMMITMENT OF THE SAME. THE PUBLIC / INVESTORS SHOULD CONDUCT THEIR OWN INDEPENDENT DUE DILIGENCE AND ANALYSIS REGARDING THE QUALITY OF THE ISSUE BEFORE SUBSCRIBING.

1.2. APPROVAL OF THE PROSPECTUS BY THE PAKISTAN STOCK EXCHANGE LIMITED

The Prospectus for the issue of fully paid-up, rated, asset backed ----- [Plz mention other features like secured/unsecured, convertible/non-convertible, cumulative/non-cumulative etc.] Sukuk Issue (“Mudaraba/Musharikah /Ijara etc. Sukuk” or “Sukuk”) has been approved by the Pakistan Stock Exchange Limited (“PSX”) in accordance with the requirements of its Listing of Debt Securities Regulations.

DISCLAIMER:

- A) PSX HAS NOT EVALUATED THE QUALITY OF THE ISSUE AND ITS APPROVAL SHOULD NOT BE CONSIDERED AND CONSTRUED AS ANY COMMITMENT OF THE SAME. THE PUBLIC / INVESTORS SHOULD CONDUCT THEIR OWN INDEPENDENT INVESTIGATION AND ANALYSIS REGARDING THE QUALITY OF THE ISSUE BEFORE SUBSCRIBING.**

- B) THE PUBLICATION OF THIS DOCUMENT DOES NOT REPRESENT SOLICITATION BY PSX.**

C) THE CONTENTS OF THIS DOCUMENT DO NOT CONSTITUTE AN INVITATION TO INVEST IN SUKUK

OR SUBSCRIBE FOR ANY SECURITIES OR OTHER FINANCIAL INSTRUMENT BY PSX, NOR SHOULD IT OR ANY PART OF IT FORM THE BASIS OF, OR BE RELIED UPON IN ANY CONNECTION WITH ANY CONTRACT OR COMMITMENT WHATSOEVER OF PSX.

D) IT IS CLARIFIED THAT INFORMATION IN THIS PROSPECTUS SHOULD NOT BE CONSTRUED AS ADVICE ON ANY PARTICULAR MATTER BY PSX AND MUST NOT BE TREATED AS A SUBSTITUTE FOR SPECIFIC ADVICE.

E) PSX DISCLAIMS ANY LIABILITY WHATSOEVER FOR ANY LOSS HOWSOEVER ARISING FROM OR IN RELIANCE UPON THIS DOCUMENT TO ANY ONE, ARISING FROM ANY REASON, INCLUDING, BUT NOT LIMITED TO, INACCURACIES, INCOMPLETENESS, AND/OR MISTAKES, FOR DECISION AND/OR ACTIONS TAKEN BASED ON THIS DOCUMENT.

F) PSX NEITHER TAKES RESPONSIBILITY FOR THE CORRECTNESS OF CONTENTS OF THIS DOCUMENT NOR THE ABILITY OF THE ISSUER TO FULFIL ITS OBLIGATIONS THERE UNDER.

G) ADVICE FROM A SUITABLY QUALIFIED PROFESSIONAL SHOULD ALWAYS BE SOUGHT BY INVESTORS IN RELATION TO ANY INVESTMENT IN SECURITIES.

1.3. APPROVAL FROM OTHER REGULATOR (if applicable, along with terms & conditions be disclosed here)

1.4. APPROVAL OF SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN UNDER SECTION 83 OF COMPANIES ACT, 2017 (In case of convertibility of debt instrument/sukuk into shares)

On the basis of special resolution passed in the Extraordinary General Meeting held on -----, the Commission has allowed ----- under section 83 of the Companies Act, 2017 to issue, by way of other than right offer, up to ----- million ordinary shares to the Sukuk holders upon conversion of the Sukuk on occurrence of a conversion event. [In case of convertibility feature of the sukuk]

1.5. FILING OF PROSPECTUS AND OTHER DOCUMENTS WITH THE REGISTRAR OF COMPANIES

----- [name of the issuer] has delivered to the Registrar of Companies as required under Sections 57 (1) of the Act, a copy of this Prospectus signed by all the Directors of ----- [name of the issuer].

1.6. LISTING OF SUKUK AT PSX

Application has been submitted by the Issuer to PSX for listing of the Sukuk.

If for any reason the application for formal listing is not accepted by PSX or approval for formal listing is not granted by PSX before the expiration of twenty-one (21) days from the date of closing of the subscription period / list or such longer period not exceeding forty-two (42) days as may, within the said twenty-one (21) days, be notified to the applicants for permission by the PSX, the Issuer undertakes that a notice to that effect will immediately be published in the press and will refund subscription money to the applicants without surcharge as required under the provisions of Section 69 of the Companies Act.

However, and, if any such money is not repaid within eight (08) days after the -----[name of the issuer] becomes liable to repay it, the Directors of the -----[name of the issuer] shall be jointly and severally liable to repay that money from the expiration of the eighth day together with surcharge at the rate of two per cent (2.00%) for every month or part thereof from the expiration of the eight day and, in addition, shall be liable to a penalty of level 3 on the

standard scale in accordance with the provisions of sub-section (2) of Section 69 of the Companies Act.

The surcharge mechanism has been mentioned here in order to ensure regulatory compliance. However, from the shariah perspective, since this surcharge is a form of interest, the applicants are advised to dispose any such received amount as charity.

As required under sub-section (3) of Section 69 of the Companies Act, the subscription money, shall be deposited and kept in a separate bank account in a scheduled bank so long as the Issuer may become liable to repay it under sub-section (2) of Section 69 of the Companies Act.

1.8. COMPLIANCE OFFICER

Mr./Ms.-----

Company Secretary

----- Limited

[Name of the Issuer with address]

Tel: -----

Fax: -----

PART 2:

SUMMARY OF THE PROSPECTUS

2.1. THE ISSUER/SPV

----- Limited is licensed/Registered by -----. The ---- [Issuer] is an SPV registered with the Commission vide letter No....dated.... For more information about the SPV please see Part/section #of this prospectus and website at at <http://----->; Contact person of SPV: Mr./Ms.-----Phone-----Email:.....

2.2 THE ORIGINATOR:

The Originator is already listed (in case of listed company) on the Pakistan Stock Exchange since-----and current Market Price of its shares stood at Rs...../- per share [Date] and the average daily closing market price for the last six months stood at Rs.----/- .

The main business of the Originator is.....[please mention] For more information about the Originator please see Part/section #of this prospectus and website at at <http://----->;

2.3. The Securitization Transaction

[This part should be covered by providing details of the securitization transaction, the type of assets under securitization including parties involved and their role /responsibilities].

2.4 The Instrument features

----- Limited [name of Issuer] is issuing fully paid up, rated, asset backed-----
---- Sukuk Certificates to be issued as an instrument of redeemable capital under Section 66 of the Companies Act, 2017.

The total Sukuk Issue size is of PKR -----/- (Pak -----million only). The Sukuk Certificates are ----- [whether secured/unsecured, subordinated, rated, listed, perpetual, cumulative /non-cumulative] and will be offered in denominations of PKR 5,000/- or multiples thereof to the investors subject to a minimum investment amount of PKR 5,000/-. The Sukuk Certificates of PKR ----- million have been offered to investors through pre-IPO subscription (Pre-IPO Portion) and the remaining PKR ----- million shall be offered to general public through this prospectus (IPO Portion).

The Sukuk Certificates being issued have been assigned a rating of “----” [rating assigned] by --
 ---[name of the rating agency] and will carry a ----- [Profit rate] . Profit will be payable
 [monthly/quarterly/semi annually] (365 days in a year) in arrears on the outstanding
 investment amount. The first such profit payment will fall due at the end of 1st calendar month
 end from the Issue Date and subsequently every month end thereafter.

----- [Other profit related conditions/ stoppers, if any]

----- [Call Option /Put Option related conditions, if any, specifically mentioning
 whether Put Option shall be available to the Sukuk Holders or not]

----- Limited has been appointed as trustee/Investment Agent to secure the interests of the
 investors. ----- has been appointed as the Designated Market Maker for this Issue and the
 Sukuk shall be listed on the PSX via Initial Public Offering, thereby creating liquidity for the
 Issue.

2.4. PRINCIPLE PURPOSE OF THE ISSUE AND UTILIZATION OF PROCEEDS

-----[Complete details of the Principal purpose of the Issue].

2.5. FINANCIAL HIGHLIGHTS:

- The paid up capital of the SPV;
- The originator’s financial highlights are as follows:

| Financials - PKR million | 2020 | 2019 | 2018 | 2017 |
|---|-------------|-------------|-------------|-------------|
| Paid-up capital | | | | |
| Equity (including surplus on revaluation of assets) | | | | |
| Profit / return / earned | | | | |

| | | | | |
|---|--|--|--|--|
| Net Profit / Return | | | | |
| Profit before Provisions | | | | |
| Profit after Taxation | | | | |
| Earnings per Share (EPS)- (PKR) | | | | |
| Book Value per Share (BVPS) (including & excluding surplus (PKR) | | | | |

2.6. OUTSTANDING LEGAL PROCEEDINGS

All the outstanding legal proceedings of the Issuer have been disclosed in Part ----. Further, there are /no outstanding legal proceeding other than the normal course of business involving sponsors, substantial shareholders and directors of Issuer and associated companies, over which the Issuer has control, that could have material impact on the Issuer.

2.7. RISK FACTORS

A summary of the risks related to the Issue is given on page ---- of this Prospectus while detailed description of risk factors is given in Part 6 of this Prospectus.

[The risk factors should cover all material risk factors related to securitization]

2.8. SUMMARY OF RELATED PARTY TRANSACTIONS

For related party transactions of the Issuer for the last three years (i.e.-----) please refer to its account placed on its website at-----:

PART 3:

SECURITIZATION TRANSACTION BRIEF

3.1 THE TRANSACTION

-----Ltd. will sell and SPV will purchase the -----[Type of Assets] for a consideration of Rs. --- million payable by SPV toLtd. (the Originator) , subject to the terms and conditions set forth in the ----Agreement (as defined in Part---). SPV will raise the finances for the Purchase Price by issuing Sukuk/TFCs to various investors.

[Please also mention Transaction Diagram]

3.2 PARTIES TO THE TRANSACTION

The following parties are involved in this transaction:

A. Originator - [Please mention details about the originator and its business/products]

B. Issuer – -----**Securitization/SPV Limited** –**SPV:** A Special Purpose Vehicle (SPV) incorporated for the purpose of entering into this transaction, as a public limited company on ----- and registered under the Companies (Asset Backed Securitization) Rules, 1999 (ABS Rules) read with Public Offering Regulations, 2017 vide the Commission letter No. ----- dated ----- subject to the following conditions:

(i) ---; (ii)....

C. Prime Obligor(s) – ----- Limited; and-----: Prime Obligor(s) shall mean -----
-----[Please mention Obligators].

D. Trustee/Investment Agent – ----- Limited: The trustee/Investment Agent shall be the trustee of the SUKUK/TFCs to be issued by SPV. The trustee will hold and maintain the security on behalf of the investors.

E. Servicer [Please mention details] [

[A special purpose vehicle may appoint either the originator or any other person as Servicer in respect of any of its schemes. The Servicer appointed by the special purpose vehicle shall perform the following functions, namely:- (i) to coordinate with the obligors, manage the asset pool and collections therefrom; (ii) administer the cash flows of such asset pool, distributions to investors; and reinvestment, if any, in accordance with the scheme; and (iii) manage incidental matters.

Where a special purpose vehicle appoints the originator as servicer, it shall adopt internal procedures designed to avoid conflict of interest and shall provide such information to the Commission.

The investment agent shall ensure that the Servicer keeps proper accounts in respect of the activities delegated to him and that the servicer has adequate operational systems and resources to administer the asset pool in relation to a securitization transaction.]

F. CREDIT ENHANCEMENT

[Please mention relevant details about credit enhancements. An arrangement within a securitization transaction, , intended to decrease the likelihood of default on the securitized debt securities, in the form of cash collateral, profit retention,

subordination, insurance, letter of credit, over-collateralization, undertakings and guarantees by third party including financial institution]

E. Salient Features of Assets under Securitization Transaction

Please mention in detail the features of assets under securitization i.e. the type of assets which is being Securitized, its cash generating capacity, historical earning record (in tabulated form), default ratio, the future earning potential, third party opinion (if any) regarding future cash generating capacity of the asset,

PART 4:

DETAILS OF THE ISSUE AND RELATED INFORMATION

4.1. INSTRUMENT (SUKUK) STRUCTURE:

The Sukuk has been structured on the basis of Islamic principle of ----- [please mention whether Modaraba, Musharikhah, Ijara etc.] where [in case of Modaraba] one partner gives money to another for investment in a business. The capital provider / Sukuk Holders are called "Rabb-ulMaal/Arbab ul Amwaal", while the management and work are the exclusive responsibility of the other partner, the -----[name of the issuer] , who is called the "Mudarib". The Mudaraba structure will be as follows:

4.2. PRE-IPO INVESTORS

The Pre-IPO portion for the Sukuk closed at PKR ----- million out of the total issue size of PKR ----- million and the disbursement of Pre-IPO portion was completed on ----- [Date].

The list of investors in the PreIPO portion along with their respective investment amount is provided below:

| S. No. | Investor Name | Pre-IPO Participation (PKR) | % of Total Issue Size |
|--------|---------------|-----------------------------|-----------------------|
| 01 | | | |
| 02 | | | |
| 03 | | | |
| | Total | | |

All the Pre-IPO investors have signed the Investor Agreements for the above-mentioned participation amount.

4.3. TERM SHEET OF THE ISSUE:

| | |
|-------------------------------------|--|
| Issuer / Mudarib | ----- Limited (“---” or the “Issuer”); |
| Instrument/Issue/Transaction | Fully paid up, rated, -----[features of the instrument] listed --- Sukuk Certificates to be issued as instrument of redeemable capital under Section 66 of the Companies Act, 2017 |
| Issue Size | Up to PKR -----/- (Pak Rupees ---- Only); |
| Issue Title/Name | The Instrument has been named as “-----” and being marketed under the same; with the logo as mentioned on the top of the Term sheet. |
| Tenor | ----- |
| Principal Redemption | ----- |
| Purpose | ----- |

| | |
|--|---|
| Profit Payment | Profit will be payable[plz mention monthly/quarterly/semi-annually etc.] (365 days in a year) in arrears on the outstanding investment amount. The first such profit payment will fall due at the end of[Date/Day] from the issue date and subsequently The profit payment to the Sukuk Holders will be[whether cumulative/non-cumulative] in nature. |
| Profit Rate | ----- [Base Rate plus a margin of ---% per annum.] Base Rate is defined as -----. |
| Loss Sharing/ Dividend Stopper (If any) | -----[Please disclose relevant event/circumstance affecting profit payment] |
| Security | -----[Whether secured or unsecured] |
| Face Value | Pak Rupees Five Thousand per certificate (PKR 5,000); |
| Issue Price | Pak Rupees Five Thousand per certificate (PKR 5,000); |
| Minimum Investment Amount | Pak Rupees Five Thousand (PKR 5,000); |
| Eligible Investors for IPO | General Public including individual and institutional investors; |
| Placement and Transferability | The Sukuk shall be inducted into the Central Depository System of Central Depository Company of Pakistan Limited and shall be transferred in accordance with the Central Depositories Act, 1997 and CDC Regulations; |
| Call Option | -----[Call option details, if any] |
| Put Option | -----[Call option details, if any] |
| Seniority of Claim / Sub-ordination | -----[In case of liquidation, sukuk holders seniority of claim] |

| | |
|---|---|
| Issuer Rating | ---- (Long Term), --- (Short Term) by -----[name of the rating agency]; |
| Instrument Rating | ----by ----[name of the rating agency]; The --- Sukuk shall be rated throughout the life of the Instrument. |
| Listing and Public Subscription | Sukuk's listing will be done via issuance of Prospectus at Pakistan Stock Exchange (PSX); The public subscription will remain open for ----days or any other period approved by the PSX and SECP; |
| Classification on the Balance Sheet | Sukuk shall be classified as "Liabilities" in the Balance Sheet; |
| Transaction Legal Counsel | -----. |
| The originator | -----. |
| The Servicers | -----. |
| Credit Enhancer | -----. |
| Investment Agent / Trustee to the Issue | ----- |
| Issuer's Registered Office | ----- |
| Compliance Officer | Mr./Ms.----- |
| Registrar / Transfer Agent | -----Limited; |
| Designated Market Maker | -----Limited; |
| Joint Advisors & Arrangers (Joint Advisors or JAA) | ----- Limited; |
| Applicable Laws | ----- |

4.4 STRUCTURE OF THE PROPOSED SECURITIZED SUKUK/TFC AND UNDERLYING SOURCE OF PAYMENT TO THE SUKUK/TFC HOLDERS – purchased receivables

The transaction between ---- and ---- will be a true sale with no recourse to ----. The SPV will acquire the title, property and right in -----[type of assets] of ----[originator] pursuant to agreements.....

[Please mention in details the type of assets and its salient feature, past earnings from such assets, and future potential]

4.5. OPENING AND CLOSING OF SUBSCRIPTION LIST

The subscription list will open at the commencement of the banking hours on ----- [Date] and close at the end of banking hours on -----[Date].

4.6. INVESTORS ELIGIBILITY

1. Pakistani citizens resident in Pakistan;
2. Pakistani citizens residing outside Pakistan;
3. Persons holding two nationalities including Pakistani nationality;
4. Foreign nationals whether living in or outside Pakistan;
5. Companies, bodies corporate or other legal entities incorporated or established in or outside Pakistan (to the extent permitted by their constitutive documents and existing regulations, as the case may be);
6. Mutual funds, provident/pension/gratuity funds/trusts (subject to the terms of their trust deeds and existing regulations); and
7. Branches in Pakistan of companies and bodies corporate incorporated outside Pakistan.

4.7. FACILITIES AVAILABLE TO FOREIGN/NON-RESIDENT PAKISTANI INVESTORS

Companies are permitted under paragraph 6 (with specific reference to sub para (B) (VIII)) of Chapter 20 of the State Bank of Pakistan's ("SBP") Foreign Exchange Manual (the "Manual") to issue ----[Type of instrument/Sukuk] on repatriation basis to non-residents who are covered under paragraph 6 (A) of Chapter 20 of the Manual, i.e. (I) A Pakistan national resident outside Pakistan, (II) A person who holds dual nationality including Pakistan nationality, whether living in or outside Pakistan, (III) A foreign national, whether living in or outside Pakistan and (IV) A firm (including a partnership) or trust or mutual fund registered and functioning outside Pakistan, excluding entities owned or controlled by a foreign government, provided the issue price, is paid in foreign exchange through normal banking channel by remittance from abroad or out of foreign currency account maintained by the subscriber/purchaser in Pakistan and the purchase price (whether negotiated privately or otherwise) is not less than the price quoted on the PSX.

Non-residents who wish to subscribe Sukuk out of the general public portion may contact any of the bankers to the issue (retail portion) for taking instructions regarding payment of subscription money against Sukuk offered to general public / retail investors. List of bankers to the issue for retail portion is available on title page of this Prospectus.

The Sukuk issued to non-resident investors shall be intimated by the -----[Issuer] to the designated Authorized Dealer, along with the documents prescribed in the Manual within 30 days of issue.

Non-residents who are covered under paragraph 6 (A) of Chapter 20 of the Manual do not require SBP's approval to invest in the Sukuk being issued in terms of this Prospectus. Furthermore, under paragraph 7(vii) of Chapter 20 of the Manual the Authorized Dealer shall allow repatriation of profit, net of applicable taxes and proceeds on sale of listed Sukuk (i.e. divestment proceeds) not exceeding the market value less brokerage/commission on provision of prescribed documents.

Payments made by non-residents shall be supported by proof of receipt of foreign currency through normal banking channels. Such proof shall be submitted along with the Application by the non-residents.

4.8. MINIMUM AMOUNT OF APPLICATION AND BASIS OF ALLOTMENT OF SUKUK

The basis and conditions of allotment shall be as follows:

- a) Face value of the Sukuk is PKR 5,000/-.
- b) The minimum amount of application for subscription of Sukuk is PKR 5,000/-.
- c) Applications for Sukuk below the aggregate face value of PKR 5,000/- shall not be entertained.
- d) Applications for Sukuk by the general public, including institutions and individuals, must be for a minimum of the aggregate face value of PKR 5,000/- or in multiples thereof.
- e) If the Sukuk to be issued to the general public are sufficient for the purpose, all applications shall be accommodated.
- f) If the issue is oversubscribed in terms of amount, then all applications shall be accommodated initially for Sukuk of face value of PKR 5,000/- each and the balance Sukuk shall be allotted on prorata basis to all applicants who applied for Sukuk in multiples of PKR 5,000/-.
- g) If the issue is over-subscribed in terms of number of applications and the amount, the Sukuk shall be allotted through computer balloting in the presence of representatives of PSX.
- h) Allotment of Sukuk shall be subject to scrutiny of applications for subscription.

4.9. MINIMUM SUBSCRIPTION

The minimum amount of subscription on which the Directors will proceed to allot Sukuk is PKR ----- million.

4.10. REFUND OF MONEY TO UNSUCCESSFUL APPLICANTS

----- [name of the issuer] shall take a decision within ten (10) days of the closure of subscription list as to which applications have been accepted or are successful and refund the money in cases of unaccepted or unsuccessful applications within ten (10) days of the date of such decision as required under regulation 5B 4.19 read with regulation 5B 4.20 of the PSX Rule Book.

As per sub-section (2) of Section 68 of the Companies Act, 2017, if a refund is not made within the time specified therein, the Directors of the Company shall be jointly and severally liable to repay the money with surcharge at the rate of 2.00%, for every month or part thereof from the expiration of the 15th day and, in addition, shall be liable to a penalty of level 3 on the standard scale.

The surcharge mechanism has been mentioned here in order to ensure regulatory compliance. However, from the shariah perspective, since this surcharge is a form of interest, the applicants are advised to dispose any such received amount as charity.

4.11. ISSUE AND CREDIT OF SUKUK

----- [name of the issuer] shall credit Sukuk to the successful allottees within twenty-one (21) days of closure of subscription list in compliance with the requirements of PSX. Sukuk will be issued only in the Book-Entry Form through credit in their CDS Accounts. The applicants, therefore, must provide their CDS Account Number (Investor Account Number or Sub-Account Number) in the Sukuk Subscription Form.

The Sukuk issued shall be subject to the terms & conditions for the issuance of the Sukuk specified in the Trust Deed/Issuance Agreement dated -----.

If the -----[Issuer] defaults on complying with the requirements of the Listing Regulations, it will pay to PSX a penalty of PKR 5,000/- per day during which the default continues. PSX may also notify the fact of such default and the name of the Bank by notice and also by publication, in the Daily Quotations.

The surcharge mechanism has been mentioned here in order to ensure regulatory compliance. However, from the shariah perspective, since this surcharge is a form of interest, PSX is advised to dispose any such received amount as charity.

4.12. TRANSFER OF SUKUK

The Sukuk will be inducted into the CDC, transfer shall be made in accordance with the Central Depository Act, 1997 and CDC Regulations.

4.13. CREDIT ENHANCEMENT ARRANGEMENTS, [IF APPLICABLE]

The -----[name of the issuer] has not/has issued any Sukuk since its incorporation. The details are as follows (if applicable):

4.14. REDEMPTION RESERVE

-----[Please disclose whether or not any redemption reserves is being created].

4.15. CONVERSION MECHANISM [In case of convertibility of sukuk in to shares]

-----[Details of events that triggers convertibility of sukuk in to shares]

-----[The mechanism for determination of number of shares to be issued to Sukuk Holders at the time of conversion.]

-----[Details regarding approvals required for conversion of sukuk in to shares]

The -----[name of the issuer] has obtained approval of the shareholders for the conversion of Sukuk and approval of the Securities and Exchange Commission of Pakistan under section 83(1)(b) of the Companies Act, 2017 has also been obtained.

4.16. CALL OPTION [If applicable]

-----[Issuer] may exercise a Call Option on the subject Sukuk on or after ----- years from issuance date subject to the following conditions (the “Call Option Conditions”):

- (a) prior approval from----- has been obtained for exercise of the call
- (b) -----
- (c) Call Option price should be -----[disclose the basis of call option price calculation]

4.17. MARKET MAKING

----- Limited will act as Designated Market Maker for the Sukuk. The Designated Market Maker will at all times hold at least one percent (1%) of the Issue size.

The Designated Market Maker shall mandatorily make available two-way quotes on daily basis with a maximum spread of 10% till complete redemption of the Sukuk.

The Designated Market Maker will be obligated to replenish its orders/quotes within 90 seconds following full execution, withdrawal, expiration or any change in the price of either bid or offer.

The Market Making Orders/Quotes are to be maintained on both sides during Market Making period as per Market Making agreement which shall be for the tenure of the Debt Security.

The Designated Market Maker shall be allowed to Blank Sale in Debt Security subject to sufficient preexisting interest at the end of each Blank Sale day to validate that the Designated Market Maker can deliver the quantity sold blank during the trading day.

Market Marker shall make available copy of the Prospectus to the investors at all times.

4.18. DEDUCTION OF ZAKAT

Zakat is deductible in case of the Sukuk being held by Muslim citizens of Pakistan, except where a statutory declaration of exemption is filed, and in case of certain non-corporate entities such as Trusts, Funds, etc. (subject to being qualified for non-deduction of Zakat under the Zakat and Ushr Ordinance, 1980). Zakat is withheld at 2.5% of the redeemed principal amount.

4.19. INCOME TAX ---[Please disclose as per current Income Tax Rates]

Any income derived from investment in Sukuk shall be subject to income tax as per the Income Tax Ordinance, 2001. Withholding tax, as specified in Part III Division IB of the First Schedule of the said ordinance shall be applicable.

4.20. DEDUCTION OF WITHHOLDING TAX ---[Please disclose as per current Tax Rates]

Profit paid to Sukuk Holders will be subject to withholding tax under section 150A of the Income Tax Ordinance, 2001 specified in Part III Division IB of the First Schedule of the said Ordinance or any time to time amendments therein. Rates of tax specified under Division IB are as follows:

| Category | Tax Rate for Persons appearing in Active Tax Payer List | Tax Rate for Persons not appearing in Active Tax Payer List |
|---|--|--|
| Company | 15% | 30% |
| Individual or Association of Persons (If return on Investment is more than one million) | 12.50% | 25% |
| Individual or Association of Persons (If return on Investment is less than one million) | 10% | 20% |

4.21. CAPITAL GAINS ---[Please disclose as per current Tax Rates]

Any capital gain derived from the sale of Sukuk shall be subject to capital gain tax as per section 37A of the Income Tax Ordinance, 2001. Applicable Capital Gain Tax Rates for FY20 are as follows:

- (a) For persons appearing in Active Tax Payer List: 15.0%
- (b) For persons not appearing in Active Tax Payer List: 30.0%

4.22. DISCLOSURE OF DEFERRED TAXATION

The -----[name of the issuer] recognises deferred tax asset / liability on deficit / surplus on revaluation of operating fixed assets and securities which is adjusted against the related deficit / surplus in accordance with the requirements of International Accounting Standard (IAS) 12, 'Income Taxes'. The balance of deferred tax asset (net) as of -----[Date] was PKR ----- million (unconsolidated). For detail please refer to Company's website at <http://----->.

4.23. SHARIAH ADVISOR TO THE ISSUE

Shariah Board of the -----[name of the issuer] is acting as Shariah Advisor to the Issue and it has provided its consent to include and publish its name in the Prospectus. Profiles of the members of the Shariah Board are provided below:

SHARIAH BOARD OF THE -----[Issuer]

The -----[Issuer] has a Shariah Supervisory Board in order to ensure compliance of Shariah guidelines issued by Shariah Board in all operations in general and revenue generating activities. The -----[name of the issuer] has a committed professional team in the Shariah Compliance department consisting of Shariah Scholars along with business graduates from reputed organizations.

(i) **Mr/Mufti.....Chairman, Shariah Supervisory Board** [Profile including qualification he/she holds, membership of committees etc. Current Position]

(ii) **Mr/Mufti.....Member, Shariah Supervisory Board** [Profile including qualification he/she holds, membership of committees etc. Current Position]

(iii).....

4.24. SHARIAH OPINION

[Plz place hereunder scanned copy of the Shariah Opinion granted by the Shariah Scholars/Board on the structure of the Sukuk]

4.25. [Regulatory requirements of other Regulators viz. SBP, like MCR, CAR, leverage ratio requirement, etc.]

4.26. MODE OF PAYMENT OF PROFIT

The payment of profit shall be credited in Sukuk Holders' bank accounts electronically on -----[monthly/quarterly/semi-annually] basis. The applicants, therefore, must provide their International Bank Account Number (IBAN) in the Sukuk Subscription Form.

4.27. INTEREST OF PRE-IPO INVESTORS

Except as provided below, the Pre-IPO Investors only have interest in this Sukuk as Sukuk Holders:

- ----- Limited, ----- Limited and -----Bank Limited are acting as Bankers to the Issue for the Sukuk and have also participated in the Pre-IPO portion

4.28. STATEMENT BY THE ISSUER

The General Manager

Pakistan Stock Exchange Limited

Stock Exchange Limited

Stock Exchange Road

Karachi

On behalf of ----- Limited, (“-----” or the “Company”), we hereby confirm that all material information as required under the Securities Act, 2015, the Public Offering Regulations, 2017 and the Listing of Companies and Securities Regulations of the Pakistan Stock Exchange Limited has been disclosed in the Prospectus and that whatever is stated in Prospectus and the supporting documents is true and correct to the best of our knowledge and belief and that nothing has been concealed. Further, we also undertake that all transactions between Originator and SPV shall be conducted on Arms Length basis and independent decision making of SPV’s shall be ensured.

For and on behalf of ----- Limited

-sd-

-sd-

Mr./Ms.-----

President & CEO

Mr./Ms.-----

Chief Financial Officer

Date: -----

4.29.STATEMENT BY CONSULTANT TO THE ISSUE /UNDERTAKING

The General Manager

Pakistan Stock Exchange Limited

Stock Exchange Limited

Stock Exchange Road

Karachi

Being mandated as Consultant to this Initial Public Offering of Sukuk of -----
Limited, we hereby confirm that;

- (iii) all material information as required under the Companies Act, 2017, the Securities Act, 2015, the Listing of Companies and Securities Regulations of the Pakistan Stock Exchange Limited and the Public Offering Regulations, 2017 has been disclosed in this Prospectus and that whatever is stated in Prospectus and in the supporting documents is true and correct to the best of our knowledge and belief and that nothing has been concealed.
- (iv) We have examined the business model and audited financial statements of the Issuer and based on the same, material information, including risks that would enable the investor to make an informed decision, has been disclosed in the Prospectus.

For and on behalf of ----- Limited

-sd-

Mr./Ms.-----

MD, Investment Banking

Date: -----

PART 5:

RISK FACTORS

RISK FACTORS

A. Internal Risk Factors:

[Disclose all risk factors. The risk factor shall cover all conditions imposed by the relevant regulator which have an adverse impact on the sukuk holders]

[The profit payment to Sukuk Holders will be subject to the condition that; The Issue may be called by the Issuer after -----years from the date of Issuance (either partially or in full), subject to ----- approval; The Issuer may permanently convert the Sukuk (either partially or in full) into common shares at its own discretion (in case of -----) or at the discretion of -----; **[pleas mention relevant detail which are applicable]**]

(i) Collection Risk (Delayed Payment Risk) :

There is a risk that the amount of receivables actually collected/received during the month may be less than the redemption amount of Sukuk/TFCs for that particular month or receivables may delay or not collected into the SPV Account.

(ii) Shariah Non-compliance Risk

Shariah non-compliance risk is the risk that arises from Issuer's failure to comply with the Shariah rules and principles prescribed and / or the Shariah Board of the Issuer. It remains the most important operational risk for an -----[Issuer]. Compliance of Shariah guidelines must permeate throughout the organization and its adherence should be reflected in the products and activities.

(iii) Credit Risk

Credit risk arises from the potential that an obligor is either unwilling to perform on an obligation or its ability to perform such obligations is impaired resulting in economic loss to the SPV and debt securities holders.

B. External Risk Factors:

(iv) Market Interest Rate

There is a risk that any increase in KIBOR may adversely affect the profit yield on the Sukuk Certificates and hence lower down its market price.

(v) Generation Risk (Price Risk):

There is a risk that ----- fails to generate receivables upto the maximum purchased receivables in each month due to variation in monthly production and fluctuation in prices.

(vi) Risk of Low Production (Non Performance Risk) :

There is a risk that ----- may not perform and fails to meet the projected Production Schedule. If in case for any reasons, including such catastrophe, pandemic or any other event that causes stoppage or that has the potential to cause stopping of production then there is an event of default on part of ---- or there is a possibility that production from any of the facility in these concession areas may stop.

(vii) Industry and Economic Factors:

Local, regional and global events or conditions that affect supply and demand, natural gas, petroleum products, petrochemicals and other products can also affect receivables

(viii) Risk relating to potential changes' in Policies:

The receivables of SPV may be, affected from time to time in varying degree due to changes in government policies, laws and regulations, restrictions on production, imports and exports, price controls, taxes, duties, cancellation of contract rights, timing, exchange rate, financing / capital, personnel.

(ix) Covid-19 Risk

In March 2020, the Government of Pakistan implemented a country wide lockdown in order to contain the spread of Covid-19 in the country. Consequently, significant reduction in traffic was witnessed particularly in large cities, although the transport of essential items continued. Any unprecedented increase in Covid-19 cases could lead to market closure/lockdown, which may potentially impact the sales and profitability and impact repayment to Sukuk/TFC Holders.

(x) Liquidity Risk

Liquidity risk is the potential loss to the Issuer arising from its inability either to meet its obligations (financial) or to fund increases in assets as they fall due without incurring unacceptable costs or losses.

Liquidity risk is defined as the potential loss arising from the Issuer's inability to meet in an orderly way its contractual obligations when due. Liquidity risk arises in the general funding of the Issuer's activities and in the management of its assets.

(xi) Foreign Exchange Risk

Currency risk is the risk of loss arising from the fluctuations of exchange rates.

(xii) Systemic Risk

Systemic risk is the risk of a total or partial collapse of the financial system. Such a collapse could be due to technical factors or market driven (psychological reasons).

TO THE BEST OF OUR KNOWLEDGE IT IS STATED THAT ALL MATERIAL RISK FACTORS HAVE BEEN DISCLOSED IN THIS PARAGRAPH AND THAT NOTHING HAS BEEN CONCEALED IN THIS RESPECT.

HOWEVER, THERE MAY BE ADDITIONAL RISK FACTORS, WHICH ARE NOT DISCLOSED HEREIN, THAT ARE NOT PRESENTLY KNOWN TO US OR THAT ARE CURRENTLY DEEMED TO BE LESS SIGNIFICANT, WHICH MAY MATERIALLY AND ADVERSELY AFFECT THE ISSUER'S BUSINESS, ITS FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS.

PART 6

FINANCIAL INFORMATION

- Paid up share capital of SPV;
- Financial Summary of the originator

PART 7

RATING REPORTS,

INSTRUMENT AND ENTITY RATING REPORT

[The credit rating report from credit rating agency in legible form, should be placed here]

PART 8:

TRUSTEE AND SECURITY

THE SECURITY

[As per the Security Documents].

THE TRUSTEE

In order to safeguard the interests of the Sukuk Holders, ----- Limited has been appointed to act as Trustee/Investment Agent for the Issue. The Issuer shall pay to the Trustee/ Investment

Agent in respect of its acting as Trustee/ Investment Agent a fixed fee of PKR -----/- per annum. The fee shall be payable at the beginning of each year commencing from the date of signing of the Trust Deed and on each subsequent anniversary thereof.

Although the Sukuk are unsecured, the rights of the Sukuk holders are still protected as per the terms of the Trust Deed/Issuance Agreement. The Trust Deed/ Issuance Agreement executed between the Issuer and the Trustee/Investment Agent specifies the functions and obligations of the Trustee/Investment Agent. Furthermore, the Trustee/Investment Agent has all the powers available to it under the Trusts Act, 1882 and the Structuring of the Debt Securities Regulations, 2020.

The Trust Deed/ Issuance Agreement

The Trust Deed/ Issuance Agreement signed between the Issuer and ----- Limited specifies the rights and the obligations of the Trustee/Investment Agent. In the event of Issuer defaulting on any of its obligations under the terms of the Trust Deed/ Issuance Agreement, the Trustee/Investment Agent may enforce Issuer's obligations in accordance with the terms of the Trust Deed/ Issuance Agreement.

POWERS OF THE TRUSTEE/ INVESTMENT AGENT

The Trustee/Investment Agent shall have all the powers and discretions conferred upon trustees by the Trust Act, 1882 (to the extent not inconsistent with these presents) / Structuring of the Debt Securities Regulations, 2020 and in addition thereto and subject to the terms of the Regulations, it is expressly declared as follows:

- (a) -----
- (b) -----
- (c) -----

OBLIGATIONS OF THE TRUSTEE/INVESTMENT AGENT

[To be disclosed as per Trust Deed/ Issuance Agreement]

TRUSTEE/INVESTMENT AGENT AND SUKUK HOLDERS

[To be disclosed as per Trust Deed/ Issuance Agreement]

OBLIGATION TO ACT WITH DUE CARE

Both the Issuer and the Trustee/Investment Agent agree to act in good faith and with due diligence and with all reasonable care which is in the circumstances required in the performance of their duties and obligations under the Trust Deed/Issuance Agreement or when exercising any power, authority or discretion which is vested in them under the Trust Deed/ Issuance Agreement.

REPRESENTATIONS, WARRANTIES AND COVENANTS OF THE ISSUER [As per the trust deed/ issuance agreement]

The Issuer hereby represents and warrants:

- (a) that the execution by it of the Trust Deed/ Issuance Agreement and the issuance of the Sukuk does not contravene any of the provisions of its constitutive documents and rules and regulations, consents, or any law or any agreement to which it is expressed to be a party and constitute valid, legal and binding obligations of the Issuer in terms thereof;

- (b) that all actions on the part of its officers, directors and shareholders necessary to authorize the execution of and performance by it of the obligations expressed to be assumed by it under the Trust Deed/ Issuance Agreement and the Sukuk have been taken;
- (c) that no Event of Default has occurred as of the date of the Trust Deed/ Issuance Agreement;
- (d) that there is no reason to the knowledge of the Issuer whereby the application of the Issuer for listing of the Sukuk or approval of the Prospectus may be revoked or cancelled by the SECP or the Stock Exchange, as the case may be;
- (e) that it shall inform the Trustee/Investment Agent of (i) any general meeting of the Issuer convened for the purpose of considering any resolution for the winding up of the Issuer; (ii) any such resolution being proposed (whether in a general meeting or otherwise); or (iii) any petition for the winding up of the Issuer or for the appointment of an administrator of the Issuer or a receiver in respect of the property or assets of the Issuer and any breach by the Receiver in respect of the property or assets of the Issuer and any breach or alleged breach by the Issuer of any of its obligations under the Trust Deed/issuance agreement;
- (f) that the Sukuk and the Trust Deed/Issuance agreement executed by the Issuer are valid, enforceable and binding obligations of the Issuer and there has been no Event of Default in relation to any such documents; and
- (g) that all governmental, regulatory, creditors' and corporate consents, approvals, registrations and authorizations (to the extent required) for the purposes of the Sukuk Issue (other than for the listing on the Stock Exchange and those specifically stated hereunder) have been obtained.

The Issuer hereby covenants with the Trustee/Investment Agent:

- (a) that if the redemption option or partial redemption option (as defined in the Trust Deed/issuance agreement) has been exercised by the Issuer, the Issuer shall on the option redemption date / partial option redemption date and within 7 (seven) Business Days of each Profit Payment Date, pay to the Sukuk Holders, the option redemption amount/ partial option redemption amount and profit payment amount in accordance with the terms hereof;

- (b) that the Issuer shall ensure that the Issuer or its appointed registrar will, at all times maintain a correct register of Sukuk Holders showing their names and addresses, the amount of Sukuk held by each and the date on which such Sukuk Holder was registered as the holder and the date on which he ceased to be so registered; provided nevertheless the Issuer shall not be responsible for the foregoing where the Sukuk Holders have not intimated the transfer of the Sukuk in writing to the Issuer or the registrar, as applicable;
- (c) that the Issuer will duly perform and observe the obligations imposed upon it by the Trust Deed/issuance agreement;
- (d) that as and when requested by the Trustee/ investment agent, the Issuer shall ensure that the Issuer or registrar shall provide to the Trustee/investment agent the Register of Sukuk Holders and/or extracts therefrom as well as any other document or information pertaining to the Sukuk and the Sukuk Holders, in addition, the Issuer shall ensure that the Issuer or the Registrar shall send extracts of the Register of Sukuk Holders to the Trustee/ investment agent on a monthly basis;
- (e) that the Issuer shall ensure that the annual audited accounts of the Issuer are available on the Issuer's website within 30 (thirty) days of publication of such accounts and semi-annual and quarterly accounts within 15 (fifteen) days of publication;
- (f) that the Issuer shall ensure that during the period that the Sukuk or any of them are outstanding, the Issuer will comply with any laws, regulations or conditions applicable to financial ratios and commitments applicable to the business of the Issuer;
- (g) that payment of all amounts by the Issuer to the Sukuk Holders in respect of the Sukuk will be made free and clear of deductions of any nature whatsoever except for deductions, if any required compulsorily to be made by law, for which the Issuer will provide suitable evidence of having deposited the amount deducted with the relevant government authority / department / treasury;
- (h) that the Issuer shall ensure that any investment in the Sukuk by the sponsors of the Issuer, individually or collectively, either at the time of subscription or acquired by transfer, does not exceed in the aggregate, at any time, 50% (fifty percent) of the total amount of the outstanding value of the Sukuk;
- (i) that the Issuer shall not directly or indirectly, finance the purchase of any Sukuk Certificates by any person or entity or grant any advances against the security of any Sukuk Certificates issued hereunder to any Sukuk Holder; and

- (j) that the Issuer shall, at all times, comply with the requirements of applicable laws.

EVENTS OF DEFAULT [As per the trust deed/ issuance agreement]

An Event of Default will be deemed to have occurred, by a declaration in writing of the Trustee/Investment Agent informing the Issuer, that the Trustee/Investment Agent has been notified in writing by the Sukuk Holders representing more than 50% (fifty percent) of the total outstanding value of the Sukuk or supported by an Extra Ordinary Resolution passed at the meeting of the Sukuk Holder(s) certifying the occurrence of any of the following events: [As per the trust deed/ issuance agreement]

CONSEQUENCES OF EVENTS OF DEFAULT [As per the trust deed/ issuance agreement]

APPLICATION OF PROCEEDS [As per the trust deed/ issuance agreement]

- (a) In the event of a winding up order being made by a court of competent jurisdiction,
.....
- (b) Upon enforcement of the Issuer's profit payment obligations / the Issuer's option redemption obligations / Issuer's non-option redemption obligations in terms of the Trust Deed/Issuance Agreement, any Proceeds recovered / received by the Trustee/Investment Agent from such enforcement shall be applied by the Trustee/Investment Agent in the following manner.....
- (c) Payment of the Proceeds to the Sukuk Holders shall be made by the Trustee/Investment Agent net of any deductions required under the law (against surrender of the original Sukuk, where applicable).

MANDATORY CONVERSION (If applicable)

Conversion Events include each of the following events:

(a)

(b)

Cumulative/ Non-Cumulative Feature (If applicable)

Conversion Mechanism: (If applicable)

EXERCISE TO THE CALL OPTION (If applicable)

PART 9:

BOARD AND MANAGEMENT OF THE COMPANY

9.1 BOARD OF DIRECTORS OF THE COMPANY

| S. No | Name | Designation | Address | CNIC | Current Directorships | Past Directorships |
|--------------|-------------|--------------------|----------------|-------------|------------------------------|---------------------------|
|--------------|-------------|--------------------|----------------|-------------|------------------------------|---------------------------|

9.2 UNDERTAKING BY THE COMPANY AND ITS SPONSORS

The Company and its sponsors undertake:

1. That neither Issuer nor its directors, sponsors or substantial shareholders have been holding the office of the directors, or have been sponsors or substantial shareholders in any company:

- (i) which had been declared defaulter by the securities exchange or futures exchange;
- or

- (ii) whose TRE Certificate has been cancelled or forfeited by the Exchange, PMEX or any other registered stock exchange of Pakistan that existed prior to integration of stock exchanges pursuant to Integration Order number 01/2016 dated January 11, 2016 issued by SECP due to noncompliance of any applicable rules, regulations, notices, procedures, guidelines etc. which has been de-listed by the securities exchange due to non-compliance of its regulations.
- (iii) which has been de-listed by the Exchange due to its non-compliance of any applicable provision of PSX Regulation.
- (iv) all transactions between originator and SPV shall be conducted on arms length basis.
- (v) Independent decision making of SPV shall be ensured.

2. That none of the Sponsors, Major Shareholders, Directors or Management of the Company as well as the Company itself or its Associated Company / Entity have been found guilty of being engaged in any fraudulent activity. The Company have made full disclosure regarding any / or all cases in relation to involvement of the person named above in any alleged fraudulent activity i.e., pending before any Court of Law / Regulatory Body / Investigation Agency in or outside of the Country.

9.3 PROFILES OF DIRECTORS

[The profile should include, qualification, experience and major achievement of directors]

9.4 NUMBER OF DIRECTORS

Pursuant to Section 154 of the Companies Act, 2017 a listed Company shall not have less than seven (7) directors. At present, the Board consists of 7 directors, including the Chief Executive Officer.

9.5 PROFILE OF SENIOR MANAGEMENT

9.6 QUALIFICATION OF DIRECTORS

No person shall be appointed as a Director of the Company who is ineligible to be appointed as Director on any one or more of the grounds enumerated in Section 153 of the Companies Act or any other law for the time being in force.

9.7 APPOINTMENT AND ELECTION OF DIRECTORS AND CHIEF EXECUTIVE

The directors of the Company are elected for a term of three years in accordance with the procedure laid down in section 159 of the Companies Act and Article 87.

As per Article --, the directors shall comply with the provisions of Sections 154 to 159 and Sections 161 and 167 relating to the election of Directors and matters ancillary thereto.

As per article ---, any casual vacancy occurring on the Board of Directors may be filled up by the directors, but the person so appointed shall be subject to retirement at the same time as if he / she had become a Director on the day on which the Director in whose place he / she is chosen was last elected as Director.

As per Article ---, the Company may by resolution in general meeting, remove a director in accordance with the provisions of the Companies Act.

The current Board of Directors were appointed on -----.

9.8 INTEREST OF DIRECTORS AND PROMOTERS

The directors may deemed to be interested to the extent of fees payable to them for attending the Board meetings. The Directors performing whole time services in the Company may also be deemed interested in the remuneration payable to them by the Company. The nominee directors have interest in the Company to the extent of representing the sponsors in the capital of the Company.

Following directors are holding ordinary shares of the Company:

9.9 INTEREST OF DIRECTORS AND PROMOTERS IN PROPERTIES/ASSETS AND PROFIT OF THE COMPANY

9.10 REMUNERATION OF THE DIRECTORS

9.11 BENEFITS TO PROMOTERS AND OFFICERS

9.12 VOTING RIGHTS

9.13 BORROWING POWERS OF DIRECTORS

9.14 POWERS OF DIRECTORS

9.15 INDEMNITY AVAILABLE TO DIRECTORS AND OTHER EMPLOYEES OF THE COMPANY

9.16 CORPORATE GOVERNANCE

PART 10:

LEGAL PROCEEDINGS AND OVERDUE LOANS

10.1. Legal Proceedings

There are no pending legal proceedings other than those mentioned in note ----- of the unconsolidated financials for the period ended ----- and; extracts of the referred note are provided below:

Note ----- of the unconsolidated financials for the period ended -----

10.2 Overdue Loans

The[Issuer], its Chief Executive and directors, its sponsors, and its associated companies have no overdue loans (local and/or foreign currency).

PART 11:

UNDERWRITING ARRANGEMENT, COMMISSIONS, BROKERAGE AND OTHER EXPENSES TO THE ISSUE

11.1. UNDERWRITING

The present Public Issue of Sukuk of PKR ----- million has been fully underwritten as follows:

| S.No. | Name of Underwriter | No. Of Sukuk Certificates | Amount in Rupees |
|--------------|----------------------------|----------------------------------|-------------------------|
|--------------|----------------------------|----------------------------------|-------------------------|

If and to the extent that the Sukuk offered to the general public shall not have been subscribed and paid for in full by the closing date, the underwriters shall within 5 business days of being called upon by ----- to do so, subscribe or procure subscribers to subscribe and pay in readily available funds in accordance with their underwriting commitments.

In the opinion of the Directors of the -----[Issuer], the resources of the underwriters are sufficient to discharge their underwriting obligations.

11.2. UNDERWRITING EXPENSES

The underwriters will be paid underwriting management fees of up to ----% on the amount of the public portion underwritten by them; ---% of the underwriting management fee shall be paid within ---days of signing of Underwriting Management Agreement whereas the payment of the remaining portion / Additional Underwriting Management Fee shall be as disclosed in the Underwriting Management Agreement, as advised and approved by the Shariah Advisor.

11.3. NO BUYBACK / REPURCHASE AGREEMENT

THE UNDERWRITERS NOR ANY OF THEIR ASSOCIATES HAVE ENTERED INTO ANY BUYBACK OR REPURCHASE AGREEMENT WITH THE SPONSORS, THE -----[Issuer] OR ANY OTHER PERSON IN RESPECT OF THIS PUBLIC ISSUE.

ALSO, NEITHER THE ISSUER NOR ANY OF ITS ASSOCIATES HAVE ENTERED INTO ANY BUY BACK / REPURCHASE AGREEMENT WITH THE UNDERWRITERS OR THEIR ACCOCIATES.

THE ISSUER AND ITS ASSOCIATES SHALL NOT BUY BACK / RE-PURCHASE CERTIFICATES FROM THE UNDERWRITERS AND THEIR ASSOCIATES.

11.4. FEES AND EXPENSES FOR CENTRAIZED E-IPO SYSTEM

The commission on application received through CES will be paid to CDC, which shall not be more than 0.8% of the amount of successful applications. CDC will share the fee with other participants of CES at a ratio agreed amongst them.

11.5. COMMISSION TO THE BANKERS TO THE ISSUE

A commission at the rate of -----% of the amount collected, in respect of successful applications will be paid to the Bankers to the Issue for services to be rendered by them in connection with the Public Offer. No commission shall be paid to the Bankers in respect of the Sukuk actually taken up by the underwriters by virtue of their respective underwriting commitments.

11.6. BROKERAGE COMMISSION

Brokerage commission shall be paid to the TREC holders of PSX, at the rate of 1.0% of paid-up value of Sukuk actually sold through them. No brokerage commission shall be payable in respect of Sukuk taken up by the Underwriters by virtue of their underwriting commitment.

11.7. EXPENSES TO THE ISSUE

The initial expenses of the issue paid or payable by the -----[Issuer] inclusive of commission to the Underwriters, Bankers to the Issue and members of the PSX, etc., are estimated to be as follows:

| Key Expenses to the Issue | Rate | Amount (PKR) |
|--|-------------|-------------------------|
| Commission to Bankers to the Issue | | |
| Out of Pocket Expenses of Bankers to the Issue | | |
| CDC e-IPO charges* | | |
| Other Bank's e-IPO Charges | | |
| Underwriting Management Fees - General Public | | |
| Commission to the TREC Holders of PSX | | |
| Consultant to the Issue/Advisor and Arranger Fee | | |
| Processing Fee - Pre IPO | | |
| Trustee/Investment Agent Fee | | |
| Rating Fee | | |
| Legal Counsel Fee | | |
| CDC Annual Fees for Eligible Security | | |
| CDC Security Deposit | | |
| CDC Fresh Issue Fee | | |
| PSX Initial Listing Fee | | |
| PSX Annual Listing Fee | | |
| SECP Processing Fee | | |
| SECP Supervisory Fee | | |
| Auditors Fee for various certificates | | |
| Printing & Publication of Prospectus/Application Forms | | |
| Balloter and Registrar Fee | | |
| Market Making (first year) | | |
| Miscellaneous costs | | |

| | | |
|--------------|--|--|
| Total | | |
|--------------|--|--|

Note: Stamp duty fee (if any) will be calculated based on the advice of Transaction Legal Counsel

*CDC E-IPO fee is 0.8% of the general portion actually received through that system. Therefore, the actual cost is dependent on the subscriptions received through E-IPO. Currently only 1 bank is offering E-IPO services for this IPO in addition to CDC.

PART 12:

MISCELLANEOUS INFORMATION

| | |
|--|--|
| <p>12.1. REGISTERED OFFICE / CENTRAL OFFICE</p> <p>Registered Office Address: -----</p> <p>Phone: -----</p> <p>Fax: -----Email: -----</p> <p>Website: -----</p> | <p>12.2. AUDITOR OF THE ISSUER</p> <p>M/s. -----, Chartered Accountants</p> <p>Address: -----.</p> <p>Contact No.: -----</p> <p>Email: -----</p> |
| <p>12.3. LEGAL ADVISORS OF THE ISSUER [Name and Contact details]</p> <p>1.-----</p> <p>2.-----</p> | <p>12.4. LEGAL ADVISOR TO THE ISSUE [Name and Contact details]</p> <p>1.-----</p> <p>2.-----</p> |
| <p>12.5. REGISTRAR AND TRANSFER AGENT</p> <p>-----Limited</p> <p>Office: ----- UAN: ----</p> <p>---</p> <p>FAX: -----</p> <p>Email & Website:: -----</p> | <p>12.6. CONSULTANT TO THE ISSUE</p> <p>-----Limited</p> <p>Address: -----Phone: -----</p> <p>Fax: -----</p> <p>Email & Website: -----</p> |
| <p>12.7. THE ORIGINATOR</p> <p>-----Limited</p> <p>Office: ----- UAN: ----</p> <p>---</p> <p>FAX: -----</p> <p>Email & Website:: -----</p> | <p>12.8 THE SERVICER</p> <p>-----Limited</p> <p>Office: ----- UAN: ----</p> <p>---</p> <p>FAX: -----</p> <p>Email & Website:: -----</p> |

| | |
|---|---|
| <p>12.9 TRUSTEE / INVESTMENT AGENT</p> <p>-----Limited</p> <p>Office: ----- UAN: ----</p> <p>---</p> <p>FAX: -----</p> <p>Email & Website:: -----</p> | <p>12.10 COMPLIANCE OFFICER</p> <p>-----Company Secretary</p> <p>----- Limited</p> <p>-----Tel: +-----Ext. -----</p> <p>Fax: -----</p> |
| <p>12.11 BANKERS TO THE ISSUE</p> <p>1.-----</p> <p>2.-----</p> | <p>12.12 DESIGNATED MARKET MAKER</p> <p>-----Limited</p> <p>Office: ----- UAN: ----</p> <p>---</p> <p>FAX: -----</p> <p>Email & Website:: -----</p> |

PATR 13:

MATERIAL CONTRACTS / DOCUMENTS RELATED TO THE ISSUE

13.1. UNDERWRITING AGREEMENTS

| S. No. | Underwriters Name | Amount (PKR) | Date of Agreement |
|--------|-------------------|--------------|-------------------|
|--------|-------------------|--------------|-------------------|

13.2. INVESTOR AGREEMENTS

| <u>S.</u> <u>No.</u> | <u>Pre-IPO Investors</u> | <u>Amount (PKR)</u> | <u>Date of Agreement</u> |
|-------------------------|--------------------------|---------------------|--------------------------|
|-------------------------|--------------------------|---------------------|--------------------------|

13.3. OTHER MATERIAL DOCUMENTS

| S. No. | Description | Date |
|--------|--|------|
| 1 | Trust Deed/Issuance Agreement between ----- Limited and ----- Limited | |
| 2 | Instrument Credit Rating Report by ---- | |
| 3 | Entity Credit Rating Report by ---- | |
| 4 | Approval of Pakistan Stock Exchange Limited vide letter reference no. ---- | |
| 5 | Approval of the Securities and Exchange Commission of Pakistan vide letter reference no. ---- | |
| 6 | Market Making Agreement between ----- Limited and ---- Limited | |
| 6 | Agreements related to securitization transaction | |

13.4. INSPECTION OF DOCUMENTS AND CONTRACTS

All the Balance Sheets and Profit & Loss Accounts, Copies of the Memorandum and the Articles of Association, the Auditor's Certificates, Trust Deed/Issuance Agreement, the Credit Rating Reports by ---, Clearance letter from PSX and the approval letters from SECP, and the copies of agreements referred to in this Prospectus may be inspected during usual business hours on any working day at the registered office of the Bank from the date of publication of this Prospectus until the closing of the Subscription Period.

PART 14:

APPLICATION AND ALLOTMENT INSTRUCTIONS

14.1. ELIGIBLE INVESTORS

Eligible Investors include:

- a) Pakistani citizens resident in or outside Pakistan or persons holding dual nationalities including Pakistani nationality;
- b) Foreign nationals whether living in or outside Pakistan;
- c) Companies, bodies corporate or other legal entities incorporated or established in or outside Pakistan (to the extent permitted by their constitutive documents and existing regulations, as the case may be);
- d) Mutual Funds, Provident / pension / gratuity funds / trusts, (subject to the terms of the Trust Deed and existing regulations); and
- e) Branches in Pakistan of companies and bodies corporate incorporated outside Pakistan.

14.2. OPENING AND CLOSING OF SUBSCRIPTION LIST

The subscription list will open at the commencement of the banking hours ----- and close at the end of banking hours on -----.

14.3. COPIES OF THE PROSPECTUS

Copies of the Prospectus and applications forms can be obtained from the registered office of the ----- Limited, the Consultant to the Issue and the Bankers to the Issue. The Prospectus and the Application Forms can also be downloaded from the following websites:

<http://----->, <https://-----com.pk> , www.psx.com.pk and <https://----->

14.4. The applicants are required to complete the relevant sections of the application in order to get the Securities in scrip-less form. In accordance with the provisions of the Central Depositories Act, 1997 and the CDCPL Regulations, credit of such securities is allowed ONLY in the applicant's own CDC account.

14.5. Name(s) and address(es) must be written in full block letters, in english, and should not be abbreviated.

14.6. All applications must bear the name and signature corresponding with that recorded with the applicant's banker. In case of difference of signature with the bank and computerized national identity card (CNIC) or national identity card for overseas Pakistani (NICOP) or passport, both the signatures should be affixed on the application form.

14.7. APPLICATIONS MADE BY INDIVIDUAL INVESTORS

- a) In case of individual investors, a photocopy of the CNIC (in case of resident Pakistanis) / NICOP or Passport (in case of non-resident Pakistanis) as the case may be, should be enclosed and the number of CNIC / NICOP / Passport should be written against the name of the applicant.
- b) Original CNIC / NICOP / Passport, along with a photocopy, must be produced for verification to the Banker to the issue and the applicant's banker (if different from the Banker to the issue) at the time of presenting an application. The photocopy will, after verification, be retained by the branch along with the application.

14.8. APPLICATIONS MADE BY INSTITUTIONAL INVESTORS

- a) Applications made by companies, corporate bodies, mutual funds, provident / pension / gratuity funds / trusts and other legal entities must be accompanied by a photocopy of their memorandum and articles of association or equivalent instrument / document. Where applications are made by virtue of power of attorney, the same should also be submitted along with the application.
- b) Photocopies of the documents mentioned in paragraph (a) above must be produced for verification to the Banker to the Issue and the applicant's banker (if different from the banker to the issue) at the time of presenting the application. The copies, will after verification, be retained by the bank branch along with the application.

14.9. ADDITIONAL INSTRUCTIONS FOR INVESTORS

- a) Only one application will be accepted against each account, however, in case of joint accounts, one application may be submitted in the name of each joint account holder.
- b) Joint application in name of more than two persons will not be accepted. In case of joint application each applicant must sign the application, form and submit copies of their CNICs / NICOP / Passports. The securities will be credited to the CDS account mentioned on the face of the form and where any amount is refundable, in whole or in part, the same will be refunded by cheque or other means by post, or through the bank where the application was submitted, to the person named first on the application form, without interest, profit, or return. Please note that application will be considered as a single application for the purpose of allotment of securities.
- c) Subscription money must be paid by cheque drawn on applicant's own bank account or pay order / bank draft payable to one of the Bankers to the Issue in favor of "**IPO of ----- Limited - Sukuk**" and crossed "A/C PAYEE ONLY".
- d) For the application made through pay order / bank draft, it would be permissible for a Banker to the Issue to deduct the bank charges while making refund of subscription

money to unsuccessful applicants through pay order / bank draft individually for each application.

- e) The applicant should have at least one bank account with any of the commercial banks. The applicants not having a bank account at all (non-account holders) are not allowed to submit application for subscription of securities.
- f) Applications are not to be made by minors and / or persons of unsound mind.
- g) Applicants should ensure that the bank branch, to which the application is submitted, completes the relevant portion of the application form.
- h) Applicants should retain the bottom portion of their application forms as provisional acknowledgment of submission of their applications. This should not be construed as an acceptance of the application or a guarantee that the applicant will be allotted the number of securities for which the application has been made.
- i) Making of any false statements in the application or willfully embodying incorrect information therein shall make the application fictitious and the applicant or the bank shall be liable for legal action.
- j) Banker to the issue are prohibited to recover any charges from the subscribers for collecting subscription applications. Hence, the applicants are advised not to pay any extra charges to the Bankers to the issue.
- k) It would be permissible for a Banker to the issue to refund subscription money to unsuccessful applicants having an account in its bank by crediting such account instead of remitting the same by cheque, pay order or bank draft. Applicants should, therefore, not fail to give their bank account numbers.
- l) Submission of false and fictitious applications is prohibited, and such Application Money may be forfeited under section 87(8) of Securities Act, 2015.

عوام الناس کو مطلع کیا جاتا ہے کہ سیکورٹیز ایکٹ 2015 کی سیکشن نمبر (7) 87 کے تحت جھوٹی یا جعلی درخواستیں دینا قانوناً ناجرم ہے۔ خلاف ورزی کرنے والوں کی رقم، جو کہ درخواست کے ساتھ جمع کرائی جاتی ہے، سیکورٹیز ایکٹ 2015 کی سیکشن نمبر (8) 87 کے تحت ضبط کی جاسکتی ہے۔

14.10. ADDITIONAL INSTRUCTIONS FOR FOREIGN / NON-RESIDENT INVESTORS

- a) In case of Foreign investors who are not individuals, applications must be accompanied with a letter on applicant's letterhead stating the legal status of the applicant, place of incorporation and operations and line of business. A copy of Memorandum of Association or equivalent document should also be enclosed, if available. Where

applications are made by virtue of Power of Attorney, the same must be lodged with the applications. Copies of these documents can be attested by the Bank Manager in the country of applicant's residence.

- b) Foreign / Non-resident investors should follow the payment instructions given in para ---- of the prospectus.

14.11. PUBLIC SUBSCRIPTION THROUGH E-IPO

E-IPO is submission of application for subscription of securities electronically through internet, Automated Teller Machines (ATM) and mobile phones. In order to facilitate the public during IPOs, SECP has introduced the concept of e-IPO. The following two systems are available for e-IPOs:

i. Centralized e-IPO System (CES):

In order to facilitate investors, the Central Depository Company of Pakistan ("CDC") in collaboration with ILink (Private) Limited (ILink) has developed a Centralized eIPO System ("CES") through which applications for subscription of securities offered to the general public can be made electronically/online. CES has been made available in this Initial Public Offering (IPO) and can be accessed through the web link <https://eservices.cdcaccess.com.pk>. Payment of subscription money can be made through ILINK's member banks available for CES, list of which is available on above-mentioned website.

For making application through CES, investors must be registered with CES. Registration with CES is onetime activity, free of cost and can be done under a self-registration process by filling the CES registration form, which is available 24/7 all-round the year. Investors who have valid Computerized National Identity Card (CNIC), International Bank Account Number (IBAN) with any of the commercial bank, email address, mobile phone number and CDS Account (Investor account or sub account) can register themselves with CES.

In addition to the above, CDC has also introduced a new facility in CES through which sub-account holder(s) will request their respective TREC Holders who are Participants in Central Depository System (CDS) to make electronic subscription on their behalf for subscription of securities of a specific company by authorizing (adding the details of) their respective Participant(s) in CES.

Consequently, authorized Participants will electronically subscribe on behalf of their sub-account holder(s) in securities offered through Initial Public Offerings (IPOs) and will also be able to make payment against such electronic subscriptions through all the available channels mentioned on CES only after receiving the subscription amount from the sub-account holder(s). To enable this feature, the CDS Participant may request CDC to activate his ID on the CES portal.

The securities will be credited directly in Investors' sub-account. In case the sub-account of the investor has been blocked or closed, after the subscription, then securities shall be parked into the CDC's IPO Facilitation Account and investor can contact CDC for credit of securities in its respective account.

Investors who do not have CDS account can visit www.cdcpakistan.com for information regarding opening CDS account. For further guidance and queries regarding CES and opening of CDS account, investors may contact CDC at phone number: 0800 – 23275 (CDCPL) and e-mail: info@cdcpak.com or Mr. Farooq Ahmed Butt at Phone 111-111-500 and email: farooq_butt@cdcpak.com.

Investors who are registered with CES can submit their applications through the web link www.cdceipo.com 24 hours a day during the subscription period which will close at midnight on April 21, 2020.

ii. E-IPO Facilities by Bankers to the Issue:

For this IPO, ----- Bank Limited (----) is providing e-IPO facility to its accountholders. --- account holders can use ---- Net Banking to submit their application via link <http://----->.

14.12. BENEFITS OF E-IPO

E-IPO has the following benefits:

1. It enables the investors to make application for subscription of securities including Sukuk through the internet without going to the bank and waiting in long queues;
2. It is efficient and simultaneously facilitative for both the Issuer and the investors;
3. It is available for use 24 hours during the subscription period; and
4. If you are registered with CES or accountholder of a bank providing e-IPO facility, you may get SMS for new IPOs.
5. By applying through CES you can also track your application status.

14.13. FACILITIES AVAILABLE TO FOREIGN/NON-RESIDENT PAKISTANI INVESTORS

Companies are permitted under paragraph 6 (with specific reference to sub para (B) (VIII)) of Chapter 20 of the State Bank of Pakistan's ("SBP") Foreign Exchange Manual (the "Manual") to issue Sukuk on repatriation basis to non-residents who are covered under paragraph 6 (A) of Chapter 20 of the Manual, i.e. (I) A Pakistan national resident outside Pakistan, (II) A person who holds dual nationality including Pakistan nationality, whether living in or outside Pakistan, (III) A foreign national, whether living in or outside Pakistan and (IV) A firm (including a partnership) or trust or mutual fund registered and functioning outside Pakistan, excluding entities owned or controlled by a foreign government, provided the issue price, is paid in foreign exchange through normal banking channel by remittance from abroad or out of foreign currency account maintained by the subscriber/purchaser in Pakistan and the purchase price (whether negotiated privately or otherwise) is not less than the price quoted on the PSX.

Non-residents who wish to subscribe Sukuk out of the general public portion may contact any of the bankers to the issue (retail portion) for taking instructions regarding payment of subscription money against Sukuk offered to general public / retail investors. List of bankers to the issue for retail portion is available on title page of this Prospectus.

The Sukuk issued to non-resident investors shall be intimated by the Bank to the designated Authorized Dealer, along with the documents prescribed in the Manual within 30 days of issue.

Non-residents who are covered under paragraph 6 (A) of Chapter 20 of the Manual do not require SBP's approval to invest in the Sukuk being issued in terms of this Prospectus. Furthermore, under paragraph 7(vii) of Chapter 20 of the Manual the Authorized Dealer shall allow repatriation of profit, net of applicable taxes and proceeds on sale of listed Sukuk (i.e. divestment proceeds) not exceeding the market value less brokerage/commission on provision of prescribed documents.

Payments made by non-residents shall be supported by proof of receipt of foreign currency through normal banking channels. Such proof shall be submitted along with the Application by the non-residents.

14.14. CODE OF OCCUPATIONS

| Code | Occupation | Code | Occupation |
|-------------|-----------------------|-------------|-------------------|
| 01 | Business | 06 | Professional |
| 02 | Business Executive | 07 | Student |
| 03 | Service | 08 | Agriculturist |
| 04 | Housewife | 09 | Industrialist |
| 05 | Household | 10 | Other |

14.15. NATIONALITY CODE

| Code | Name of Country | Code | Name of Country |
|-------------|------------------------|-------------|------------------------|
| 001 | U.S.A. | 006 | Bangladesh |
| 002 | U.K. | 007 | China |
| 003 | U.A.E. | 008 | Bahrain |
| 004 | K.S.A. | 009 | Other |
| 005 | Oman | | |

14.16. MINIMUM AMOUNT OF APPLICATION AND BASIS OF ALLOTMENT OF SUKUK

The basis and conditions of allotment shall be as follows: 1) Face value of the Sukuk is PKR 5,000/-.

- a) The minimum amount of application for subscription of Sukuk is PKR 5,000/-.
- b) Applications for Sukuk below the aggregate face value of PKR 5,000/- shall not be entertained.
- c) Applications for Sukuk by the general public, including institutions and individuals, must be for a minimum of the aggregate face value of PKR 5,000/- or in multiples thereof.
- d) If the Sukuk to be issued to the general public are sufficient for the purpose, all applications shall be accommodated.
- e) If the issue is oversubscribed in terms of amount, then all applications shall be accommodated initially for Sukuk of face value of PKR 5,000/- each and the balance Sukuk shall be allotted on prorata basis to all applicants who applied for Sukuk in multiples of PKR 5,000/-.
- f) If the issue is over-subscribed in terms of number of applications and the amount, the Sukuk shall be allotted through computer balloting in the presence of representatives of PSX.

g) Allotment of Sukuk shall be subject to scrutiny of applications for subscription.

14.17. REFUND OF MONEY TO UNSUCCESSFUL APPLICANTS

----- (name of the Issuer) shall take a decision within ten (10) days of the closure of subscription list as to which applications have been accepted or are successful and refund the money in cases of unaccepted or unsuccessful applications within ten (10) days of the date of such decision as required under regulation No. ---- read with regulation No. ---- of the PSX Rule Book.

As per sub-section (2) of Section 68 of the Companies Act, 2017, if a refund is not made within the time specified therein, the Directors of the Company shall be jointly and severally liable to repay the money with surcharge at the rate of 2.00%, for every month or part thereof from the expiration of the 15th day and, in addition, shall be liable to a penalty of level 3 on the standard scale.

The surcharge mechanism has been mentioned here in order to ensure regulatory compliance. However, from the shariah perspective, since this surcharge is a form of interest, the applicants are advised to dispose any such received amount as charity.

14.18. MINIMUM SUBSCRIPTION

The minimum amount of subscription on which the Directors will proceed to allot Sukuk is PKR ----- million.

14.19. ISSUE AND CREDIT OF SUKUK

----- (name of the Issuer) shall credit Sukuk to the successful allottees within twenty-one (21) days of closure of subscription list in compliance with the requirements of PSX. Sukuk will be issued only in the Book-Entry Form through credit in their CDS

Accounts. The applicants, therefore, must provide their CDS Account Number (Investor Account Number or Sub-Account Number) in the Sukuk Subscription Form.

The Sukuk issued shall be subject to the terms & conditions for the issuance of the Sukuk specified in the Trust Deed/Issuance Agreement dated -----.

If the ----- (name of the Issuer) defaults on complying with the requirements of the Listing Regulations, it will pay to PSX a penalty of PKR 5,000/- per day during which the default continues. PSX may also notify the fact of such default and the name of the Bank by notice and also by publication, in the Daily Quotations.

The surcharge mechanism has been mentioned here in order to ensure regulatory compliance. However, from the shariah perspective, since this surcharge is a form of interest, PSX is advised to dispose any such received amount as charity.

14.20. TRANSFER OF SUKUK

The Sukuk will be inducted into the CDC, transfer shall be made in accordance with the Central Depository Act, 1997 and CDC Regulations.

14.21. BANKERS TO THE ISSUE

1. ----- Bank Limited
2. ----- Bank Limited
3. ----- Bank Limited
4. ----- Bank Limited
5. ----- Bank Limited
6. ----- Bank Limited
7. ----- Bank Limited

14.22. DEDUCTION OF ZAKAT

Zakat is deductible in case of the Sukuk being held by Muslim citizens of Pakistan, except where a statutory declaration of exemption is filed, and in case of certain non-corporate entities such as Trusts, Funds, etc. (subject to being qualified for non-deduction of Zakat under the Zakat and Ushr Ordinance, 1980). Zakat is withheld at 2.5% of the redeemed principal amount.

14.23. INCOME TAX -[as per current tax rates]

Any income derived from investment in Sukuk shall be subject to income tax as per the Income Tax Ordinance, 2001. Withholding tax, as specified in Part III Division IB of the First Schedule of the said ordinance shall be applicable.

14.24. DEDUCTION OF WITHHOLDING TAX -[as per current tax rates]

Profit paid to Sukuk Holders will be subject to withholding tax under section 150A of the Income Tax Ordinance, 2001 specified in Part III Division IB of the First Schedule of the said Ordinance or any time to time amendments therein. Rates of tax specified under Division IB are as follows:

| Category | Tax Rate for Persons appearing in Active Tax Payer List | Tax Rate for Persons not appearing in Active Tax Payer List |
|---|--|--|
| Company | 15% | 30% |
| Individual or Association of Persons (If return on Investment is more than one million) | 12.50% | 25% |

| | | |
|---|-----|-----|
| Individual or Association of Persons (If return on Investment is less than one million) | 10% | 20% |
|---|-----|-----|

14.25. CAPITAL GAINS -[as per current tax rates]

Any capital gain derived from the sale of Sukuk shall be subject to capital gain tax as per section 37A of the Income Tax Ordinance, 2001. Applicable Capital Gain Tax Rates for FY20 are as follows:

- (c) For persons appearing in Active Tax Payer List: 15.0%
- (d) For persons not appearing in Active Tax Payer List: 30.0%

14.26. DISCLOSURE OF DEFERRED TAXATION

The -----[name of the issuer] recognises deferred tax asset / liability on deficit / surplus on revaluation of operating fixed assets and securities which is adjusted against the related deficit / surplus in accordance with the requirements of International Accounting Standard (IAS) 12, ‘Income Taxes’. The balance of deferred tax asset (net) as of -----
---[Date] was PKR ----- million (unconsolidated). For detail please refer to Company’s website at <http://----->.

PART 15:

SIGNATORIES TO THE PROSPECTUS

| Name | Designation | Signature |
|------|-------------|-----------|
|------|-------------|-----------|

Signed by the above in the presence of following witnesses:

Witness 1

Witness 1

-sd-

-sd-

Name: -----

Name: -----

Designation: -----

Designation: -----

CNIC: -----

CNIC: -----

PART 16:

MEMORANDUM OF ASSOCIATION -

[Please place legible scanned copy of the Memorandum of Association of the Company hereunder]

PART 17:

APPLICATION FORM

[No. SMD/CIW/Misc./09/2015]



(Bilal Rasul)

Secretary to the Commission