

FORM I

FORM OF APPLICATION FOR SEEKING LISTING OF A GROWTH COMPANY ON THE EXCHANGE UNDER SECTION 19 OF THE SECURITIES ACT, 2015

To:

The Secretary,

Pakistan Stock Exchange Limited,

Karachi.

Dear Sir,

1. We hereby apply for the listing of our (Name of the Growth Company) _____ on your Stock Exchange.
2. Necessary information and documents as required under the Regulations and mentioned at Annexure-I to Form I are enclosed herewith.

Yours faithfully,

SIGNATURE & ADDRESS

c.c. to:

The Securities & Exchange Commission of Pakistan
ISLAMABAD - as required under Sub-Section (1) of Section 19 of the Securities Act, 2015.

Annexure-I

LIST OF DOCUMENTS REQUIRED TO BE SUBMITTED ALONGWITH APPLICATION FOR SEEKING LISTING OF A GROWTH COMPANY ON THE EXCHANGE UNDER SECTION 19 OF THE SECURITIES ACT, 2015

A Growth Company shall furnish the following documents/information along with application on Form-I for listing under section 19 of the Securities Act, 2015:

1. Memorandum and Articles of Association containing copy of the certificate of incorporation.
2. Copy of the resolution passed by the Board of Directors of the Growth Company with respect to issue and listing of the shares.
3. Copies each of Information Memorandum, audited annual accounts of the Growth Company for the last 2 years or for a shorter period, if two years of the commencement of business are not completed.
4. A statement containing particulars, dates and parties to all material contracts, agreements (including agreements for technical advice and collaboration), concessions and similar other documents except those entered into in the normal course of the company's business or intended business together with a brief description of the terms of such agreements.
5. Auditors' Certificates on the Growth Company's:
 - i. latest balance sheet;
 - ii. two years income statement containing EPS as well;
 - iii. paid up capital; and
 - iv. the break-up value per share on the basis of latest audited accounts.
6. A statement showing cash dividends and bonuses paid (if any) during the last 2 years or such shorter period as the company may have been in existence.
7. Copy of application submitted to the CDC for declaration of the share of the Growth Company as an eligible security for its CDS.
8. An undertaking on the format as prescribed in Form-II.
9. Pay Order/Bank Draft/Cheque in favour of the Exchange for payment of initial listing fee and annual listing fee as prescribed under the Regulations.
10. Any other document or information required by the Exchange.

Annexure-II

CRITERIA FOR ISSUE/OFFER OF SHARES THROUGH BOOK BUILDING

Book Building for the purpose of these regulations shall be conducted amongst the eligible investors subject to the following conditions:

- i. The issue size is not less than 5 million shares and 50 million Rupees.
- ii. The bid size for each initial subscriber shall be Rs. 100,000.
- iii. Book building is a mechanism of price discovery of equity securities through Bidders who make Bids at Floor Price or within the Price Band. Bids received are listed in descending order of price evidencing demand at different price levels at Floor Price or within the Price Band. A Strike Price is arrived at through Dutch Auction Method.
- iv. Dutch Auction method means the method through which the price is determined by arranging all the bid price 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 bid price to the extent that the total number of shares offered under the Book Building portion is subscribed.
- v. The Book Runner shall be appointed to perform the function of Book Building.
- vi. Book runner may also act as Advisor to the Issue.

BOOK BUILDING PROCEDURE:

- i. The Issuer shall decide the Floor Price and the Price Band.
Provided that the upper limit of the price band should not be more than 40% of the Floor Price.
- ii. The Issuer shall provide the justification of the floor price and the price band in the Information Memorandum.
- iii. The Issuer shall place copy of the Information Memorandum before the start of the book building on its website and the websites of the Book Runner, the Designated Institution, advisor to the Issue, and the Securities Exchange.
- iv. The Registration of the bidders shall start at least 2 working days before the start of the bidding period and shall remain open till 03:00 pm on the last date of the bidding period.
- v. The Book Runner shall establish bid collection centers.
- vi. The Book Runner shall provide a mechanism for registration of the bidders at the bid collection centers.
- vii. The Book Runner shall make all necessary arrangements for receiving bids and the instruments evidencing payment of the bid money.
- viii. The Book Runner shall put in place a mechanism to enter details including the maximum Bid amount of the Bidders into the System.
- ix. Once details of the bidders are entered into the System, the Designated Institution shall assign and communicate password and user ID to the bidders enabling them to directly place the bid and revise the bid upward only, if required.
- x. The bidding shall remain open for at least one working day.
- xi. The Book Building process shall be considered as cancelled if the Issuer does not receive bids for the number of shares allocated under the Book Building Portion.
- xii. The Book Building process shall be considered as cancelled if the total number of bids received is less than forty.

PROCEDURE FOR BIDDING:

- i. A bid by an Eligible Investor can be a "Limit Bid" or a "Step Bid".
- ii. Limit Bid: Limit bid is at the Limit Price, which is the maximum price an investor is willing to pay for a specified number of shares.
Step Bid means a series of Limit Bids at increasing prices provided that bid amount of any step is not less than Rs. 100,000.
- iii. The book runner shall vet the bid applications and accept bid applications only from eligible investors duly supported by a crossed cheque or demand draft or pay order.
- iv. The Book Runner shall collect full amount of the bid money as margin money in respect of bids placed by the eligible investors.
- v. On receipt of bid application, the Book Runner shall enter the Bid into the System and issue to the bidder an electronic receipt bearing name of the book runner, name of the bidding center, date and time.
- vi. The bidding shall commence from 09:00 a.m. and close at 05:00 p.m. on all days of the Bidding Period. The bids shall be collected and entered into the system by the Book-Runner till 05:00 p.m. on the last day of the bidding period.
- vii. The bidders can revise the bids upward till 05:00 p.m. on the last day of the Bidding Period;
- viii. The Book Runner may reject any bid application for reasons to be recorded in writing provided the reason of rejection is disclosed to such bidder. Decision of the Book Runner shall not be challengeable by the bidder.
- ix. The Designated Institution shall through the System display live throughout the bidding period an order book in descending order showing demand for shares at various prices and the accumulated number of shares bid for along with percentage of the total shares offered. The order book should also show the revised bids. The order book shall be accessible through websites of the Designated Institution, Book Runner, Advisor to the Issue, securities exchange.
- x. At the close of the bidding period, Strike Price shall be determined on the basis of Dutch Auction Method by the Designated Institution.
- xi. The bidders who have made bids at prices above the Strike Price shall be allotted shares at the Strike Price.
- xii. In case all the bids made above the Strike Price are accommodated and shares are still available for allotment, such available shares shall be allotted against the bids made at the Strike Price on proportionate basis.
- xiii. The successful bidders shall be issued securities in the form of book-entry to be credited in their CDS account. All the bidders shall, therefore, provide number of their CDS account in the bid application.

RESTRICTION ON BIDDERS:

The bidder shall not –

- i. make bid below the Floor Price and above the upper limit of the Price Band;
- ii. make bid for more than 20% of the shares allocated under the Book Building Portion;
- iii. subject to the provision of clause (i) above, make bid with price variation of more than 10% of the prevailing indicative strike price or such other percentage as may be specified by the Commission;
- iv. make consolidated bid;
- v. make more than one bid either severally or jointly;
- vi. 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; or
- vii. withdraw the Bid.

RESPONSIBILITY OF THE BOOK RUNNER:

The Book Runner to the Issue shall be responsible to:

- i. ensure that necessary infrastructure and electronic system is available to accept bids and to undertake the whole Book Building in a fair, efficient and transparent manner.
- ii. use the software provided by the Designated Institution for the Book Building on such terms and conditions as may be agreed through an agreement in writing.
- iii. ensure that the software used for Book Building is based on Dutch Auction Method for display of the order book and determination of the strike price.
- iv. ensure that the bidders can access to the System and can revise their bids electronically using the user ID and the password.
- v. maintain record of all the bids received.
- vi. the Book Runner has established bid collection centers.

Schedule-I

CONTENTS OF INFORMATION MEMORANDUM

NOTE: THIS IS A GUIDELINE FOR ADVISORS TO THE ISSUE. THE EXCHANGE SHALL BE NOT BE RESPONSIBLE FOR MONITORING COMPLIANCE WITH SCHEDULE I

The Information Memorandum (IM) prepared with respect to issue of shares for listing under this Chapter shall contain at least the following information/disclosures:

- i. On cover page, the following shall be disclosed:
 - a) A disclaimer in bold letters stating that, "This is not a prospectus for issue of shares to the general public, but a document prepared for the purpose of offering shares only to Eligible Investors. This IM has not been approved by the Securities & Exchange Commission of Pakistan (the Commission) or the Pakistan Stock Exchange Limited (the Exchange)";
 - b) Advise for Investors:

The GEM is designed primarily for Growth Companies. Growth Companies are comparatively exposed to higher investment risk including liquidity risk as compared to the companies listed at the main Board of the Exchange. The prospective investor should, therefore, be aware of the risk of investing in such companies and should make the decision to invest only after careful diligence of the issue and consideration. It is advisable to consult any independent investment advisor before making investment in equity of the Issuer;
 - c) A statement in bold letters stating that, "The Issuer & Board of Directors of ... (Name of the Issuer) ... accepts responsibility for accuracy of the information contained in this document";
 - d) Name of the Issuer;
 - e) Address of the Issuer;
 - f) Date of incorporation;
 - g) Information regarding website address of the issuer;
 - h) Name of group and associated Companies;
 - i) Capital Structure of the Issuer/ Name of Sponsors and Major shareholders along with shareholding;
 - j) Name of Chairman, directors, Chief executive and top management of the Issuer;
 - k) Profile of the management of the Issuer including all the members of the Board of Director, the Chief Financial Officer and the Company Secretary;
 - l) Details about the Issuer;
 - i) Introduction;
 - ii) Principal business of the issuer;
 - iii) Type of share capital issued and voting rights;
 - iv) Company operating segment;
 - v) Company market share;
 - vi) Basic information about the industry the issuer belongs to, key players in the industry, basic raw material used by the issuer, if any, and list of supplier thereof, main clients of the issuer, and main competitors of the issuer;
 - vii) Risk(s) faced by the Issuer;
 - viii) Past financial performance - past financial highlights of the issuer including key financial ratios like debt/equity ratio (pre & post issue), current ratio, return on equity, return on assets, earning per share, Break-up value per shares (pre & post issue) etc. in tabular form;
 - ix) Details of the financial facilities obtained by the Issuer and major covenants
 - x) Name of creditors along with contact details;
 - m) Profit distribution policy;
 - n) Pending litigations and contingent liabilities;
 - o) Purpose of raising the funding, utilization of proceeds and future prospectus;
 - p) In case the proceeds of the Issue are to be utilized for project financing, detail of such project like project cost & means of financing (i.e. Financial Plan), project implementation schedule, latest status of the implementation of the project, expected date of completion of the project, expected date of trial & commercial production etc.;
 - q) Projected 3 years financials, along with a disclaimer that the actual financial performance of the Company may vary as a result of changing macro – economic conditions, and other factors;
 - r) Salient features of the Issue like issue size, face value of share, offer price, Floor Price, etc.;
 - s) Justification for premium / par;
 - t) Rights of the shareholders like right to vote, dividend etc.;
 - u) Summary of all the material contracts relating to the Issue and the project, if any;
 - v) Subscription dates in case of fixed price method;
 - w) Bidding dates in case of book building method;
 - x) Procedure for book building method including instructions for registration and bidding;
 - y) Procedure for fixed price method;
 - z) Procedure for allotment of shares.

FORM II

FORM OF UNCONDITIONAL UNDERTAKING BY THE GROWTH COMPANY

Date: _____

The Board of Directors,
Pakistan Stock Exchange Limited,
Karachi.

UNDERTAKING

We undertake, unconditionally, to abide by the Regulation(s) of the Pakistan Stock Exchange Limited applicable to the company which presently are, or hereinafter may be in force.

We further undertake:

1. That our shares shall be quoted on the _____ at the discretion of the Exchange;
2. That the Exchange shall not be bound by our request to remove shares from the _____;
3. That the Exchange shall have the right, at any time to suspend or remove the said share for any reason which the Exchange consider sufficient in the interest of the market;
4. That such provisions in the Articles of Association of our company or in any declaration or agreement relating to any other security as are or otherwise not deemed by the Exchange to be in conformity with the Listing of Companies and Securities Regulations of the Exchange shall, upon being called upon by the Exchange, be amended to supersede the Articles of Association of our company or the nominee relating to the other securities to the extent indicated by the Exchange for purposes of amendment and we shall not raise any objection in relation to a direction by the Exchange for such amendment; and
5. That our company and/or the share may be delisted by the Exchange in the event of non-compliance and breach of this undertaking.

Yours sincerely,

SIGNATURE OF AUTHORIZED PERSON
Common Seal of the Company