



Corporate Action General Procedures

CENTRAL DEPOSITORY SYSTEM (CDS)

Operations & Customer Support Services

| CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED |

| CDC HOUSE, 99-B, BLOCK B, S.M.C.H.S, MAIN SHARAH-E-FAISAL, KARACHI |

Corporate Action General Procedure

1 Corporate Actions

For all purposes and in particular for the purpose of Corporate Actions, the records of the Depository will, in fact be considered an extension of the Members'/Securities Holders' Register maintained by the Issuer/Transfer Agent (R/TA). In other words the details of the beneficial owners of the CDC's nominee holding will be obtained from the records of the Depository and shareholder entitlements will be determined, as far as the securities held in the Depository are concerned, on the basis of the Beneficial Owners Report provided by the CDC.

Detailed procedures by means of which the Depository will handle the various corporate actions involved are given in the following paragraphs.

1.1 Book Closure

A book closure period is a period during which the Issuer/Transfer Agent (R/TA) does not accept for processing any certificates for the purpose of recording their transfer of ownership. Traditionally, the book closure period is a device whereby, in the absence of depository systems, the Issuer/Transfer Agent (R/TA) were given adequate time to process the large numbers of security transfers which were invariably submitted before the cut-off date for carrying out corporate actions.

In this regard, Issuer / R/TA shall notify to CDC (as per standard format-Annexure CA-1) of any Book Closure period fixed by them, specifying therein the Book Closure start date and the Book Closure end date as well as other relevant corporate action details (if applicable).

The notice mentioned above, should in accordance with the provision 12.1.1 of the CDC Regulations be provided to CDC atleast **seven (7) Business Days** prior to the book closure start date.

The Depository is required to provide to the Issuer/Transfer Agent (R/TA) a detailed breakdown of the balance of securities standing to the credit of the CDC nominee holding in the Members'/Securities Holders' Register maintained by the Issuer/Transfer Agent (R/TA), in order to enable them to distribute the benefits accruing as a result of the corporate actions to each beneficial owners according to his entitlement and/or to forward such communication to each beneficial owners as is required under Corporate Laws. In addition to this, the Depository does not allow the initiation of fresh Deposit and Withdrawal requests during a book closure period. This is to make sure that the balance of securities in the CDC's folio in the Members'/Securities Holders' Register remains frozen / intact during the book closure period.

Deposit and Withdrawal requests which are **pending** at the end of Issuer/Transfer Agent (R/TA) as at the first day of book closure are processed during the book closure period in accordance with the provisions of Chapter 8 of the Central Depository Company of

Pakistan Limited Regulations, i.e. within such number of days as specified in the Companies Act, 2017 and the CDC Regulations from the receipt of the Registerable Transfer documents.

However, Regulation 8.3A.3 provides that where Registerable Transfer Documents are not received by the Issuer / R/TA by the 2nd Business Day after the start of book closure date then for the purpose of the said provision it shall be deemed that dispatch of the Registerable Transfer Documents & deposit request transaction was made after the book closure end date.

1.2 Notices of Meetings or other Notices

Where the Notice of General Meetings (GM) or any other Notice is to be given by the Issuer to its shareholders in accordance with the requirements of the Companies Act, 2017, such Issuer shall notify to CDC at least **7 business days** before sending the statutory Notice to the shareholder, as per Annexure CA-1.

The notice to CDC shall specify:

- The date on which statutory Notice is to be sent, and
- Details of security to which the statutory Notice relates.

On the End of Day - EoD of 4th Business Day before the relevant time, CDC shall provide the Beneficial Owner Report (titled “List of Beneficial Owners - LOBO”) correct as of EoD on the 7th Business Day before the relevant time via download facility which contains the Registration Details & Holding Balances of each Holder within the CDS. On the basis of the “Beneficial Owners Report”, the Issuer shall circulate the notices to its shareholders.

***Relevant time** for the purpose of 1.2 means the date on which the Issuer intends to send notices of meeting to the share holders

1.3 Attendance of General Meeting and/or determination of Dividend Entitlement and / or Redemption

Issuers to distribute dividend or make redemption to Account Holders and Sub-Account Holders on the basis of their Holding Balances and Registration Details provided in the Central Depository Register (LOBO/SBD) as of the end of the day preceding the commencement of Book Closure Period (Relevant Time). CDC shall provide the above details to the Issuer/Transfer Agent (R/TA) in accordance with CDC Regulation No. 12.3.5.

The Beneficial Owners Report (titled ‘Share Book Details’ -SBD) and the gross entitlement list will be made available to the Issuer/Transfer Agent (R/TA) immediately succeeding Business Day after the Relevant Time. i.e. first day of Book Closure.

The above Beneficial Owners Report and Gross Entitlement List will have all the adjustments relating to Change in Registration Details as well as Change in Holding

Balances arising from Deposit Approval Transactions & Withdrawal Approval Transactions which were existing in the Deposit Pending Position and Withdrawal Pending Position as on the Relevant Time.

1.4 Bonus Shares

When the Board of Directors of an Issuer of Book Entry Securities recommends bonus issue on such Book Entry Securities, the Issuer shall forthwith but in any event before book closure date notify CDC as per Annexure CA-1 providing therein necessary details along with **certified true copy of Board Resolution and latest audited accounts or Form-7 for verification of authorized capital** as per the procedure of “Input of paid-up capital / total issue in CDS”.

The Beneficial Owners Report (titled ‘Share Book Details’ - SBD) and the gross Entitlement List will be made available to the Issuer / R/TA immediately succeeding Business Day after the Relevant Time i.e. first day of Book Closure.. Further, specimen confirmation letter is also provided to Issuer / R/TA along with reporting letter.

The above Beneficial Owners Report and the Entitlement List will have the adjustments relating to Change in Registration Details as well as Change in Holding Balances arising from Deposit Approval Transactions & Withdrawal Approval Transactions which were existing in the Deposit Pending Position and Withdrawal Pending Position as on the Relevant Time.

Subsequent to Board of Directors approval for the allotment of bonus shares, Issuer to:

- a) allot and register the integer portion of the bonus issue, as provided in the entitlement list, in the name of the Central Depository Company of Pakistan Limited;
- b) dispose of the fractional entitlement of account holders and sub-account holders as per entitlement list in accordance with the relevant laws; and
- c) distribute the proceeds of fractional entitlement in accordance with relevant Rules & Regulations.

The Issuer shall forthwith notify the CDC as per **Annexure CA-2** (for final Bonus) & **CA-3** (Interim Bonus) once the bonus shares have been allotted and registered in the name of CDC.

Upon receipt of confirmation letter & other documents as per the requirement of the procedure of “Input of paid-up capital / total issue in CDS”, the CDC shall credit the integer bonus entitlement to the respective Accounts and Sub Accounts immediately after the end of Business Day on which such confirmation letter has been received.

Note:

Credit of shares will be processed once all the requirements will be fulfilled.

Cancellation of Bonus Shares in Central Depository System (CDS):

As per the CDC Regulations 12.4.8 for cancellation of Bonus issue following Procedure shall be followed:

1. Issuer before the defined credit date of Bonus shares may send a request letter duly signed by authorized signatory (ies) to CDC along with the certified copy of Board Resolution in case of interim bonus **OR** in case of Final Bonus Member's Resolution of Annual General Meeting is required for cancelation of Bonus entitlement to process cancellation into CDS.
2. A copy of intimation letter sent to PSX and SECP should also be provided prior to cancellation of Bonus.

Annexure CA-1

(ON COMPANY'S LETTER HEAD)

Date: _____

Head of Operations
 Central Depository Company of Pakistan Limited
 CDC House,
 99-B, Block-B, S.M.C.H.C.
 Main Shahrah-e-Faisal,
 Karachi.

Dear Sir,

With reference to the provisions of Regulation Nos. 12.1.1, 12.2.1 and 12.4.1 of the CDC Regulations, we are pleased to inform you as follows:

Name of Eligible Security: _____

CORPORATE ACTION

Regulation No. 12.2.1 Date on which Notice of Annual / Extra Ordinary General Meeting/ARM (including Accounts) will be sent to the shareholders.	
Date of Annual / Extra Ordinary General Meeting/ARM.	
Regulation No. 12.1.1 Closure of Share Transfer Books.	
Regulation No. 12.4.1 Entitlements, as recommended by the Board of Directors.	Interim / Final Cash Dividend at Rs. ____ per shares i.e. ____%. Issuance of Bonus in the proportion of "____" shares for every "____" shares held i.e. ____%.
Date on which allotment of bonus securities is proposed to be made.	

You are advised to provide us the registration details of account holders and sub-account holders in accordance with the provisions of the Central Depositories Act, 1997 and the CDC Regulations.

Yours sincerely,

AUTHORIZED SIGNATORY (ies)



For Final Bonus
(ON COMPANY'S LETTER HEAD)

Annexure CA-2

Date: _____

Head of Operations

Central Depository Company of Pakistan Limited
CDC House, 99-B, Block-B,
S.M.C.H.S. Main Shahrah-e-Faisal,
Karachi.

Dear Sir,

In compliance with the provisions of Regulation No.12.4.5 of the CDC Regulations, we are hereby writing to confirm as follows:

The General Body in its General Meeting held on _____, has approved _____% Bonus Shares, as recommended by the Board of Directors of the Company.

The above mentioned pay-out i.e. _____% Bonus Shares shall be distributed to the shareholders (including Account Holders and Sub-Account Holders in the Central Depository System) whose names are appearing on the Members' Register of the Company as at close of business on _____.

We further confirm that the CDC has been allotted Bonus Shares _____% in the manner as follows:

CDC's base nominee holding in the Members' Register as at close of business on _____, subject to valid adjustments of Deposit Requests and/or Withdrawal Requests approved / rejected during the book closure period:

XXXXXXXXXX

Gross CDC's Bonus Entitlement @ _____%:

XXXXXXXXXX

Less: Fractional Entitlement to be distributed through Fractional Warrants:

XXXXXXXXXX

Net Bonus Entitlement allotted to CDC: For the Security
PK _____

XXXXXXXXXX

CDC Nominee Shareholding in the Members' Register of the Company:

XXXXXXXXXX

You are advised to credit the integer number of bonus shares to respective accounts of the Account Holders and Sub-Account Holders in accordance with the Bonus Entitlement List submitted to us. The proceeds of the Fractional Entitlement of the Account Holders and Sub-Account Holders as provided in the Bonus Entitlement List shall be disbursed in due course in the manner prescribed under the provisions of the relevant corporate laws & regulations.

We also confirm that an amount of Rs. _____ in respect of _____ bonus shares credited in CDS had been paid by us via Cheque # _____ against Invoice #- _____ and as of today, no payment to CDC is pending at our end.

We will be pleased to provide you with any other information / clarification should you so require.

Yours sincerely,

(AUTHORIZED SIGNATORY)

Encl: Annual Audited Accounts



For Interim bonus

(ON COMPANY'S LETTER HEAD)

Annexure CA-3

Head of Operations
Central Depository Company of Pakistan Limited
CDC House, 99-B, Block-B,
S.M.C.H.S. Main Shahrah-e-Faisal,
Karachi.

Date: _____

Dear Sir,

In compliance with the provisions of Regulation No.12.4.5 of the CDC Regulations, we are hereby writing to confirm as follows:

The Board of Directors of the company has approved **Interim** Bonus Shares _____%.

The above mentioned pay-out i.e. _____% Interim Bonus Shares shall be distributed to the shareholders (including Account Holders and Sub-Account Holders in the Central Depository System) whose names are appearing on the Members' Register of the Company as at close of business on _____.

We further confirm that the CDC has been allotted Interim Bonus Shares _____% in the manner as follows:

CDC's base nominee holding in the Members' Register as at close of business on _____, subject to valid adjustments of Deposit Requests and/or Withdrawal Requests approved / rejected during the book closure period:

XXXXXXXXXX

Gross CDC's Bonus Entitlement @ _____%:

XXXXXXXXXX

Less: Fractional Entitlement to be distributed through Fractional Warrants:

XXXXXXXXXX

Net Bonus Entitlement allotted to CDC: For the Security

XXXXXXXXXX

_____ CDC Nominee Shareholding in the Members' Register of the Company:

XXXXXXXXXX

You are advised to credit the integer number of bonus shares to respective accounts of the Account Holders and Sub-Account Holders in accordance with the Bonus Entitlement List submitted to us. The proceeds of the Fractional Entitlement of the Account Holders and Sub-Account Holders as provided in the Bonus Entitlement List shall be disbursed in due course in the manner prescribed under the provisions of the relevant corporate laws & regulations.

We also confirm that an amount of Rs. _____ in respect of _____ bonus shares credited in CDS had been paid by us via Cheque # _____ against Invoice #- _____ and as of today, no payment to CDC is pending at our end.

We will be pleased to provide you with any other information / clarification should you so require.

Yours sincerely,
(AUTHORIZED SIGNATORY)

Encl. Half yearly (reviewed) accounts required) for Interim Bonus.
For Issuance of Bonus Shares after 1st & 3rd Quarter, "Original Auditor's Certificate" is required.