

AVANCEON LIMITED

NOTICE OF 15th ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 15th Annual General Meeting of Avanceon Limited ("AVN") will be held at Fairways Hall Country Golf Club Sector C Bahria Town Lahore, on Tuesday, 24 April 2018 at 3.00 P.M. to transact the following business:

A. ORDINARY BUSINESS

- To confirm the minutes of the 14th Annual General Meeting held on 25th April 2017.
- To receive and consider the Audited Accounts for the year ended 31 December 2017 and the Directors' and Auditors' Reports thereon.
- To appoint Auditors and fix their remuneration. The present auditors Ernst & Young, Ford Rhodes, Chartered Accountants, being eligible, have offered themselves for re-appointment.
- To declare a final dividend at the rate of Rs 2.25/- per share i.e. 22.5% for the year ended 31 Dec 2017.
- Any other business with the permission of the Chair.

B. SPECIAL BUSINESS

- RESOLVED that the Authorized Capital of the Company be increased from Rs. 1,500,000,000 (Rupees One Billion Five Hundred Million) to Rs. 2,000,000,000 (Rupees Two Billion) and that
(a) Clause V of the Memorandum of Association of the Company be and is hereby amended to read as follows:
"V. The authorized share capital of the Company is Rs. 2,000,000,000 (Rupees Two Billion) divided into 200,000,000 (Two Hundred Million) shares of the nominal value of Rs.10.00 (Rupees Ten each) with the power to increase and reduce the capital and to divide the shares in the capital for the time being into several classes in accordance with the provisions of the Companies Act 2017.
(b) Article 5 of the Articles of Association of the Company be and is hereby amended to read as follows:
(5) The authorized share capital of the Company is Rs. 2,000,000,000 (Rupees Two Billion) divided into 200,000,000 (Two Hundred Million) ordinary shares of Rs. 10/- each with power to increase, consolidate, sub-divide, cancel, reduce or otherwise reorganize the share capital of the Company subject to the provisions of Section 85 and 89 of the Companies Act 2017.
- (a) RESOLVED that as required by the rule (6) 1 of the Public Companies (Employees Stock Option Scheme) Rules 2001, (the Rules), Employees Share Option Scheme 2018, (the scheme) of Avanceon Limited (the Company) placed in draft before this meeting, and which provides for granting options to eligible employees to subscribe up to 1.75 million shares (adjustable pursuant to any corporate action/event in the manner as mentioned in clause 3.2 of the Scheme of the company), at the exercise price of Rs1/-, Rs 1.20, Rs 1.44/-, Rs 1.73/-, and Rs 2.08/- per share with a vesting period of 01 year from date of the grant of options for the year(s) 2018,2019,2020,2021 & 2022 respectively. (as detailed in the Scheme), be and is hereby approved, subject to any amendments that may be required by The Securities and Exchange Commission of Pakistan (the SECP); and the Chief Executive and Company Secretary, jointly and / or severally, be and are hereby authorized to execute any document(s) and to take all actions necessary to offer and implement the scheme.
(b) RESOLVED that as required by Rule 6(ii) of the Rules, the grant of options equal to or exceeding one percent of the issued or paid up capital of the company at the time of grant of options, within one year, to any employee be and is hereby approved.
(c) RESOLVED that as required under sub sec (1) of Sec 83 of the Companies Act 2017, (the Act) the Company be and is hereby authorized to raise further capital and allot and issue up to 1.75 million (one million seven hundred fifty thousand) further ordinary shares (adjustable pursuant to any corporate action/event in the manner as mentioned in clause 3.2 of the Scheme of the company) of Rs.10/- each, without issue of right shares, to its employees under the Scheme at the price mentioned in resolution S.no. (a) above and RESOLVED FURTHER that any change in both the number of shares and the exercise price, as per the terms of the scheme and the Rules consequent upon any rights or bonus declaration or other corporate actions, be and are also hereby approved/authorized.
(d) RESOLVED THAT as required under Sec 82(2) of the Companies Act 2017, the Company is hereby authorized to issue 1.75 million ordinary shares (adjustable pursuant to any corporate action/event in the manner as mentioned in clause 3.2 of the Scheme of the company) to its employees under the scheme at a maximum discount of 90% to the face value at the Exercise price mentioned in resolution S.no. (a) above.

By Order of the Board

Ahsan Khalil | Company Secretary Lahore

Dated: 03 April, 2018

N.B

- The share transfer books of the Company will be closed and no transfer of shares will be accepted for registration from Tuesday 17 April 2018 to Tuesday 24 April 2018 (both days inclusive). Transfer received in order at the office of our Registrar, Ms FAMCO Associates 8-F, Near Hotel Faran, Nursery, Block-6, P.E.C.H.S., Shahra-e-Faisal, Karachi by the close of business (5.00 p.m.) on Monday 16 April 2018 will be treated to have been in time for the purposes of payment of final dividend and to attend & vote at the meeting.
- A member entitled to attend and vote at this meeting shall be entitled to appoint another person, as his/ her proxy to attend, speak and vote instead of him /her, and a proxy so appointed shall have such rights, as respects attending, speaking and voting at the meeting as are available to a member. Proxies in order to be effective, must be received by the Company not less than 48 hours before the meeting. A proxy need not be a member of the company.
- Members are required to timely notify any change in their address to Company's Shares Registrar, Ms FAMCO Associates 8-F, Near Hotel Faran, Nursery, Block-6, P.E.C.H.S., Shahra-e-Faisal, Karachi.

ADDITIONAL NOTES;

CDC Account Holders will further have to follow the under mentioned guidelines as laid down in circular #1 dated 26 Jan 2000, issued by SECP.

FOR ATTENDING THE SHAREHOLDERS' MEETING

I. In case of individuals, the account holder or sub-account holder and/or the person whose securities are in group account and their registration details are up-loaded as per the Regulations, shall authenticate his identity by showing his original National Identity Card (NIC) or original passport at the time of attending the meeting.

II. The shareholders registered on CDC are also requested to bring their particular ID numbers and account numbers in CDS.

III. In case of corporate entity, the Board of Directors' resolution/power of attorney with specimen signature of the nominee shall be produced at the time of the meeting

FOR APPOINTING PROXIES:

I. In case of individual, the account holder or sub-account holder and/or the person whose securities are in group account and their registration details are uploaded as per the Regulations, shall submit the duly completed and stamped proxy form accordingly.

II. The proxy form shall be witnessed by the two persons whose names, addresses and NIC numbers shall be mentioned on the form.

III. Attested copies of valid NIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.

IV. The proxy shall produce his/ her original NIC or original passport at the time of the meeting.

V. In case of corporate entity, the Board of Directors resolution/power of attorney with specimen signature shall be submitted along with proxy form to the company.

PAYMENT OF CASH DIVIDEND ELECTRONICALLY

The Securities and Exchange Commission of Pakistan (SECP) had earlier initiated e-dividend mechanism through its letter No: 8(4)SM/CDC/2008 dated April 05, 2013. The Companies Act 2017, also now provides in section 242 that any dividend payable in cash shall only be paid through electronic mode directly into the bank account designated by the entitled shareholders. As such, the Company will only be able to make payment of cash dividend to its shareholder through electronic mode. Therefore, shareholders are advised that in order for them to receive their dividends through electronic mode, the details of their bank mandate specifying: (i) title of account, (ii) account number, (iii) bank name, (iv) branch name, code and address be provided as soon as possible, to the Share Registrar of the Company, Ms FAMCO Associates, 8-F Near Hotel Faran, Nursery Block-6, P.E.C.H.S., Karachi.

CIRCULATION OF NOTICE OF MEETINGS AND ANNUAL FINANCIAL STATEMENTS

Pursuant to SRO 787 (1)/2014 Dated 08 Sep 2014 the SECP has directed to facilitate the members of the company receiving annual financial statements and notices through email. We are pleased to offer this facility to our members who desire to receive annual financial statements and notices through email in future. In this respect members are hereby requested to convey their consent via email on a standard request form which is available on company's website www.avanceon.ae Please ensure that your email has sufficient rights and space available to receive such email which may be larger than 2 MB file in size. Further it is the responsibility of the member to timely update the share registrar of any change in the registered email address. Annual audited financial statement of the company for the year ended 31 Dec 2017 have been made available on the company's website www.avanceon.ae

FILER AND NON-FILER STATUS

The Government of Pakistan through Finance Act 2014 has made certain amendments in Sec 150 of the Income Tax Ordinance 2001, whereby different rates are prescribed for deduction of withholding tax on the amount of dividend paid by the companies.

To enable the company to make tax deduction on the amount of cash dividend, all the members whose name are not entered in ATL, even though they are filers are advised to make sure that their names are entered in ATL, available at e portal of FBR, before the date of commencement of book closure for cash dividend. The company as per the law shall apply 20% rate of withholding tax if the member's name with relevant details does not appear on the ATL before the mentioned date and deposit the same in Government treasury within the prescribed time.

All members who hold shares jointly are requested to provide the shareholding as per following:

Folio / CDS	Total Shares	Principal Shareholder		Joint Shareholder	
		Name and CNIC	Shareholding proportion (No of shares)	Name and CNIC	Shareholding proportion (No of shares)

The required information must reach our Share Registrar by the close of business on 16 April 2018, otherwise it will be assumed that shares are equally held. The Corporate Shareholders having CDC accounts are required to have their NTN updated with their respective participants, whereas corporate physical shareholders should send a copy of their NTN certificate to the company or its share registrars. The shareholders while sending NTN or NTN certificates, as the case may be must quote company name and their respective folio numbers.

CONSENT FOR VIDEO CONFERENCE FACILITY

Members can also avail video conference facility in Karachi, if the company receives consent at least 10 days prior to the date of the meeting from members holding in aggregate 10% or more shareholding and residing in Karachi to participate in the meeting through video conference.

Please fill the following form and submit to the registered office of the company 10 days before the holding of the annual general meeting:

I / We _____ of _____, being members of Avanceon Limited and holder of _____ ordinary shares as per registered folio no/CDC A/c No _____ hereby opt for video conference facility at Karachi.

For any query/information, members may contact our Share Registrar Ms FAMCO Associates 8-F, Near Hotel Faran, Nursery, Block-6, P.E.C.H.S., Shahra-e-Faisal, Karachi.

STATEMENT UNDER SECTION 134 (3) OF THE COMPANIES ACT 2017.

This Statement is annexed to the Notice of the 15th Annual General Meeting of Avanceon Limited to be held on Tuesday 24 April 2018 at which certain Special Business is to be transacted. The purpose of this Statement is to set forth the material facts concerning such special business;

ITEM (6) OF THE AGENDA

Total Number of Share Options: 1,750,000 (One million seven hundred fifty thousand) ordinary share options.

Classes of Employees: Management Cadres MT-3 and above.

Vesting Requirement & Period of Vesting: The period of vesting is 01 year(s) from the Date of Grant of the relevant Options till the commencement of the relevant Exercise Period applicable to the Options granted.

Maximum Period of vesting: 01 (one) years.

Exercise Price: Rs 1/- for 2018, Rs 1.2/- for 2019, Rs 1.44/- for 2020, Rs 1.73/- for 2021 and Rs 2.08/- for 2022.

Appraisal process for Eligibility: The HR & R Committee through its powers delegated to Committee for Organizational & Employee Development (COED) shall consider the employees recommended and approved by COED in line with the annual appraisal process for the company.

Maximum number of options to be issued per employee and in aggregate: 250,000 (two hundred fifty thousand) options per employee with total 1,750,000 (One million seven hundred fifty thousand) share options in aggregate for all eligible employees.

Statement of Conforming of accounting policies:

This statement is annexed to the ESOP-2018 scheme. The purpose of this Statement is to conform the accounting policies as per rule 13 of the Public Companies (Employees Stock Option Scheme) Rules, 2001.

The grant date fair value of equity settled share based payment to employees is initially recognized in the balance sheet as deferred employee compensation with a corresponding credit to equity as employees' share compensation reserve. The fair value determined at the grant date of the equity settled share based payments is recognized as an employee compensation expense on a straight-line basis over the vesting period.

When an unvested option lapses by virtue of an employee not conforming to the vesting conditions after recognition of an employee compensation expense in profit and loss account, employee compensation expense in profit and loss account and deferred employee compensation in balance sheet will be reversed equal to the amortized and unamortized portion respectively, with a corresponding effect to the employees' share compensation reserve.

When a vested option lapses on expiry of the exercise period, employee compensation expense already recognized in the profit and loss account is reduced with a corresponding reduction to employee compensation reserve in the balance sheet.

When the options are exercised, employees' compensation reserve relating to these options is transferred to share capital and share premium account. An amount equivalent to the face value of related shares is transferred to share capital. Any amount over and above the share capital is transferred to share premium account.

ITEM (7) OF THE AGENDA

The Board of Directors' in their meeting held on 21 Mar 2018 approved the increase in authorized share capital of the company to Rs 2,000,000,000/- (Rupees Two Billion) from Rs 1,500,000,000/- (Rupees One Billion Five Hundred Million). The current increase in authorized capital is approved to anticipate any increase in issue of shares as the total authorized capital of the company is 88% issued, paid-up and subscribed.

44cm x 04colm (176 CMS)

Daily Business Recorder Lahore+ Karachi

Tuesday 03-04-2018

