

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 27,350,000 Ordinary shares of face value of PKR 10 each which constitutes 20.00% of the post-IPO paid up capital of the Company.

The Issue is being made through the Book Building process at a Floor Price of PKR 29 per share. Initially, 75% of the issue size i.e. 20,512,500 Ordinary Shares will be allotted to Successful Bidders and 25% of the issue i.e. 6,837,500 Ordinary Shares will be offered to Retail Investors / General Public. 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 29/- 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 shall be PKR 40.6/- 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 prorata 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 2 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 sets 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 29.00 per share, based on which the total Application Money would amount to PKR 29 Million. In this case the Bid Amount will be also PKR 29 Million. Since the Bidder has placed a Limit Bid of PKR 29.00 per share, this indicates that he / she / it is willing to subscribe the shares at a price up to PKR 29.00 per share.
- **Step Bid:** A series of Limit Bids at increasing prices. The amount of any individual step bid 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 29.00 per share, 0.6 Million shares at PKR 30.00 per share and 0.5 Million shares at PKR 31.00 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 53.8 Million. In case of individual Bidder, the Margin Money will be 100% i.e. PKR 53.8 Million whereas in case of Institutional Bidders the Margin Money shall be 25% of the Bid amount i.e. PKR 13.45 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; OR
 - (g) WITHDRAW BID
- (ii) RELATED EMPLOYEES OF THE ISSUER, CONSULTANT TO THE ISSUE & 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 CONSULTANT TO THE ISSUE & BOOK RUNNER SHALL NOT IN AGGREGATE MAKE BIDS IN EXCESS OF 10 (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, CONSULTANT TO THE ISSUE & BOOK RUNNERS ARE PROVIDED IN SECTION 3.

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 allotted to each of them. 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 provide the bank account details in their bidding form, so that cash dividend can be credited into 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 Book Building Portion are subscribed.

- 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.
- 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:

- Number of shares being Issued through the Book Building: 27,350,000 Ordinary Shares
- Floor Price: PKR 29/- per Ordinary Share with maximum price band of 40% i.e. PKR 40.6/- per share
- Bidding Period: From September 9th, 2021 to September 10th, 2021
- Bidding Time: 9:00am – 5:00pm
- Bidding Revision Time (Upward Revision only): 9:00am – 5:00pm on all days

Bidder	Price (PKR/share)	Quantity	Cumulative Number of shares	Category of Order
Institution A	34.00	2,735,000	2,735,000	Limit Price
Institution B	33.75	2,700,813	5,435,813	Limit Price
HNWI A	33.50	1,367,500	6,803,313	Step Bid
Institution C	33.00	2,051,250	8,854,563	Limit Price
Institution D	32.50	2,393,125	11,247,688	Limit Price
Institution E	32.00	2,188,000	13,435,688	Limit Price
HNWI B	31.75	2,051,250	15,486,938	Limit Price
HNWI A	31.50	1,367,500	16,854,438	Step Bid
Institution F	31.25	2,051,250	18,905,688	Limit Price
Institution G	31.00	1,746,981	20,652,669	Limit Price
Institution H	30.75	1,367,500	22,020,169	Limit Price
HNWI C	30.50	2,051,250	24,071,419	Limit Price
Institution I	30.25	1,367,500	25,438,919	Step Bid
Institution H	30.25	1,367,500	26,806,419	Limit Price
HNWI D	30.00	547,000	27,353,419	Step Bid
Institution J	29.50	1,025,625	28,379,044	Limit Bid
HNWI E	29.00	683,750	29,062,794	Limit Price

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Strike Price determine through Dutch Auction Method

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Bid has been revised upwards and placed at PKR 30.75

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Total shares bid for at and above the Floor Price

On the basis of the figures provided in the above illustration, according to the Dutch Auction Method, the Strike Price would be set at PKR 30.00 per share to sell the required quantity of 27,350,000 ordinary shares.

At PKR 34.00 per share, investors are willing to buy 2,735,000 shares. Since 24,615,000 shares are still available, therefore the price will be set lower.

At PKR 33.75 per share, investors are willing to buy 2,700,813 shares. Since 21,914,188 shares are still available, therefore the price will be set lower.

At PKR 33.50 per share, investors are willing to buy 1,367,500 shares. Since 20,546,688 shares are still available, therefore the price will be set lower.

At PKR 33.00 per share, investors are willing to buy 2,051,250 shares. Since 18,495,438 shares are still available, therefore the price will be set lower.

At PKR 32.50 per share, investors are willing to buy 2,393,125 shares. Since 16,102,313 shares are still available, therefore the price will be set lower.

At PKR 32.00 per share, investors are willing to buy 2,188,000 shares. Since 13,914,313 shares are still available, therefore the price will be set lower.

At PKR 31.75 per share, investors are willing to buy 2,051,250 shares. Since 11,863,063 shares are still available, therefore the price will be set lower.

At PKR 31.50 per share, investors are willing to buy 1,367,500 shares. Since 10,495,563 shares are still available, therefore the price will be set lower.

At PKR 31.25 per share, investors are willing to buy 2,051,250 shares. Since 8,444,313 shares are still available, therefore the price will be set lower.

At PKR 31.00 per share, investors are willing to buy 1,746,981 shares. Since 6,697,331 shares are still available, therefore the price will be set lower.

At PKR 30.75 per share, investors are willing to buy 1,367,500 shares. Since 5,329,831 shares are still available, therefore the price will be set lower.

At PKR 30.50 per share, investors are willing to buy 2,051,250 shares. Since 3,278,581 shares are still available, therefore the price will be set lower.

At PKR 30.25 per share, investors are willing to buy 1,367,500 shares. Since 1,911,081 shares are still available, therefore the price will be set lower.

At PKR 30.00 per share, investors are willing to buy 547,000 shares. **Since after bidding for 547,000 shares at PKR 30.00 per share, no shares will be available therefore the Strike Price will be set at PKR 30.00 per share for the entire lot of 27,350,000 shares.**

The bidders who have placed bids at prices above the Strike Price (which in this illustration is PKR 30.00 per share, will become entitled for allotment of shares at the Strike Price and the differential would be refunded.

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 as per regulation 9(12) of the PO Regulations.

The Bidders who have made bids below the Strike Price shall not qualify for allotment of shares and the Book Runner shall intimate the respective banks for unblocking their Bid Money within one (1) working day of the close of the bidding period as per regulation 9(13) of the PO Regulation and the refunds, where required to such bidders shall be made within three (3) working days from the close of the bidding period.

Since this Issue is being made through 100% book building, as per the regulation 7(4) of the PO Regulation, the Bidders shall be allowed to place bids for hundred percent (100%) percent of the issue size and the strike price shall be the price at which hundred percent (100%) percent of the issue size is subscribed. However, the successful bidders would be allotted and issued only seventy-five (75%) percent of the issue size and the remaining twenty-five (25%) percent would be offered to the retail investor. The bidders shall give an undertaking along with the application that they would subscribe to the unsubscribed shares, if any, out of the retail portion of the Issue and their remaining bid money would remain deposited/ blocked till allotment of such unsubscribed shares to them on pro-rata basis.

The bid money of bidders shall remain deposited or blocked till allotment of unsubscribed shares, if any, to them on pro rata basis as per regulation 9(15) of PO Regulation.

In case retail portion of the Issue 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.

12.1.4 Timeframe for intimation to the successful bidders and mechanism for payment of the balance amount by the successful bidders

Successful bidders shall be intimated, within one (1) working day of the closing of the bidding period, the Strike Price and the number of shares allotted to each of them. 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 it, the Margin Money deposited by such Bidder shall be forfeited to the Book Runner**

12.1.5 Book Runner to the Issue:

BMA Capital Management Limited has been appointed by the Issuer as Lead Manager & Book Runner.

Roles and Responsibilities of the Book Runner

The Book Runner to the issue shall be responsible to:

1. ensure that necessary infrastructure and electronic system is available to accept bids and to conduct the whole Book Building process in a fair, efficient and transparent manner;
2. ensure blocking of bid and margin money of the Bidders in their respective accounts;
3. the Book Runner must be financially capable for honoring its commitments arising out of defaults by their investors, if any;
4. use the software provided by the Designated Institution for the Book Building on such terms and conditions as may be agreed with the Designated Institution through an agreement in writing;
5. 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;
6. ensure that the bidders can access to the System and can revise their bids electronically using the user ID and the password;
7. ensure that it has obtained list and Unique Identification Number (UIN) of the associates of the Issuer, the Consultant to the issue and all the related employees;
8. ensure that names and UIN of all the persons mentioned under section 12.5 are entered and capped in a manner as prescribed in the PO Regulations before commencement of the Bidding Period;
9. ensure that no bid or bids exceeding ten per cent (10%), in aggregate, is or are made by the associated companies and associated undertakings of the Issuer;
10. ensure that no bid in aggregate exceeding ten per cent (10%) is made by the companies and associated undertakings of the Consultant to the issue & Book Runner;
11. enter into an underwriting agreement with the Issuer with respect to underwriting of the Book Building portion for covering the default risk;
12. establish bid collection centers at least in Islamabad, all the provincial capitals, Azad Kashmir and Gilgit/Baltistan;
13. maintain record of all the bids received; and
14. Ensure that all the Bids received in the Bid Collection Centers are entered into the system developed by the Designated Institution for the purpose of Book Building within the prescribed time.

The Book Runner has established bid collection centers at the following addresses (direct & fax numbers in all centers).

12.1.6 Bid Collection Centers

The Book Runner has established bid collection centers at the following addresses:

Karachi	Karachi	Lahore
AbdulRaheem Ejaz Direct No. +92 21 111 262 111 Cell: 0302 204 1958 Email: abdul.raheem@bmacapital.com Address: Level 8, Unitower, I.I. Chundrigar Road Karachi	Abdul Qadir Direct No.+92 21 111 262 111 Cell: 0321 211 1232 Email: abdul.qadir@bmacapital.com Address: Level 8, Unitower, I.I. Chundrigar Road Karachi	Irfan Saeed Direct No:(042) 35762953-57 Cell: 0333 422 2211 Email: irfan.saeed@bmacapital.com Address: Commercial Office No. 402, 7th Floor, Mega Tower 63-B, Main Boulevard, Gulberg II, Lahore.
Islamabad	Faisalabad	Peshawar
Malik Muhammad Qasim Zafar Direct No. (051) 280 2354-5 Cell: 0315 856 5772 Email: qasim.zafar@bmacapital.com Address: 104, 1 st Floor, 82-East, Muhammad Gulistan Khan House, Fazal e Haq, Blue Area, Islamabad Pakistan	Khawaja Haseeb Ahmed Direct No. (041) 2612261-5 Cell: 0300 520 1290 Email: khawaja.ahmed@bmacapital.com Address: Mezzanine Floor, State Life Building #2, Plot No. 833 Liaquat Road, Faisalabad	Ihsan Mohammad Direct No:(091) 5274770-72 Cell: 0345 932 8028 Email: ihsan.muhammad@bmacapital.com Address: Shop No.F1 & F2, 1st Floor Mall Tower 35, The Mall Peshawar Cantt
Quetta	Azad Kashmir	Gigit/Baltistan
Muhammad Tahir Panezai (Branch Manager) Cell: 0309 777 2570 Email: bm.qta01@meezanbank.com Address: M.A.Jinnah Road Branch, Manan Chowk, Quetta	Kashif Hussain (Branch Manager) Cell:0300 815 7502 Email: bm.mzd01@meezanbank.com Address: Secretariat Road,Sathra Muzaffarabad, Azad Jammu & Kashmir	Abbas Ali Khan (Operations Manager) Cell: 0346 533 3183 Email: bm.ggt01@meezanbank.com Address: Gilgit Baltistan Branch, Shop # 433, NLI Market, Gilgit

12.1.7 Interest of the Lead Manager and the Book Runner:

The Lead Manager and the Book Runner are deemed to be interested to the extent of fees payable to them by the Issuer for the services to be rendered by them as Lead Manager and Book Runner to the Issue respectively. The Lead Manager and the Book Runner to the Issue have no other interest in any property or profits of the Company.

12.1.8 Roles and Responsibilities of the Designated Institution

PSX being provider of the Book Building System (Designated Institution), shall ensure that Book Building System shall smoothly perform following functions:

1. Record name, UIN, National Tax Number (NTN), postal and email addresses, land line and cell numbers, International Bank Account Number (IBAN) and branch address and complete CDS Account Number (i.e. Investor Account Number or Sub-Account Number);
2. Provide a mechanism for registration of the bidders before commencement of the bidding period till 03:00 p.m. on the last day of the Bidding Period and require the investors to provide at least such information as mentioned above;
3. Generate bidders' Internet Protocol (IPs) address and keep record of all IP addresses from where the bids are placed;
4. Record the number of shares bid for, the Bid Price, type of the bid i.e. Limit Bid or Step Bid, date and time of the entry of the bid;
5. Display the bids revised, and date and time of upward revision;
6. Neither allow withdrawal of bid, nor accept the bids placed at a Bid Price that is below the Floor Price or above 10% of the Indicative Strike Price at any point of time and above the upper limit of the Price Band;
7. Display live the total number of shares offered for sale, the Floor Price, Price Band, total number of bids received, total number of shares bid for and the indicative Strike Price;
8. Build an order book showing demand for the shares at various price levels in a descending order along with the accumulated number of shares bid for and percentage of total shares offered under the Book Building Portion;
9. Discover the strike price at the close of the Bidding Period;
10. Generate alerts for the Bidders via Short Message Service ("SMS") through cell phones and emails upon entry of the bid, at the time of upward revision of the bid, upon variation in the Indicative Strike Price and upon discovery of the strike price; and

11. Ensure that the system must provide the bidders the option to upward revise their bids online or through the Book Runner during the period permitted under these PO Regulations.

The Designated Institution shall ensure that:

- identity of the bidder is not displayed; and
- no bid is entered into the System after closing of the Bidding Period.

12.1.9 Roles and Responsibilities of the Issuer:

The Issuer shall ensure that:

1. the Issuer, its sponsors, promoters, substantial shareholders, directors and associates shall have no over dues or defaults, irrespective of the amount, appearing in the report obtained from the credit information bureau;
2. the Issuer or its directors, sponsors or substantial shareholders should not have held the office of the directors, or have not 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 securities exchange; or
 - III. which has been de-listed by the securities exchange due to non-compliance of its regulations.
3. The Lead Manager and Book Runner, Underwriter, Balloter and Share Registrar and Banker to the Issue, are appointed through separate agreements in writing.
4. It has submitted through its Lead Manager, an application along with draft prospectus for listing of its securities to the PSX.
5. the shares shall be issued in book-entry form only.

12.1.10 Opening and Closing of the Registration Period

The Registration period shall be for **Five (5) working days** as under:

REGISTRATION PERIOD	
6 th September 2021	9:00am to 5:00pm
7 th September 2021	9:00am to 5:00pm
8 th September 2021	9:00am to 5:00pm
9 th September 2021	9:00am to 5:00pm
10 th September 2021	9:00am to 3:00pm

12.1.11 Opening and Closing of the Bidding Period

The Bidding Period shall be for **Two (2) working days** as under:

BIDDING PROCESS STARTS ON	9 th September 2021 (9:00 AM to 5:00 PM)
BIDDING PROCESS ENDS ON	10 th September 2021 (9:00 AM to 5:00 PM)

12.1.12 Eligibility to Participate in Bidding

Eligible Investors who can place their bids in the Book Building process include local and foreign Individual and Institutional Investors whose Bid Amount is not less than PKR 1,000,000/- (Rupees 1 Million only).

12.1.13 Information for Bidders

1. The Prospectus for Issue of Shares has been approved by PSX and SECP.
2. The Prospectus, Registration Forms and the Bidding Forms can be obtained from the Registered Office of Octopus Digital, BMA Capital, and the designated Bid Collection Centers. Prospectus, Registration Forms and Bidding Forms can also be downloaded from the following websites of the Consultant to the Issue, Book Runner and the Company i.e. <https://bmacapital.com/> and <https://octopusdtl.com/>

3. Eligible Investors who are interested to participate in bidding for subscribing the Ordinary Shares of the Company should approach the Book Runner at the addresses provided in section 12 of this prospectus for registration for submitting their Bids.
4. THE REGISTRATION FORMS SHOULD BE SUBMITTED ON THE PRESCRIBED FORMAT AT THE ADDRESSES PROVIDED IN SECTION 12.1.6. FOR DETAILS ON THE PROCEDURE OF REGISTRATION PLEASE REFER TO SECTION 12.1.14.
5. THE BIDS SHOULD BE SUBMITTED ON THE PRESCRIBED BIDDING FORM IN PERSON, THROUGH FAX NUMBERS GIVEN IN SECTION 12 OR THROUGH THE ONLINE SYSTEM USING THE USER ID AND PASSWORD ISSUED AT THE TIME OF REGISTRATION OF ELIGIBLE INVESTOR.
6. REGISTERED INVESTORS CAN PLACE AND REVISE THEIR BIDS UPWARDS BY ACCESSING THE DESIGNATED INSTITUTIONS ONLINE PORTAL FOR BOOK BUILDING BY USING THE USER ID AND PASSWORD COMMUNICATED TO THEM VIA EMAIL BY PSX.
7. EACH ELIGIBLE INVESTOR SHALL ONLY SUBMIT A SINGLE PAY ORDER, DEMAND DRAFT OR EVIDENCE OF ONLINE TRANSFER OF MONEY ALONG WITH THE REGISTRATION FORM. IT MAY ALSO BE NOTED THAT ONLY A SINGLE PAY ORDER, DEMAND DRAFT OR EVIDENCE OF ONLINE TRANSFER OF MONEY SHALL BE ACCEPTED BY THE BOOK RUNNER ALONG WITH EACH ADDITIONAL PAYMENT FORM.
8. ELIGIBLE INVESTORS WHO ARE ACCOUNT HOLDERS OF MEEZAN BANK LIMITED (THE BANKER TO THE BOOK BUILDING PORTION OF THE ISSUE) CAN USE THE ONLINE TRANSFER FACILITY PROVIDED BY MEEZAN BANK LIMITED TO DEPOSIT THEIR BID MONEY TO THE BOOK BUILDING ACCOUNT OPENED AT SHAHRAH E FAISAL BRANCH KARACHI

12.1.14 Registration form and Procedure for Registration

1. A standardized Registration Form has been prescribed by the Issuer. The Registration Form shall be submitted, duly filled in, at the Bid Collection Centers in person on addresses given in section 12.1.6 on the standard Registration Form. The Registration Form shall be serially numbered at the bid collection centers and date and time stamped at the time of collection of the same from the Bidders.
2. Upon completion and submission of the Registration Form, the Bidders are deemed to have authorized the Issuer to make necessary changes in the Prospectus as would be required for finalizing and publishing the Supplement to the Prospectus in the newspapers in which Prospectus was published and filing the Supplement with PSX and SECP, without prior or subsequent notice of such changes to the Bidders.
3. The registration procedure under the Book Building process is outlined below:
 - The Registration period shall be for Five (5) working days i.e. September 6th, 2021 to September 9th, 2021 from 9:00 AM to 5:00 PM and from 9:00 AM to 3:00 PM on September 10th, 2021.
 - The Registration Form shall be issued in duplicate signed by the Bidder and countersigned by the Book Runner, with the first copy for the Book Runner and the second copy for the Bidder.
 - The Registration Form shall be duly filled in and signed in duplicate and shall be submitted at the Bid Collection Centers in person, through representative or through fax on addresses and numbers given in paragraph 12.1.6.
 - Upon registration of the bidders in the System, PSX shall assign and communicate the User ID and Password to the Bidders via email on the email address provided by them in the Registration Form.
 - The Book Runner may reject any bid for reasons to be recorded in writing provided the reason of rejection is disclosed to such bidder. Decision of the Book Runners shall not be challengeable by the Bidder.
 - Bid Amount / Margin Money shall be deposited along with the Registration Form through demand draft, pay order or online transfer through Bidder's bank account only. In case of Online Transfer, the Bidders are requested to submit a bank receipt evidencing transfer of the bid money into the Issuer's designated bank account. **Please note that cash must not be deposited either directly or through online transfer in the Issuer's designated bank account.**
 - The pay order shall be made in favor of "**OCTOPUS DIGITAL LIMITED-Book Building**". For online transfer the payment shall be made into account **0111-0105569127** being maintained in Shahrah e faisal Branch, Karachi. Please note that online transfer facility shall only be allowed to Meezan Bank Limited customers.

- Please note that third party instruments will not be accepted for Margin Money.
 - In case of intra city payment instruments, the bidders shall ensure that the payment instruments are made “Payable at any Branch”. Intra city payment instruments that are not made “Payable at any Branch” will not be accepted.
- The Book Runners shall collect an amount of 100% of the Application Money as Margin Money in respect of bids placed by Individual Investors.
- The Book Runners shall collect an amount of not less than 25% of the Application Money as Margin Money in respect of bids placed by Institutional Investors.
- The Bidder shall provide a valid email address in the Registration Form so that the relevant ID and password can be emailed to them upon registration.
- The Bidders can use the User ID and Password to independently place and upward revise their bids online.
- **The successful Bidders shall be issued shares only in the form of book-entry to be credited in their respective CDS accounts. All the bidders shall, therefore, provide their CDC account numbers in the bid application and Registration form.**
- **The successful Bidders shall be paid cash dividend, if any announced by the Company, only through direct credit in their respective International Bank Account Number (IBAN). All the Bidders, therefore, must provide their IBANs in the Bid Application and Registration Forms.**

12.1.15 Procedure for Bidding

1. A standardized Bidding Form has been prescribed by the Issuer.
2. Registered Investors can submit their bids in person or through representatives at the Bid Collection Centers during the bidding dates or can place their bids online at <https://bkb.psx.com.pk> using the user ID and Password received by them over email upon registration with the Book Runner.
3. The bidding procedure under the Book Building process is outlined below:
 - Bids can be placed either at the “Limit Price” or as a “Step Bid”. The minimum size of a Limit Bid by an Eligible Investor shall not be less than PKR 1,000,000/- (Rupees One Million) and in case of a Step Bid, the amount of any step shall also not be less than PKR 1,000,000/- (Rupees One Million).
 - The investors may place their bids through any of the Bid Collection Centers established pursuant to the requirements of sub-regulation 10 of regulation 8 of the PO Regulations. Please see para 12.1.6 for addresses and contact detail of persons at the Bid Collection Centers.
 - The persons at the Bid Collection Centers shall vet the bid applications and accept only such bid applications that are duly filled in and supported by pay order, demand draft or a bank receipt evidencing transfer of the bid money into the Issuer designated bank account.
 - On receipt of bid application in accordance with the aforementioned regulation, the Book Runner shall enter 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.
 - 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.
 - The Bidders shall have the right to revise their bids upwards any time either manually through the Bid Collection Centers or electronically through direct access to the system till 05:00 p.m. on the last day of the Bidding Period.
 - **The Bidders 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.**
 - **The Bidders shall not withdraw the Bids.**

- The Book Runner shall collect full amount of the Bid Amount as Margin Money in respect of bids placed by the High Net worth Individual and not less than twenty-five percent (25%) of the Bid Amount as Margin Money in respect of bids placed by the Institutional Investors.
- Payment of Margin Money shall be accepted only through demand draft, pay order or online transfer and third party payment instruments shall not be accepted.
- The Book runner may waive the margin requirement for institutional investors subject to confirmation from their respective banks or custodian banks (in case of foreign institutional investors) that an amount equivalent to the bid money is available in the respective bank or custodian account and would be paid directly to the book runner on its request and confirmation of allocation of shares;
- The Book Runner may reject any bid for reasons to be recorded in writing provided the reason of rejection is disclosed to such bidder. The decision of the Book Runner shall not be challengeable by the Bidder.
- PSX 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 issued (the “Order Book”). The Order Book should also show the revised bids upward. The Order Book shall be accessible through websites of PSX.
- At the close of the Bidding Period, the Strike Price shall be determined on the basis of the Dutch Auction Method.
- Once the Strike Price is determined, all those Bidders whose bids are found successful shall become entitled for allotment of shares.
- The Bidders who have made bids at prices above the Strike Price shall be allotted shares at the Strike Price.
- 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 against the bids made at the Strike Price on proportionate basis as per regulation 9(12) of PO Regulations. The procedure for allotment of shares to successful Bidders is mentioned in section 12.1.23 of the Prospectus.
- The Bidders who have made bids below the Strike Price shall not qualify for allotment of any Ordinary Shares and the Book Runner shall intimate their respective banks for unblocking their Bid Money within one (1) working day of the close of the bidding period and in case of refunds, the refund to such bidders shall be made within three (3) working days from the close of the bidding period.
- Successful bidders shall be intimated, within one (1) working day of the closing of the bidding period, the Strike Price and the number of shares allotted to each of them.
- In case the retail portion of the Issue is not fully subscribed, the unsubscribed shares shall be allotted to the successful bidders on pro-rata basis.
- In case the retail portion of the issue is oversubscribed, the allotment shall be made in the manner given in section 12.1.16 of the prospectus.
- Upon intimation by the Book Runner of final allocation, successful institutional bidders shall deposit their balance margin within (3) days of such intimation. **Where a successful Bidder defaults in payment of shares allotted to it, the Margin Money deposited by such Bidder shall be forfeited to the Book Runner.**
- Final allotment of shares out of the Book Building Portion shall be made after receipt of full subscription money from the successful Bidders; however, shares to such Bidders shall be credited at the time of credit and dispatch of shares out of the retail portion.
- The successful Bidders shall be issued shares only in Book Entry Form to be credited in their respective CDS Accounts. All the bidders shall, therefore, provide their CDS Account Numbers in the Registration Form.
- The Designated Institution shall continue to display on its website, the data pertaining to the Book Building and determination of the Strike Price for a period of at least three working days after closure of the Bidding Period.
- The Book-Runner shall ensure that subscription money received against the bids accepted shall not be released to the Issuer by the Banker to the Book Building Portion until:
 - credit of all shares allotted to retail investors; and
 - issuance of NOC by the PSX.

12.1.16 Payment for Book Building Portion

The Issuer has opened a bank account for collection of applications' money related to Book Building Portion.

The Bidders shall draw demand draft or pay order in favor of "**OCTOPUS DIGITAL LIMITED-BOOK BUILDING**" or online transfer of the Bid money into the respective Book Building account **0111-0105569127** and submit the demand draft, pay order or bank receipt at the designated Bid Collection Centers either in person or through facsimile along with a duly filled in Registration Form.

For online transfer the payment shall be made into the Account **0111-0105569127** being maintained at Shahrah e Faisal Branch, Karachi with the Account Title "**OCTOPUS DIGITAL LIMITED-BOOK BUILDING**". Please note that online transfer facility shall only be allowed for Meezan Bank Limited customers.

CASH MUST NOT BE SUBMITTED WITH THE BIDDING FORM/REGISTRATION FORM AT THE BID COLLECTION CENTER NOR DEPOSITED DIRECTLY OR VIA ONLINE TRANSFER IN THE ISSUER'S DESIGNATED BANK ACCOUNT. BID AMOUNT MUST BE PAID THROUGH PAY ORDER, BANK DRAFT OR ONLINE TRANSFER DRAWN / TRANSFER IN FAVOR OF "OCTOPUS DIGITAL LIMITED-BOOK BUILDING" IN A MANNER ACCEPTABLE TO THE BOOK RUNNER. **PLEASE NOTE THAT THIRD PARTY PAYMENT INSTRUMENTS WILL NOT BE ACCEPTED.**

The Collection Banks shall keep and maintain the bid money in the said account. Once the shares allotted under the retail portion have been credited, the Lead Manager, after obtaining NOC from PSX, may request in writing to the Banker to the Book Building Portion for transfer of the money of the successful and accepted applications to the Issuer's account(s).

PAYMENT PROCEDURE

The payment procedures for a Limit Bid or a Step Bid are explained below:

▪ PAYMENT FOR LIMIT BID

If investors are placing their bids as a Limit Bid, then they shall deposit the Margin Money based on the number of shares they are bidding for at their stated bid price.

For instance, if an investor is applying for 1 Million shares at a price of PKR 29.00/- per share, then the total Application Money would amount to PKR 29 Million. In such a case, (i) Individual Investor shall deposit PKR 29 Million in the Book Building account as the bid amount which is 100% of PKR 29 Million; and (ii) Institutional Investor shall deposit at least PKR 7.25 Million in the Book Building account as the Margin Money which is 25% of PKR 29 Million.

▪ PAYMENT FOR STEP BID

If an investor is placing a Step Bid which is a series of Limit Bids at increasing prices, then he/she/it shall deposit the Margin Money / bid money based on the total number of shares he/she/it is bidding for at his/her/its stated bid prices.

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 0.8 Million shares at PKR 29 per share, 0.7 Million shares at PKR 30 per share and 0.6 Million shares at PKR 31 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 62.8 Million. In such a case, (i) Individual Investors shall deposit PKR 62.8 Million in the Book Building Account as Margin Money which is 100% of PKR 62.8 Million and (ii) Institutional Investors shall deposit at least PKR 15.70 Million in the Book Building Account as Margin Money which is 25% of PKR 62.8 Million.

12.1.17 Payment by Foreign Investors

Companies are permitted under paragraph 6 (with specific reference to sub para (B) (I)) of Chapter 20 of the State Bank of Pakistan's ("SBP") Foreign Exchange Manual (the "Manual") to issue shares 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.

Non-residents who wish to bid for the subscription of shares being offered via book building can remit the subscription money through an Authorized Dealer directly to the book building accounts opened by the Company as

given in para 12.1.16 of this Prospectus, however, those non-residents who wish to subscribe shares 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 shares offered to general public / retail investors. List of bankers to the Issue for retail portion is available on page 1 of this Prospectus.

The shares issued to non-resident shareholders shall be intimated by the Company 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 shares 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 dividends, net of applicable taxes and proceeds on sale of listed shares (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.

12.1.18 Procedure for Rejection of Bids

In terms of regulation 9(7) of the PO Regulations, the Book Runner may reject any Bid placed by a Bidder 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.

12.1.19 Time frame for upward revision of Bids by the Bidders

The registered investors may revise their Bids upwards any time either manually through the Bid Collection Centers or electronically through direct access to the system till 05:00 p.m. on the last day of the Bidding Period. An investor will not be allowed to place or revise a bid with a price variation of more than 10% of the prevailing indicative strike price. **NO DOWNWARD REVISION BOTH IN TERMS OF BID PRICE AND BID VOLUME IS ALLOWED 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. HOWEVER, NO WITHDRAWAL OF BID IS ALLOWED.**

12.1.20 Ten Percent (10%) Price Variation

An investor will not be allowed to place or upward revise a bid with a price variation of more than ten percent (10%) of the prevailing Indicative Strike Price subject to Floor Price and Price Band i.e. Bid Price must not be below the Floor Price and must not exceed 40% of the Floor Price which is upper limit of Floor Price. **Please note that the Indicative Strike Price may not be constant and may keep on changing during the bidding period. Therefore, the 10% range will also change with the changing Indicative Strike Price.**

For Example, if the Floor Price is PKR 29 per share and Indicative Strike Price at any given point in time during the bidding period is PKR 29 per share, registered bidders may place or revise their bids at/to any price between PKR 29 per share to PKR 30 per share. If at any given point in time during the bidding period, the Indicative Strike Price changes from PKR 29 per share to PKR 30 per share, the registered bidders may place or upward revise their bids at/to between PKR 29 per share to PKR 31.9 per share.

Please note that the 10% range on the lower side cannot go below the floor price and cannot exceed the upper cap of 40% of the floor price i.e. PKR 40.6 per share. The price range of 10% applicable at any given point in time during the bidding period will also be displayed on the bid screen available at the website of PSX.

12.1.21 Restriction on Downward Revision or Withdrawal of Bids by the Bidder

Under regulation 10(2)(vi) of the PO Regulations the Bidders 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.

Under regulation (10)(2)(vii) of the PO Regulations the Bidders shall not be allowed to withdraw Bids.

12.1.22 Procedure for Withdrawal of Issue

1. In accordance with regulation 8(16) of the PO Regulations, in case the Issuer does not receive bids for the number of shares allocated under the Book Building Portion at the Floor Price, the Issue shall be cancelled and the same shall be immediately intimated to the Commission and PSX and the Margin Money shall be refunded to the bidders immediately but not later than three (3) working days of the closing of the Bidding Period.
2. In accordance with regulation 8(17) of the PO Regulation, the Book Building process will be considered as cancelled if the total number of bids received is less than forty (40).

12.1.23 Basis of Allotment of Shares

Bidders shall be allowed to place bids for one hundred percent (100%) of the Issue size and the Strike Price shall be the price at which one hundred percent (100%) of the Issue is subscribed via the Dutch Auction Method. Once the Strike Price is determined, all those Bidders whose bids have been found successful shall be provisionally allotted 75% of the Issue size i.e. 20,512,500 Ordinary Shares.

In order to be a successful Bidder in the Book Building process, the bid price would either be higher than the Strike Price or at the Strike Price.

For allocation of shares via Book Building, priority shall be given to the bids placed at the highest price. The bidders, who have made bids at prices above the Strike Price, will be provisionally allocated 75% of the shares successfully bid for, at the Strike Price. The differential between the bid price and Strike Price, would be refunded based on the total number of shares bid for.

Bidders who had placed Bids at the Strike Price will be provisionally allotted seventy-five (75%) of the shares successfully bid for, at the Strike Price, on proportionate basis.

Bids made below the Strike Price shall not qualify for allotment of shares and their Margin Money will be refunded.

Final allotment of shares to the successful bidders would be determined after determination of the public response to the Retail Portion of the Issue.

In the event the retail portion is undersubscribed, the unsubscribed portion would be allotted to the successful bidders, on a pro-rata basis as per regulation 11(5) of the PO Regulation. Excess funds, if any, would be refunded to the bidders after allotment of the unsubscribed shares.

Final allotment of shares out of the Book Building portion shall be made after subscription of the retail portion and receipt of full subscription money from the successful Bidders; however, shares to such Bidders shall be issued simultaneously with issuance of shares to retail investors, in the form of book entry to be credited in their respective CDS Accounts. All the Bidders shall, therefore, provide number of their respective CDS Accounts in the Bid application as required under regulation 9 (16) of the PO Regulations.

12.1.24 Refund of Margin Money

The Bidders who have made Bids below the Strike Price shall not qualify for allotment of securities and the Book Runner shall intimate their respective banks for unblocking, where required, their Bid Money within one (1) working day of the close of the bidding period as required under regulation 9(13) of the PO Regulations and the refunds, where required to such bidders shall be made within three (3) working days from the close of the bidding period. The bid money of bidders who have undertaken to subscribe the unsubscribed retail portion shall remain deposited or blocked till allotment of shares of unsubscribed retail portion, if any, to them on pro-rata basis.

12.1.25 Publication of Supplement to the Prospectus

In accordance with regulation 11(1) of the PO Regulations within three (3) working days of the closing of the Bidding Period, Supplement to the Prospectus shall be published at least in all those newspapers in which the Prospectus was earlier published and also disseminated through PSX.

The Supplement to the Prospectus would contain information relating to the Strike Price, the Offer Price and Category-wise breakup of the successful Bidders along with the number of shares provisionally allocated to them. Format of the Supplement is given on page 2 of the Prospectus.

Public subscription for the shares shall be held at any date(s) within thirty days (30) of the publication of the Prospectus but not earlier than seven (7) days of such publication.

13. APPLICATION AND ALLOTMENT INSTRUCTIONS FOR RETAIL PORTION

13.1.1 Eligible Investors Include:

1. Pakistani citizen's 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.

13.1.2 APPLICATION MUST BE MADE ON SECP'S APPROVED APPLICATION FORM OR A LEGIBLE PHOTOCOPY THEREOF ON A PAPER OF A4 SIZE WEIGHING AT LEAST 62 GM

13.1.3 Copies of Prospectus

Copies of this Prospectus and Applications Forms can be obtained from PSX, the Bankers to the Issue and their branches, the Lead Manager & 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:

<https://bmacapital.com/>, <https://octopusdtl.com/>, www.psx.com.pk & 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.

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

13.1.5 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.

13.1.6 OPENING AND CLOSING OF THE SUBSCRIPTION LIST

The subscription list will open at the commencement of banking hours on **September 16th, 2021** and will close on **September 17th, 2021** 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 September 17th, 2021.**

13.1.7 E-IPO SYSTEM

e-IPO refers to electronic submission of applications for subscription of securities offered in an IPO. The following systems are available for e-IPOs:

13.1.7.1 PSX's e-IPO System (PES):

In order to facilitate investors, PSX has developed an e-IPO System ("PES") through which electronic applications can be filed for subscription of securities offered to the general public. PES can be accessed through the web link (<https://eipo.psx.com.pk>).

Investors can register themselves online at any time 24/7. On behalf of an investors, registration can also be done by:

- the TREC Holder with whom the investor has a sub-account, or
- the Bank with whom the investor has a bank account.

An e-IPO application can be filed by an investor during the public subscription period which shall close at midnight on September 17th, 2021. On behalf of investors, e-IPO applications can also be filed by:

- the TREC Holder with whom the investor has a sub-account, or
- the Bank with whom the investor has a bank account.

Subscription money can paid by the investor through 1LINK or NIFT. On behalf of investors, subscription money can also be paid by:

- the TREC Holder with whom the investor has a sub-account, or
- the Bank with whom the investor has a bank account.

In case of queries regarding PES, investors may contact Mr. Farrukh Shahzad at phone number: 111-001-122 or (021)-35274401-10, and email: itss@psx.com.pk.

Tutorial for PES can be found on the weblink i.e. <https://eipo.psx.com.pk/EIPO/home/index>.

13.1.7.2 Centralized e-IPO System (CES):

CES 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.

For making application though CES, investors must be registered with CES. Registration can be done under a self-registration process by filling the CES registration form, which is available 24/7 all throughout the year.

In addition to the above, investors/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 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 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.

For queries regarding CES, investors may contact CDC at phone number: 0800 – 23275 (CDCPL) and e-mail: info@cdcpak.com or contact Mr. Owais Anwer at Phone 021-111-111-500 Ext 500 and email: owais_anwer@cdcpak.com.

13.1.8 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.

13.1.9 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 8.7 (i) 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.

13.1.10 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 "**OCTOPUS DIGITAL LIMITED-GENERAL SUBSCRIPTION**" 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.

13.1.11 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.

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

13.1.12 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

NATIONALITY CODE

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

13.1.13 MINIMUM AMOUNT OF APPLICATION AND BASIS FOR ALLOTMENT OF SHARES OF THE ISSUE

The basis and conditions for allotment of shares out of the Issue shall be as follows:

- 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.
- The minimum amount of application for subscription of 500 shares is the Issue Price x 500 shares.
- Application for shares below the minimum amount shall not be entertained.
- 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.
- 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:
 - 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.
 - 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.

13.1.14 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 x 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.
3. Allotment / Transfer of shares to successful applicants shall be made in accordance with the allotment criteria / instructions disclosed in the Prospectus.
4. Allotment of shares shall be subject to scrutiny of applications in accordance with the criteria disclosed in the Prospectus and / or the instructions by the Securities & Exchange Commission of Pakistan.
5. 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.

13.1.15 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 determined in the book building process on pro-rata basis.

13.1.16 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.

13.1.17 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.

13.1.18 LIST OF BANKERS TO THE ISSUE

Code	Name of Bank
01	United Bank Limited
02	Allied Bank Limited
03	Meezan Bank Limited
04	Faysal Bank Limited
05	MCB Bank Ltd
06	Soneri Bank Ltd
07	Habib Metropolitan Bank Limited

*UBL bank/s is/are providing their own e-IPO facilities. Account holders of these Banks may apply for subscription of shares electronically.

13.1.19 MINIMUM AMOUNT OF APPLICATION

The minimum value of application will be calculated as Issue Price x 500 shares.

13.1.20 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, CEO and COO

13.1.21 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.

13.1.22 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.

13.1.23 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 20	Filer	Non-Filer
1	Applicable Capital Gain Tax Rate	12.5%	25%

13.1.24 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%.

13.1.25 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.

13.1.26 INCOME TAX

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

13.1.27 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.

13.1.28 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.

13.1.29 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.

13.1.30 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.