OCTOPUS DIGITAL LIMITED
NOTICE OF 6th ANNUAL GENERAL MEETING

Notice is hereby given that the 6th Annual General Meeting of Octopus Digital Limited "Company" will be held on Friday, 26 May 2023 at 03:30 P.M. at Nishat Hotel, Imperial Ball Room - B, Gate No. 7, Adjacent to Emporium Mall, Abdul Haq Road, Johar Town, Lahore, to transact the following business:

A. ORDINARY BUSINESS

1. To confirm the minutes of the 5th Annual General Meeting held on 28 April 2022.
2. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended 31 December 2022 together with the Directors' and Auditors' Reports thereon and Chairman's Review Report.
   As required under section 223(7) of the Companies Act 2017, Financial Statements of the Company have been uploaded on the website of the Company which can be downloaded from the following link:
   https://octopusdtl.com/investor-information/
3. To appoint Auditors of the Company and fix their remuneration. The Members are hereby notified that the Board Audit Committee and the Board of Directors have recommended the name of M/s BDO Ebrahim & Co. Chartered Accountants for re-appointment as auditors of the Company for the year ending 31 December 2023.
4. To consider and approve, as recommended by the Board of Directors, the issue of bonus shares @ 15% and pass the following resolution;
   "RESOLVED that Ordinary Shares of Rs. 10/- each to be issued as Bonus Shares and that the said shares be allotted as fully paid Ordinary Shares to the Members of the Company whose names appear on the Register of Members as at the close of the business on Thursday, 18 May 2023 in the proportion of 15 Bonus Share for every 100 Shares held, that is at the rate of 15%.
   These Bonus Shares shall rank pari passu as regards dividend and in all other respects with the existing Ordinary Shares of the Company.
   FURTHER RESOLVED that fractional entitlements of the members shall be consolidated into whole shares and sold in the stock market and the sale proceeds shall be donated to a charitable institution.

B. SPECIAL BUSINESS

5. To consider and approve, in pursuant of S.R.O. 389 (I)/2023 dated 21 March 2023 the circulation of annual balance sheet and profit and loss account, auditor's report and directors report, etc. ("annual audited financial statements") to the members through QR enabled code and weblink and passed the following resolution;
   "RESOLVED that in pursuant of S.R.O. 389 (I)/2023 dated 21 March 2023 and Under Section 223(6) of The Companies Act, 2017, annual balance sheet and profit and loss account, auditor's report and directors report, etc ("Annual Audited Financial Statements") shall be circulated to the members of the company through QR enabled code and weblink.
6. To consider and if deemed fit, to pass the following resolutions as special resolutions, with or without any modifications, the Company be and is hereby authorized to grant a short-term loan up to **PKR 300** million to its holding company Avanceon Limited. The complete terms and conditions of the loan under the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017 are given in the statement of material facts annexed with this notice under section 134(3) of the Companies Act, 2017.
   RESOLVED that, the approval of the Members of the Company be and is hereby granted in terms of Section 199 of the Companies Act, 2017 and all other applicable laws, to grant unsecured short-term loan facility of up to **PKR 300** million to its holding company Avanceon Limited ("AVN") as per the terms and conditions specified.
   FURTHER RESOLVED that, Chief Executive Officer and/or Company Secretary of the company jointly and/or severally, to execute any document(s) and to take all actions necessary to give effect to the proposed resolutions and implementation of the proposal.
7. To consider and if deemed fit, to pass the following resolutions as special resolutions, with or without any modifications, related to "Octopus Digital Limited Employee Stock Option Scheme 2022" (the ESOS 2022);
   RESOLVED that, under The Companies (Further Issue of Shares) Regulations, 2020, the grant of options equal to or exceeding (1%) one percent of the issued or paid-up capital of the company at the time of grant of options, within one year, to identified employees be and is hereby approved."
   FURTHER RESOLVED that, under The Companies (Further Issue of Shares) Regulations, 2020 the grant of options to employees of subsidiary(ies) and/or holding Company, be and is hereby approved."
   FURTHER RESOLVED that, Chief Executive Officer and/or Company Secretary of the company jointly and/or severally, to execute any document(s) and to take all actions necessary to give effect to the proposed resolution.
8. To consider and if deemed fit, to pass the following resolutions as special resolutions, with or without any modifications, the Company be and is hereby authorized that under Clause v(a) and Clause viii of Regulation No. 7(1) of the Companies (Further Issue of Shares) Regulations, 2020, the following amendment are being made in the Employees Stock Option Scheme 2022:
   RESOLVED that, Clause 1.1, Interpretation of Eligible Employee is hereby amended and read as follows
   "Eligible Employee" means,
   a) A full-time regular employee who is on the payroll of the company, its holding company and/or subsidiary company(ies) as an employee, (and who is admitted in the scheme by the Board).
   b) the Chief Executive officer of the company, an Executive Director who is on the payroll of the Company."
   FURTHER RESOLVED that, Clause 7.1 of Employees Stock Option Scheme 2022 is hereby amended and read as follows:
   "The grant of option to eligible identified employees in any one year equal to or over 1% of the paid-up capital of the company (as increase from time to time excluding outstanding conversions) shall require a separate resolution of the shareholders of the company.
   It is also clarified that the committee, in its discretion may grant options to Eligible Employees including those presently in employment of the Company, its holding Company and/or its subsidiary Company(ies) and those who join in the future. Whether further options are to be granted to any such employee who has already been granted Options in any one year will also be in the discretion of the committee."

C. ANY OTHER BUSINESS:

9. To transact any other business with the permission of the Chair.

By Order of the Board
Ahsan Khalil | Company Secretary **Lahore | Dated: 05 May 2023**

WEBLINK FOR ONLINE MEETING VIA ZOOM:
Members are encouraged to attend the AGM through video conference facility managed by the Company, follow the below link:
https://us02web.zoom.us/webinar/register/WN__tH_kaQMSSqSdwq-4vmICg
Shareholders can also provide their comments and questions for the agenda items of the AGM at the email address Investors@octopusdtl.com. Guidance as how-to login on Zoom to attend the AGM link: https://octopusdtl.com/investor-relations/

NOTES:

1. The share transfer books of the Company will be closed and no transfer of shares will be accepted for registration from Friday, 19 May 2023 to Friday, 26 May 2023 (both days inclusive). Transfer received in order at our Registrar, M/S FAMCO Associates (Private) Limited, 8-F, Near Hotel Faran, Nursery, Block-6, P.E.C.H.S., Shahra-e-Faisal, Karachi by the close of business hours on Thursday, 18 May 2023 will be treated to have been in time for the purposes to attend and vote at the meeting.
2. 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.
3. Members are required to timely notify any change in their address to Company's Shares Registrar, M/S. FAMCO Associates (Private) Limited, 8-F, Near Hotel Faran, Nursery, Block-6, P.E.C.H.S., Shahra-e-Faisal, Karachi.

FOR ATTENDING THE SHAREHOLDERS' MEETING

1. 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/her identity by his/her Computerized National Identity Card (CNIC) or passport at the time of online registration/attending the meeting.
2. The shareholders registered on CDC are also requested to provide their particulars ID numbers and account numbers in CDS at the time of online registration/attending the meeting.
3. In case of corporate entity, the Board of Directors' resolution/power of attorney with specimen signature of the nominee shall be provided at the time of online registration/attending the meeting.

FOR APPOINTING PROXIES:

1. 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.
2. The proxy form shall be witnessed by the two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
3. Attested copies of valid CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.
4. The proxy shall provide his/ her CNIC or passport at the time of online registration/attending the meeting.
5. 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.

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

This Statement is annexed to the Notice of the 6th Annual General Meeting of Octopus Digital Limited to be held on Friday, 26 May 2023 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;

1. **ITEM 5 OF AGENDA**
   Considering the optimum use of advancements in technology and in order to fulfil the Company's corporate social responsibility to the environment and sustainability, Members approval is sought for the circulation of the Annual Report (including annual audited financial statements and other reports contained therein) to the Members of the Company through QR enabled code and weblink in accordance with S.R.O. 389(I)/2023 dated March 21, 2023.
2. **ITEM 6 OF AGENDA**

Regulation No.	Regulation	Proposal
3(1)(a)(A)	**Regarding associated company or associated undertaking;**	
(i)	name of associated company or associated undertaking;	Avanceon Limited
(ii)	basis of relationship;	74.32% Holding Company
(iii)	earnings per share for the last three years;	2020: Rs. 8.30 (Basic) Rs. 8.11 (Diluted) 2021: Rs. 3.98 (Basic) Rs. 3.91 (Diluted) 2022: Rs. 5.29 (Basic) Rs. 5.26 (Diluted)
(iv)	break-up value per share, based on latest audited financial statements;	The breakup value per share as per the latest available audited statement i.e., 31st Dec 2022 is PKR 20.36 per share without surplus on revaluation and PKR 21.38 per share with surplus of revaluation.
(v)	financial position, including main items of statement of financial position and profit and loss account on the basis of its latest financial statements; and	Financial Position as of and for the year ended December 31, 2022. Main items of Balance Sheet: Rs. in '000' Non-current Assets 5,614,131 Current Assets 3,937,579 Total Equity 6,960,904 Non-current Liabilities 112,707 Current Liabilities 2,478,099 Main items of Profit and Loss Account: Rs. In '000' Sales Net 1,864,524 Profit from operations 2,004,783 Profit before taxation 1,849,212 Profit for the year 1,736,812
(vi)	in case of investment in relation to a project of associated company or associated undertaking that has not commenced operations, following further information, namely, -	N.A.
3(1)(a)(B)	**General disclosures: -**	
(i)	maximum amount of investment to be made;	Rs. 300 million (Rupees Three Hundred Million) short term loan
(ii)	purpose, benefits likely to accrue to the investing company and its members from such investment and period of investment;	For funding of fast track projects of associated/holding company Avanceon Limited. The company can earn 2% additional markup (One-month KIBOR+2%) earnings as compared to investment in AA rated banks/financial institutions placed at KIBOR.
(iii)	sources of funds to be utilized for investment and where the investment is intended to be made using borrowed funds, - (I) justification for investment through borrowings; (II) detail of collateral, guarantees provided and assets pledged for obtaining such funds; and (III) cost benefit analysis;	Free cash available with the company the same shall be utilized to grant a short-term loan to holding company to fund fast track projects of holding company. (I) N.A. (II) N.A. (III) N.A.
(iv)	salient features of the agreement(s), if any, with associated company or associated undertaking with regards to the proposed investment;	a. Short term loan duration 01-year renewable on yearly basis b. Unsecured payable on demand c. Rate of markup one-month KIBOR+2%
(v)	direct or indirect interest of directors, sponsors, majority shareholders and their relatives, if any, in the associated company or associated undertaking or the transaction under consideration;	None of the directors, sponsors, majority shareholders and their relatives have any interest in the associated company or proposed transaction, except to the extent of their shareholding in the associated company. 03 directors in the company are also directors in the associated/holding company (Avanceon Limited) their shareholdings are: Mr. Bakhtiar Hameed Wain – 59.59% Mr. Tanveer Karamat – 0.58% Mr. Mohammad Shahid Mir – 0.08% (Independent Director)
(vi)	in case any investment in associated company or associated undertaking has already been made, the performance review of such investment including complete information/justification for any impairment or write offs; and	None
(vii)	any other important details necessary for the members to understand the transaction;	None
(c)	In case of investments in the form of loans, advances and guarantees, following disclosures in addition to those provided under clause (a) of sub-regulation (1) of regulation 3 shall be made, -	
(i)	category-wise amount of investment;	Rs. 300 million unsecured short-term loan payable on demand
(ii)	average borrowing cost of the investing company, the Karachi Inter Bank Offered Rate (KIBOR) for the relevant period, rate of return for Shariah compliant products and rate of return for unfunded facilities, as the case may be, for the relevant period;	The current borrowings of the company is NIL.
(iii)	rate of interest, mark up, profit, fees or commission etc. to be charged by investing company;	One-month KIBOR+2%
(iv)	particulars of collateral or security to be obtained in relation to the proposed investment;	Unsecured
(v)	if the investment carries conversion feature i.e. it is convertible into securities, this fact along with terms and conditions including conversion formula, circumstances in which the conversion may take place and the time when the conversion may be exercisable; and	N.A.
(vi)	repayment schedule and terms and conditions of loans or advances to be given to the associated company or associated undertaking.	Payable on demand after 01-year renewable on yearly basis
4	Other information to be disclosed to the members	
4(1)	If the associated company or associated undertaking or any of its sponsors or directors is also a member of the investing company, the information about interest of the associated company or associated undertaking and its sponsors and directors in the investing company shall be disclosed in the notice of general meeting called for seeking members' approval pursuant to section 199 of the Act.	The associated company (Avanceon Limited) and its sponsors, majority shareholders and their relatives have no interest in the investing company or proposed transaction, except to the extent of their shareholding in the investing company. Avanceon Limited is a 74.32% holding company of Octopus Digital Limited. 03 directors in the associated company are also directors in the investing company (Octopus Digital Limited) their shareholdings are: Mr. Bakhtiar Hameed Wain – 01 Share Mr. Tanveer Karamat – 50,001 Shares Mr. Mohammad Shahid Mir – 01 Share
4(3)	Latest annual audited financial statements of the associated company or associated undertaking along with the latest interim financial statements, if any, shall be made available for inspection of the members in the general meeting called for considering investment decisions in such associated company or associated undertaking pursuant to section 199 of the Act.	Latest annual audit financial statements and latest interim financial statements are available on company's web site www.avanceon.ae and also on Pakistan Stock Exchange.

3. **ITEM 7 OF AGENDA**
   A separate special resolution is being passed as required under Regulation No. 7(1) v(a) of the Companies (Further Issue of Shares) Regulations, 2020, for the grant of option to eligible identified employees of the Company, its holding Company and/or its subsidiary Company(ies) under Employees Stock Option Scheme 2022 of the company.
4. **ITEM 8 OF AGENDA**
   The clause 1.1, Interpretation and clause 7.1 "Grant of Options" of the Employees Stock Option Scheme 2022 is amended to include employees of the Company, its holding Company and/or its subsidiary Company(ies).