

October 21, 2021

The General Manager
Pakistan Stock Exchange Limited
Stock Exchange Building
Stock Exchange Road
Karachi

Subject: **Material Information- Clarification REGARDING DOST STEELS LIMITED (DSL)**

Dear Sir,

In accordance with Section 96 of the Securities Act, 2015 and Clause 5.6.1(a) of PSX Regulations, we hereby convey the following information:

Mr. Jamal Iftikhar and family (the sponsors), have been attempting to sell 78,858,534 shares (24.97%) for the past two years and have signed term sheet on two occasions, which were not made public however caused market speculation.

In line with the intent of the sponsors Mr. Jamal Iftikhar and family to sell their holding to potential buyer, we Crescent Star Insurance Limited (CSIL) have shown interest in buying out the sponsor shares for which a Letter of Intent was issued and as required material information was released on 18-10-2021. CSIL intention to acquire the sponsor shareholding is to protect CSIL stake already invested. It is imperative to state, that as per shareholders agreement (copy attached) CSIL were to be issued 78,700,000 shares at Rs.4.50 per share, which would have placed CSIL on an equal holding with sponsors.

CSIL made advance to a listed company, not to sponsors. However the company's continuous denial to issue shares under influence of sponsors (24.97%) appears to be for the purpose of manipulation of financials and other important matters.

CSIL in the past has made numerous efforts to broker a third part deal to rescue all the stake holders however due to the complex shareholding structure along with sponsors insistence on selling their loan and CSIL stake as debt before issuance of shares does not leave any option left other than either CSIL buying out sponsors or vice versa. DSL sponsors or current management has continuously failed to present a BUSINESS PLAN or strategy if they are willing to start production of the plant.

The intention of CSIL making an offer through the Letter of Intent is to protect CSIL interest and substantial interest comprising of 75% held by the general public and to successfully start operations of an otherwise viable company having 350,000 tons state of the art unit in the profitable steel sector.

Pending litigation in the Lahore High Court (hearing fixed on 27-10-2021), CSIL is making all efforts to seek the regulator's assistance to protect the interest of CSIL and public at large.

You may kindly inform the members of the exchange.

Thanking you,
For Crescent Star Insurance Limited



Naim Anwar
Managing Director & CEO

Head Office: 2nd Floor, Nadir House, I.I Chundrigar Road, Karachi - 74000, Pakistan

UAN : +92-21-111-274-000 PABX: +92-21-32415471-3 Fax : +92-21-32415474 E-mail : info@cstarinsurance.com

Nation Wide Network of Branches

Motor

Health

Fire

Marine

Engineering

Travel

Livestock

Crop



3. No. 11 Date 11/11/68
Issued to with Address 2

Through with Address..... *Edwin*

Purpose.....
Value \$..... **Attached**.....

Stamp Vendor's Signature.....

(NOT USE FOR FREE WITH A DIVORCE PURPOSE)

Rajna Mukherjee



S.No. 97048 Date 25 JAN 2010
 Issued to with Address.....
 Through with Address.....
 Purpose.....
 Value Rs.....Attached.....
 Stamp Vendor's Signature.....
 (NOT USE FOR FREE WILL & DIVORCE PURPOSE)

COPIES TWO HUNDRED ONLY


This Shareholders Agreement ("Agreement") is made at Karachi on this 1st day of July, 2016,

Mr. Jamal Iftakhar, son of Mr. Iftakhar Ahmad, holding CNIC No. 42301-0932772-3, resident of 22-B 10th Central Street, D.H.A., Phase II, Karachi (hereinafter referred to as "**JI**", which expression shall include its successors, legal heirs, administrators and executors).

Mr. Zahid Iftakhar, son of Mr. Iftakhar Ahmad, holding CNIC No. 42301-0932771-9, and resident of 22-B 10th Central Street, D.H.A., Phase II, Karachi (hereinafter referred to as "**ZI**", which expression shall include its successors, legal heirs, administrators and executors).

Mrs. Najma Jamal wife of Mr. Jamal Iftakhar holding CNIC No. 42000-0459692-8 resident of 22-B 10th Central Street, D.H.A., Phase II, Karachi (hereinafter referred to as “NJ”, which expression shall include her successors, legal heirs, administrators and executors).

Mrs Mona Zahid, wife of Mr. Zahid Iftakhar, holding CNIC No. 42000-0459693-8, resident of 22-B 10th Central Street, D.H.A., Phase II, Karachi (hereinafter referred to as “**MZ**”, which expression shall include its successors, legal heirs, administrators and executors).



Mona Zehner

bawaney & partners

I Rajinderpal Singh

M/s Crescent Star Insurance Limited, a public listed company incorporated under the laws of Pakistan, having its registered office at Nadir House, I.I.Chundrigar Road, Karachi, through its Chief Executive Officer, **Mr. Naim Anwar**, son of Shaikh Naseem Anwar, Holding CNIC No.42301-0950728 authorized vide a resolution of its Board of Directors dated **31st March 2015** (hereinafter referred to as "**CSIL**", which expression shall include its successors-in-interest, legal heirs, administrators and executors).

And

Dost Steel Limited, a public listed company incorporated under the laws of Pakistan, having it registered office at 101-Chappal Plaza,, Hasrat Mohani Road, Karachi, acting through its Chief Executive Officer Mr. Jamal Iftakhar authorised vide a resolution of its Board of Directors dated **13th May, 2016** (hereinafter referred to as "**the Company**", which expression shall include its successors-in-interest, administrators and permitted assigns).

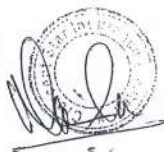
JI, ZI, NJ and MZ shall hereinafter be referred to as individually the "Sponsor" and collectively the "Sponsors".

Sponsors and CSIL shall hereinafter (where the context so desires) be collectively referred to as the "Major Shareholders", and individually as "Major Shareholder".

RECITALS:

- (1) The Company is engaged in the business of producing long-rolled steel bars and owns and operates a state-of-the-art steel re-rolling mill located in Punjab.
- (2) Sponsors held approximately 44% shares of the Company directly or indirectly through Summit Bank Limited as at 31 December 2015, aggregating to 29,553,428/- Ordinary Shares of a face value of PKR 10 each (Sponsor Shares).
- (3) The Company is in the process of offering right shares to its shareholders at a proportion of 368 right shares for every 100 ordinary shares held by a shareholder at a price of PKR 4.5 per each right share (i.e. at a discount of 55%).
- (4) The Sponsors, based on and in proportion to their holding of the Sponsor Shares, are required to subscribe 108,756,615 right shares (Sponsor Rights). Out of these Sponsor Rights, the Sponsors shall assign and transfer the right to subscribe to 93,555,556/- right shares to CSIL.
- (5) Consequently, post-acquisition and subscribing to 119,398,507/-right shares of the Company by CSIL, the revised shareholding pattern of the Company shall stand as given below:

<u>Name</u>	<u>No. of Shares Held</u>	<u>Percentage of Shareholding</u>
JI	12,025,672/-	3.81 %
ZI	11,124,468/-	3.52 %
NJ	14,690,630/-	4.65 %
MZ	6,913,718/-	2.19 %



bawany & partners

Mona Zahid
Jamal Iftakhar
Rajwaf Akhtar

CSIL	93,555,556/-	29.83%
Others	177,423,816/-	56.19%
	315,733,860/-	100%

Collectively, the Sponsors shall own 14% shares of the Company post the rights offer.

- (6) Hence, the Company, having an authorised capital of PKR 3,200,000,000/-, shall have an aggregate paid up capital of PKR 3,157,338,600, represented by 315,733,860/- subscribed and fully paid for ordinary shares of a face value of PKR 10 each post the rights offer.
- (7) The Sponsors and CSIL wish to enter into this Agreement to regulate their respective rights and obligations *inter se* in respect of the management and operation of the proposed businesses and affairs of the Company.

NOW THEREFORE, in consideration of the foregoing and the mutual covenants and agreements contained herein, the parties hereby agree as follows:

1: DEFINITIONS

- 1.1 In this Agreement (including the recitals), all capitalised terms shall have the following meanings assigned to them, as under:

“AOA” means the Articles of Associate of the Company;

“Board” means the Board of Directors of the Company;

“Business Days” mean all such days in which all the banks are open for business in Karachi.

“CEO” means the Chief Executive Officer of the Company;

“MOA” means the Memorandum of Association of the Company;

“Ordinance” means the Companies Ordinance, 1984;

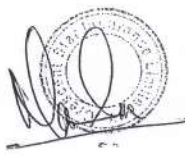
“Chairman” means the Chairman of the Board of Directors of the Company.

- 1.2 The headings preceding the text, articles and sections hereof have been inserted for convenience and reference only and shall not be construed to affect the meaning, construction or effect of this Agreement.

- 1.3 A reference to any legislation or legislative provision includes any statutory modification or re-enactment of, or legislative provision substituted for, and any subordinate legislation under, that legislative provision.

2: BOARD COMPOSITION AND MANAGEMENT STRUCTURE

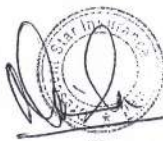
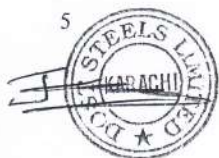
- 2.1 The management of the Company shall be supervised by its Board, comprising at least seven members (including the Chairman), or any other number as may be required in accordance with the applicable laws for time to time.



bawaney & partners

Mona Zahid
I
Sajid Akhtar

- 2.2 Sponsors shall have the right to appoint two directors on the Board, whereas 3 directors would be nominated by CSIL. The remaining two directors shall be nominated by the lenders of the Company in accordance with the restructuring agreement signed with them
- 2.3 The Chairman of the Board shall be a nominee of the CSIL. In case Mr. Naim Anwar is one of the Nominee of the CSIL than he shall be the Chairman of the Board.
- 2.4 The size and composition of the Board may be enlarged or altered at the discretion of the Board members and/or in accordance with the applicable law (including but not limited to, the Code of Corporate Governance and the regulations of the stock exchange) as the case may be. If the number of directors on the Board shall increase, then it shall be done in such a manner that the proportional representation of the Sponsors and CSIL shall remain the same on the Board. i.e., they remain in majority of the Board and the directors proportion for CSIL nominees and Sponsors shall remain in the ratio of 60:40
- 2.5 Such directors shall be elected for a period specified in the Ordinance, and upon expiry of such a term, the Major Shareholders shall hold elections for constituting a new Board in accordance with the procedures of the Ordinance, when the Sponsors shall re-elect the directors in accordance with their understanding contained in this Agreement.
- 2.6 The Board may exercise all such powers and do all such acts on behalf of the Company necessary for the management of the Company and to enable the Company to carry out its business activities as authorised by its MOA and AOA and permitted under law.
- 2.7 The meetings of the Board shall be held at the registered address of the Company or at any such place and at such times as may be determined by the Board and in any event, not less than the period prescribed in the Ordinance and the AOA.
- 2.8 Meetings of the Board shall be held pursuant to a notice given in accordance with the provisions of law. The agenda setting out in reasonable detail the items of business proposed to be transacted at the meeting of the Board shall be sent to all the directors at least seven (7) days before the date of the proposed meeting. The items not specified in the agenda may not be discussed at any Board meeting save and except with the consent of all the directors.
- 2.9 All resolutions of the Board shall be passed by a majority of the directors present and voting at the meeting. The CSIL shall ensure that the majority at each meeting shall remain intact through the presence of its Nominee Directors. The Sponsors shall also ensure the presence in the meeting of the relevant Directors to ensure majority. The quorum of a Board meeting shall be determined in accordance with the AOA of the Company.
- 2.10 Notwithstanding anything else contained in this Agreement, CSIL shall himself and through his directors nominated on the Board shall support all such reasonable resolutions, corporate actions and decisions of any nature whatsoever which have been initiated, proposed or supported by the Sponsors, if they do not in any way harm the overall strategy of the company or are not contrary to the interests of the CSIL.
- 2.11 The CEO shall have the power and responsibility to manage the day-to-day affairs of the Company and to implement the business decisions and strategies of the Company as approved by the Board. The Financial Authorities of the CEO shall also be decided by the



bawaney & partners

Mona Zahid Latif
J. Iqbal
Jagmalpabhar

Board of Directors in accordance with the code of Corporate Governance and other applicable corporate and other relevant laws applicable at the time of the decision by the Board. Further, the CEO shall also have the power to delegate the aforementioned authorities to any managers or executives of the Company, and from time to time, such powers may be altered, withdrawn or amplified by the CEO at his discretion and under intimation to the Board. The Board shall provide the CEO with a full power of attorney to enable the CEO to carry on his functions efficiently and effectively as mentioned above.

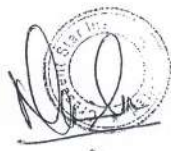
- 2.12 The CEO of the Company shall be a nominee of the Sponsors and henceforth be appointed by the Board for each three year period in accordance with the provisions of the Ordinance.
- 2.13 The terms of appointment of the CEO (including his remuneration) shall be decided vide a resolution of the Board.
- 2.14 All other key executives of the Company, such as the Chief Financial Officer, Company Secretary, etc. shall be appointed on the terms deemed appropriate by the Board.

3 DIVIDEND POLICY

- 3.1 Each Sponsor shall be entitled to a share in the dividends of the Company in proportion to his shareholding.
- 3.2 The dividends of the Company shall be declared by the Board in accordance with the procedures and provisions of the applicable laws (including the Ordinance) prevailing in Pakistan.

4 BUDGETS, FINANCIAL INFORMATION & AUDITS

- 4.1 The Company shall appoint statutory auditors in accordance with the provisions of the Ordinance to undertake the annual audit of the Company. Such auditors are to be appointed vide a decision of the Board.
- 4.2 The books of accounts and other records of the Company shall be maintained in accordance with the prescribed methodology and standards given in the Ordinance and other applicable laws. Such books of accounts and other records shall be maintained at the Company's registered office as given in the Recitals.
- 4.3 Each of the Majority Shareholder shall have the right, on reasonable notice to the Company and at all times during the normal business hours of the Company, to inspect the facilities of the Company and to audit, examine and make copies of the books of accounts and other records of the Company. Such right may be exercised through any agent, employee or any independent accountant, engineer, lawyer or other such consultant acting for and on behalf of and under written authorisation of the concerned Majority Shareholder. The Majority Shareholder making such a request shall bear all costs and expenses incurred in such an inspection, examination or audit.
- 4.4 The Board shall procure the CEO of the Company to prepare and deliver to it in an agreed format:



bawaney & partners

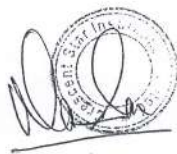
Mona Zuhair
I. Rajwadekar

- a. At least 30 days before the commencement of each financial year, an annual budget and cash flow forecast for the next financial year with respect to the Company's business and operations. Such annual budget shall include annual capital expenditure and operating budgets in accordance with the intended business activities of the Company, and such other information regarding the financial position and affairs of the Company as the Board may require. Such annual budget and forecast shall clearly and separately mention any such matters which fall outside the normal course of business for the Company. The Board shall approve this annual budget and plan subject to any amendment they deem appropriate;
- b. As and when available, full details of any actual or prospective material change in the business or financial position of the Company.
- 4.5 The information detailed in Clause 4.4 above shall also be provided to each and every Majority Shareholder at the same time it is presented to the Board. If any Majority Shareholder has any concern or objection to any matter pertaining to the Company, such Majority Shareholder may write to the Board, expressing his concern or to seek clarification, and the Board will consider such an objection with due care and diligence.
- 4.6 It is hereby reiterated that notwithstanding anything contained to the contrary in this Section 4 or elsewhere in this Agreement, all decisions taken by the Sponsors shall be accepted and supported by the CSIL and his nominated directors in accordance with para 2.9 above.
- 4.7 Any investments in any Associated Undertakings shall be done with the consent of both the "SPONSORS" and the "CSIL" and shall remain be in accordance with the relevant Laws applicable at the time of the decision.


5: RIGHT OF FIRST REFUSAL, TAG ALONG RIGHTS AND DRAG ALONG RIGHTS

5.1 Right Of First Refusal

- a. If CSIL wishes to end his relationship with the Sponsors and wants to exit from the Company, then he shall offer his shares to the Sponsors in writing in proportion to their shareholding in the Company as a first right of refusal. Such an offer to sell shall be made at the break-up value of shares of the Company as determined by the Company's auditor, or at the price at which CSIL has received an offer from a bona fide third party buyer.
- b. In case of any dispute with regard to price at which the shares are offered, then the price finalised by the auditors of the Company in accordance with the provisions of Clause 5.1(a) above shall be final.
- c. If the Sponsor(s) accept in writing the offer for sale from the CSIL within thirty (30) days from the date of receiving the offer, then CSIL shall be paid for his shares within 60 days of acceptance of such an offer and contemporaneously against such payment, CSIL shall deliver original share certificates with signed and verified transfer deed to



bawaney & partners

Mona Lalit Law
I. 

the acquiring Sponsor(s) or their nominee (as the case may be), and the Company through its Board will transfer the shares accordingly.

- d. If the Sponsors do not take up the offer to acquire to the shares offered by CSIL within thirty (30) days from the date of receiving the offer, then CSIL shall be free to sell his shares (at a price equal to or higher than the price at which shares were offered to the Sponsors) to any person or buyer of his choice, and the Sponsors shall not object to such transfer of shares to such third party.
- e. If the Sponsors fails to fulfil his obligations to pay for the shares of CSIL post accepting the right to first refusal, such defaulting Sponsor(s) shall be liable to pay liquidated damages at the rate of 2% of the value of the shares agreed to be taken to CSIL within thirty (30) days of the date of default.

5.2 Tag Along Rights

- a. Subject to the provisions contained in Clause 5.1 above, if CSIL receives a bono fide offer for their shares and wishes to sell their shares to the third party making the offer, then Sponsors would have a tag-along right.
- b. Once CSIL receives such a bonafide offer from a third party, it shall provide Sponsors written intimation regarding the offer. Sponsors shall have thirty (30) days from the date of written intimation of offer to provide their written acceptance and enforce the tag-along rights. If the tag-along right is not exercised by Sponsors or if Sponsors fails to respond his acceptance of the tag-along right in writing within the stipulated thirty (30) day time period, then such a right would be deemed to be waived by the Sponsors, and CSIL would be free to sell its shares to the intended purchaser.
- c. If Sponsors accepts the tag-along rights, then the purchaser who shall purchase the shares (or a portion of the shares) held by CSIL shall also simultaneously be caused by CSIL to purchase the shares (or a portion of the shares) held by Sponsors as well at the same price and upon the same terms and conditions on which the purchaser intended to purchase the shares held by CSIL. Failure of the purchaser to fulfil this obligation or failure of CSIL to cause the purchaser to fulfil this obligation shall nullify the proposed transaction in its entirety, and CSIL shall not be allowed to divest its holding in the Company.

5.3 Drag Along Rights

- a. Notwithstanding the provisions contained in the clauses above, if the Sponsors receives a bono fide offer for their entire shareholding in the Company and wishes to transfer the same to such a purchaser, then Sponsors shall have a right to enforce a drag-along right on CSIL.
- b. In the event specified in 5.3(a) above, CSIL shall be obligated to sell its entire shareholding in the Company within thirty (30) days of receiving the written notice of the exercise of the drag-along right by the Sponsors, and the proposed purchaser who shall purchase all of the shares of the Company held by the Sponsors shall be caused to (directly or indirectly) purchase all of the shares of the Company held by the Major



bawaney & partners

Mona Zahid
I.

Shareholders as well at the same price and on the same terms and conditions as those on which the Sponsors shall dispose of their shares in the Company.

- c. For abundant clarity, it is hereby reiterated that the drag-along rights can only be enforced by the Sponsors, and all the Major Shareholders will have to comply with it.

6: COVENANT NOT TO COMPETE

6.1 The Major Shareholders hereby acknowledge that:

- a. Given their position as shareholders as well as being involved in the Board and management of the Company and being privy to the budgets and books of accounts of the Company, they are likely to obtain knowledge of the Company's trade secrets, business contacts, and other confidential information, and may also have dealings with the Company's customers and suppliers;
- b. The Company's relationship with its customers and suppliers is a proprietary right belonging to the Company only and;
- c. It is in the best interest of the Company to protect such privileged information.

6.2 The Major Shareholders therefore jointly and severally agree that they shall not, directly or indirectly through any one of their associated companies or subsidiaries/ group companies, or in close concert with any third party:

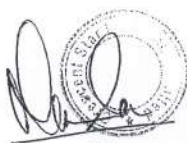
- a. Endeavour to entice away from the Company or knowingly employ or procure or assist any third party to entice away from the Company, any business, transaction, service or idea which is vital to the Company and its activities or operations;
- b. Say anything which is harmful to the reputation and business of the Company or other Sponsors or which may lead any person to cease to deal with the Company or other Sponsors on substantially equivalent terms to those previously offered or at all;
- c. Engage in such business activity as directly or indirectly competing with the Company.

6.3 Notwithstanding anything contained in this Agreement, the provisions of this Section shall subsist for a period of five (5) years following the termination of this Agreement or five (5) years from the date of exit by a Major Shareholder.

7: COMPLIANCE AND OPERATING PRINCIPLES

7.1 The Company shall be caused to comply with all applicable laws, rules and regulations including but not limited to the Ordinance, the Securities and Exchange Ordinance, 1969, Securities Act, 2015, and all other applicable laws, rules and regulations as may be in force, or be substituted or replaced from time to time.

7.2 The Company, its directors, key executives and the Major Shareholders shall maintain high standards of business and professional ethics, and will assure strict protection of the competitive and confidential information of the Company.



bawaney & partners

Mona Zahid

- 7.3 Quality of the services and business and reliability of services will be the cornerstone of the Company's business operations.
- 7.4 The Company shall maintain bank accounts at such reputable banks as the directors may decide from time to time. Bank account(s) shall be operated jointly by the CEO along with the director representing the interest of the Sponsors.
- 7.5 The Company shall obtain, secure and maintain in force all required approvals, permits, certificates and licenses required to carry on its business in a legit fashion.
- 7.6 The Company shall observe good HR practices including equal opportunity employment.

8. CONFIDENTIALITY

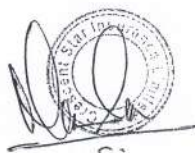
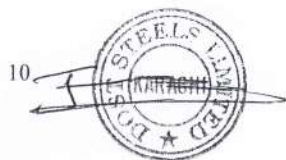
- 8.1 Each Majority Shareholder shall keep confidential this Agreement and all other information furnished hereunder or related to the subject matter of this Agreement and which is not in the public domain ("Confidential Information") and no Majority Shareholder shall divulge the Confidential Information without the prior written consent of the other Major Shareholders except that a Sponsor may disclose, without having obtained such prior written consent, the Confidential Information, but only insofar as is reasonably required to under law.
- 8.2 This clause shall survive this Agreement indefinitely.

9. EFFECTIVE DATE & TERMINATION

- 9.1 This Agreement shall come into effect when duly executed by all the Major Shareholders.
- 9.2 This Agreement may be terminated if so agreed to in writing by all the Major Shareholders. So long as one of the Majority Shareholders objects to the termination of this Agreement, this Agreement shall continue to remain valid and binding on each and every one of them.
- 9.3 If a particular Major Shareholder sells his entire shareholding in the Company in accordance with the provisions of this Agreement, then he shall automatically cease to be a party to this Agreement, and therefore, with the exception to the provisions contained in Section 6 (and all other provisions which are to remain effective post termination of this Agreement), such a Major Shareholder shall not benefit from nor be burdened by any provisions contained in this Agreement. The Agreement shall, however, continue to remain in full force and effect amongst the remaining Major Shareholders in the Company.

10: COMMUNICATION

- 10.1 Any notice or other communication given or made under or in connection with the matters contemplated by this Agreement shall be in writing. Any such notice or other communication shall be deemed to have been duly given or made as follows:
- If sent by personal delivery or fax, upon receipt at the address or fax number;
 - If sent by first class post or courier, upon delivery to the addressee.



bawaney & partners

Mona Zahid

- 10.2 The relevant addressee and address of each Major Shareholder for the purposes of this Agreement are:

Name	Address	Phone	email
Jamal Iftakhar	22-B 10 th Central Street, D.H.A., Phase II, Karachi	+92(0)3458277164	Jamal.iftakhar@doststeels.com
Zahid Iftakhar	22-B 10 th Central Street, D.H.A., Phase II, Karachi	+92(0)3458277151	iftakharzahid@gmail.com
Najma Jamal	22-B 10 th Central Street, D.H.A., Phase II, Karachi	+92(0)3458277165	Najma.jamal60@gmail.com
Mona Zahid	22-B 10 th Central Street, D.H.A., Phase II, Karachi	+92(0)3458277152	monazahid4@gmail.com
Crescent Star Insurance Ltd	Nadir House, I.I. Chundrigar Road, Karachi	+9221-32421207	naim.anwar@cstarinsurance.com

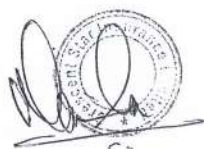
- 10.3 A Major Shareholder may notify the other Major Shareholders to this Agreement of a change to its name or address provided that such notification shall only be effective on:

- The date specified in the notification i.e. the date on which the change is to take place; or
- If no date is specified or the date specified is less than five clear business days after the date on which notice is given, the date falling five clear business days after notice of any such change has been given.

11: ARBITRATION

- 11.1 In the event any dispute arises between or amongst two or more Sponsors and/or Majority Shareholders out of or in relation to this Agreement or the operations or management of the Company, including as to interpretation to the terms and conditions of this Agreement, then all the Major Shareholders shall attempt in the first instance to resolve such dispute through friendly consultations. If the dispute is not resolved through consultations, then the disputes shall be settled by arbitration.

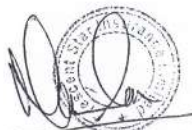
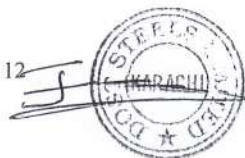
- 11.2 The dispute shall be referred for arbitration in Karachi to a sole arbitrator if one can be agreed upon by all Major Shareholders or one arbitrator to be appointed by each Sponsor and CSIL and an umpire (to be appointed by the arbitrators before entering upon the reference) in accordance with the Arbitration Act, 1940 or any amendment thereto or re-enactment thereof for the time being in force. The decisions and the award of the umpire shall be final and binding on the Major Shareholders. The arbitration fee shall be equally shared by the Major Shareholders or as otherwise provided in the arbitration award. The arbitrators shall not have the power to award or assess punitive damages against any party. The Major Shareholders agree that the award passed by the arbitrator(s) shall be kept confidential from public, competitors, customers, agents and representatives, except to the extent of disclosure required to be made in order to enforce the arbitration award through. The arbitration shall be a condition precedent to any other action under the law.






bawaney & partners

12: MISCELLANEOUS

- 12.1 Each Sponsor and CSIL has entered into this Agreement in good faith and shall give all such assistance and information to the other Major Shareholders and the management of the Company and execute and do all such further acts, deeds, assurance and things as may be reasonably required. At all the Board meetings, as well as the general meetings of the Company, CSIL and Sponsors shall exercise or cause to be exercised, their respective voting rights in such manner and to such extent so as to give effect to the provisions of Clauses 2.9. and 4.6 above; it being agreed and understood that the Sponsors and the CSIL shall decide upon and resolve all the above matters with consensus *inter se*, in good faith as sincere counter parts to this Agreement, and to ensure that the ultimate interest and success of the Company is always kept foremost.
- 12.2 AOA and MOA shall be deemed to be incorporated into this Agreement by reference and in case of a conflict between the terms of the AOA or MOA and this Agreement, the terms and provisions of this Agreement shall prevail.
- 12.3 It is hereby agreed and understood between the Major Shareholders that all costs and expenses incurred in relation to the preparation, negotiations and execution of this Agreement, including legal costs, shall be borne by the Company.
- 12.4 A provision of or a right created under this Agreement may not be waived except in writing signed by the party granting the waiver.
- 12.5 This Agreement constitutes the entire understanding between the Major Shareholders and supersedes all previous understandings and agreements, whether oral, express or implied, reached between them with respect to matters that form the subject matter of this Agreement.
- 12.6 If any provision or condition of this Agreement shall be held to be invalid or unenforceable by any court, or regulatory or self-regulatory agency or body, such invalidity or unenforceability shall attach only to such provision or condition. The validity of the remaining provisions and conditions shall not be affected thereby and this Agreement shall be carried out as if any such invalid or unenforceable provision or condition were not contained herein unless the gravity of the condition is such that it makes it impossible for the Agreement to continue.
- 12.7 This Agreement shall be executed in any number of counterparts, each of which shall be in original and shall together constitute but one and the same agreement.
- 12.8 This Agreement and its terms shall be binding upon, as the case may be, the legal heirs, successors, successors-in-interest, administrators and executors of the Major Shareholders so far as their shareholding by virtue of succession or heir-ship is concerned. Consequently, it is hereby clarified that if any legal heir of the Sponsors acquires shares of the Company independently and from the market or any other shareholder, such legal heir shall not be bound by or be burdened by any terms, provisions or covenants as contained in this Agreement.
- 12.9 This Agreement shall not be construed or taken to constitute any Majority Sponsor to be the agent of the other Majority Sponsors or an authority to any party to represent, bind or pledge the credit of the other parties in anyway.
- 12.10 It is hereby agreed and understood between the Major Shareholders that in case the Company requires funding or credit lines from any bank or financial institution, each Major Shareholder shall be under an obligation to fully cooperate with the other Major



bawany & partners

Shareholders in ensuring that the requisite funding is available to the Company, and if required, each Major Shareholder shall, to its extent of shareholding within the Company, agree to provide security or guarantee in order to secure the payment or repayment of any loans or obligations of the Company.

- 12.11 The rights and remedies provided in this Agreement are cumulative and are not exclusive of any rights or remedies of the Sponsors provided at law, and no failure or delay in the exercise of any such right or remedy shall affect or impair such right or remedy or exercise of any other right or remedy.
- 12.12 No Major Shareholder shall assign or transfer any part or portion of their rights or obligations envisaged under this Agreement except as otherwise provided for in this Agreement. Any assignment made in breach of the terms of this Agreement shall be deemed void *ab initio*.
- 12.13 The headings preceding the text, articles and sections hereof have been inserted for convenience and reference only and shall not be construed to affect the meaning, construction or effect of this Agreement.
- 12.14 This Agreement may be modified only by writing signed by all the parties to this Agreement. Such modification shall not be deemed as a cancellation of this Agreement.
- 12.15 This Agreement is governed by the laws of the Islamic Republic of Pakistan and the High Court of Sindh at Karachi alone shall have the exclusive jurisdiction in this matter.

IN WITNESSES WHEREOF the Major Shareholders set their respective hands before the witnesses here at Karachi, the day, month, and the year first above mentioned.

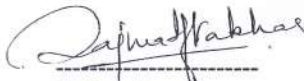
AS SPONSORS



Jamal Iftakhar



Zahid Iftakhar



Najma Jamal



Mona Zahid

For and on Behalf of
CRESENT STAR INSURANCE COMPANY LIMITED





Naim Anwar
Chief Executive Officer

For and on Behalf of
DOST STEEL LIMITED


Jamal Iftakhar
Chief Executive Officer

Witnesses To The Agreement

1. 
Name Syed Atabur Raheem Zaidi
CNIC 61101-1363681-3
Signature

2. 
Name Saad Zahid
CNIC 42301-6474956-1
Signature


For and on Behalf of
DOST STEEL LIMITED

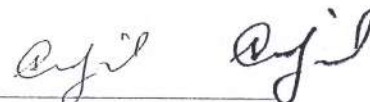


Jamal Iftakhar
Chief Executive Officer



Witnesses To The Agreement

1. 
Name **Syed Akbar Hujj Zaid**
CNIC **61101-1363681-3**
Signature

2. 
Name **Saad Zahid**
CNIC **42301-6474956-1**
Signature