

Press Release
Dated – May 04, 2018
For Immediate Release

Avanceon Joins Hands with MAN Diesel & Turbo

Leading Automation and System Integrator ready to dominate the Energy and Power Sector in 2018

Lahore, Pakistan – Avanceon Limited and MAN Diesel & Turbo Pakistan (Private) Limited signed a Memorandum of Understanding (MOU) on January 30, 2018. As specified in the MOU, Avanceon Limited and MAN Diesel & Turbo Pakistan (Private) Limited will collaborate in the following areas,

- Radiator Fan Energy Optimization at Atlas Power and any other similar installations
- Power Plant & Steam Turbine Installation led by MAN Diesel & Turbo
- Power Plant Dashboards, Electrical, Automation and Controls, Instrumentation; and
- Retrofits and upgrades on Power Plants and similar installations in Pakistan

MAN Diesel & Turbo Pakistan (Private) Limited provides world class after sales services and technical support to its customers for a wide range of engines. The list of engines includes MAN, B&W, Pielstick, Mirrlees, Blackstone, Paxman, Ruston & Turbomachinery, BHH, Borsig and Sulzer. The company also provides genuine parts, field service, technical support, overhaul and training capabilities to its clients.

More information about MAN Diesel & Turbo Pakistan is available at www.pakistan.mandieselturbo.com

Representing Avanceon Limited, the MOU was signed by Junaid Mushtaq Paracha, General Manager South East Asia and Nasir Ali, Business Manager- ABS. Imran Ghani, Country Manager in Pakistan represented MAN Diesel & Turbo at the MOU signing.

Mr. Paracha expressed confidence at the collaboration saying that the two entities were perfectly positioned to capitalize in the current Energy and Power sector in Pakistan. He also expressed his hope that Avanceon and MAN Diesel & Turbo will be collaborating in other sectors in future.

With a record backorder log in 2018, Avanceon is positioned perfectly to dominate the Energy and Power sector in the South Asia region.

About Avanceon - (PSX: AVN) - Avanceon is an industrial automation consultation and system integration entity in Pakistan, Qatar, UAE, KSA and United States. The company follows an ethical, proactive and sustainable approach to business. As a leading innovator within the automation industry, Avanceon provides state of the art automation solutions on three continents. Established in 1984, Avanceon is committed to providing engineering excellence to its clients and partners. Providing end to end solutions, which include Design, Supply, Engineering, Installation, Testing, Commissioning and Maintenance, Avanceon's executive management has more than a hundred years of experience and insight within the automation and system integration industry.

Find out more about Avanceon at www.avanceon.ae



Memorandum of Understanding

This Memorandum of Understanding ("MOU") is made and entered into this 30th day of January 2018 by and between:

MAN Diesel & Turbo Pakistan (Private) Limited, a company duly organized and existing under the laws of the Republic of Pakistan, 16 K.M., Raiwind Road, Lahore, Pakistan (hereinafter referred to as the "MDT", which expression shall, where the context so requires and permits, mean and include its successors-in-interest and permitted assigns);

AND

Avanceon Limited, a company registered under the laws of Pakistan, having its registered office at Avanceon, 19 K.M., Main Multan Road, Lahore (hereinafter referred to as "AVANCEON", which expression shall include its affiliates, subsidiaries, successors and permitted assignees).

(MDT and Avanceon shall hereinafter collectively be referred to as the Parties and individually as the Party)

WHEREAS

AVANCEON and MDT have discussed to combine their respective capabilities in pursuit of contracts by putting their effort to jointly work on power projects in Pakistan and are desirous of recording their understanding/discussion in writing.;

NOW, THEREFORE, this Memorandum of Understanding witnesseth as follows:

1 Purpose

AVANCEON will collaborate with MDT in the following areas:

- (1) Radiator Fan Energy Optimisation at HUBCO/ATLAS POWER and any other similar installations on Power Plants;
- (2) Power Plant & Steam Turbine installations lead by MDT;
- (3) Power Plant Dashboards, Electrical, Automation and Controls, Instrumentation; and
- (4) Retrofits and upgrades on Power Plants and similar installations.

2. Responsibilities

- (1) During the bidding stage, the Parties will jointly prepare and submit their proposal to the clients. On being successful, the Parties will work together from the beginning of the project until the handing-over of the project.
- (2) The Parties will agree mutually for the profit sharing ratio before submitting any proposal to the clients. Depending upon the project, any Party can take the lead with mutual agreement.

3. Costs

Each Party will bear its own costs during bidding, tendering and any costs connected to the negotiations with the client. Neither Party shall be liable to the other under any theory of law whatsoever, whether based on breach of contract, strict liability, tort (including negligence)

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or otherwise, for any special, incidental, indirect or consequential damage or loss, such as, but not limited to, loss caused by any decision to proceed or not to proceed with a the project or the tender, loss of opportunity, loss of profit, increased cost of construction, investment, interest, financing or insurance premiums or other increased or additional cost.

4. Implementation of Project

Each Party shall exert its diligent efforts toward the successful performance of the contract, if awarded, and shall provide appropriate and high quality managerial, marketing, advisory, technical, and other necessary personnel to perform the contract and its variation orders issued from the client.

5. Limitations on Use of Data and Information

a. The Parties anticipate that under this MoU, it may be necessary for either Party to transfer to the other Party any information of a proprietary nature. Proprietary information shall be clearly identified by the disclosing Party at the time of disclosure by (i) appropriate stamp or markings on the document exchanged; or (ii) written notice, with attached listings of all material, copies of all documents, and complete summaries of all oral disclosures (under prior assertion of the proprietary nature of the same) to which each notice relates, delivered within two (2) weeks of the disclosure to the other party.

b. Each of the Parties agrees that it will use the same reasonable efforts to protect such information as are used to protect its own proprietary information. Disclosures of such information shall be restricted to those individuals who are directly participating in the Proposal and Contract.

c. Neither Party shall make any reproduction, disclosure, or use of such proprietary information except as follows:

(1) Such information furnished by the disclosing Party may be used, reproduced and/or disclosed by the receiving Party during the performance of its obligations set by this Agreement or any future Agreement executed by both Parties.

(2) Such information may be used, reproduced and/or disclosed for other purposes only in accordance with prior written authorization received from the disclosing Party.

d. The limitations on reproduction, disclosure, or use of proprietary information shall not apply to, and neither party shall be liable for reproduction, disclosure, or use of proprietary information with respect to which any of the following conditions exist:

(1) If, prior to the receipt thereof under this Agreement, it has been developed or learned independently by the receiving Party, or has been lawfully received from other sources, including the Client, provided such other source did not receive it due to a breach of this Agreement or any other agreement.

(2) If, subsequent to the receipt thereof under this Agreement, (i) it is published by the disclosing Party or is disclosed, by a third party, including the Client, without restriction; or (ii) it has been lawfully obtained, by the receiving Party, from other sources including the Client, provided such other source did not receive it due to a breach of this or any other agreement; or (iii) such information otherwise comes within the public knowledge or becomes generally known to the public;

(3) If any part of the proprietary information is required by law to be disclosed, the Party required to make such disclosure shall notify the other Party, to allow the other party to assert whatever



exclusions or exemptions may be available to it under such law or Regulation;

e. Neither the execution and delivery of this Agreement, nor the furnishing of any proprietary information by either Party shall be construed as granting to the other Party either expressly, by implication, estoppel, or otherwise, any license under any Invention ("Invention" means any ideas, designs, concepts, techniques, inventions, discoveries or improvement, created by AVANCEON's personnel, 's personnel and/or MAN DIESEL AND TURBO's personnel in the performance of this Agreement) now or hereafter owned or controlled by the Party furnishing the same.

f. Notwithstanding the expiration of the other terms of this Agreement, the obligations and provisions of Article 5 shall be valid for the entire duration of this Agreement and continue for a period of one (1) year, from the date of termination this Agreement, however, any resulting contract shall take precedence.

7. Communications

All communication relating to this Agreement shall be directed only to the specific persons designated to represent the Party for the Project. Each of the Parties to this Agreement shall appoint representatives. These appointments shall be kept current during the period of this Agreement. Any communication that is not properly directed to the persons designated to represent MAN DIESEL AND TURBO and AVANCEON shall not be binding upon Parties.

MAN DIESEL AND TURBO

Address: 16 Km Raiwind Road 55150 Lahore, Pakistan

Attn.: Mr. Zulfiqar Ali

Telephone: +92 42 35330091-3

Fax: +92 42 35330094

Email: zulfiqar.ali@pk.man.eu

AVANCEON

Address: 34-KM Multan Road, Lahore, Pakistan

Attn.: Nasir Ali

Telephone: +942 111940940

Fax: +92 42 375 15 128

Email: nali@avanceo.ae

10. Validity of Agreement

This MoU, which is effective from the date written in the preamble, shall automatically expire and be deemed terminated upon the date of the happening or occurrence of anyone of the following events or conditions, whichever shall first occur:

a. Mutual agreement of the Parties to terminate this MoU.

b. The expiration of three (3) months period commencing on the effective date of this MoU unless otherwise agreed by mutual agreement of the Parties.



11. Nature of MoU

For avoidance of doubts, the Parties have agreed that this MoU is executed to negotiate and procure contracts and does not create a formal binding legal agreement between the Parties.

12. Assignment

This MoU may not be assigned or otherwise transferred by either Party, in whole or in part, without the express prior written consent of the other Party.

13. Amendment

This MoU contains the entire understanding of the Parties and supersedes any previous understanding related to the subject matter of this MoU, whether written or oral. All changes or modifications to this MoU must first be agreed to in writing by the Parties.

14. Liabilities

Each Party to this MoU will bear its respective costs, risks, and liabilities incurred by it as a result of its efforts under this MoU. Therefore, neither of Parties shall have any right to any reimbursement, payment or compensation of any kind from each other during the period prior to the award of the contracts.

15. Financing of Project

Each Party will arrange and provide the bank guarantee, bonds and any instruments required for the implementation of the project and will finance the cost of project execution until successfully handing-over of the project.

The final agreement to be signed between the Parties if awarded the project as contractor will detail the financing model and obligations of both parties.

16. Returning of Materials

In the event, the project is not awarded, each Party will, at the request of the other Party, return all materials such as, but not limited to, those that are written, printed, drawn, or reproduced, to the originating Party.

17. Governing Law and Arbitration

This MoU shall be governed by and construed in accordance with the laws of Pakistan.

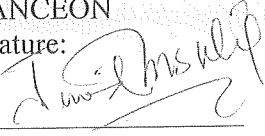
All disputes arising hereunder that cannot be settled amicably between the Parties within thirty (30) days after the official notification of a complaint by either Party shall be finally settled by the arbitration of sole arbitrator mutually appointed by the Parties under the Arbitration Act, 1940. The seat of arbitration will be Lahore. The decision of the arbitration shall be binding both Parties.

IN WITNESS WHEREOF, the PARTIES hereto have caused this MoU to be executed by their duly authorized representatives as of the date and year first above written.



AVANCEON

Signature:

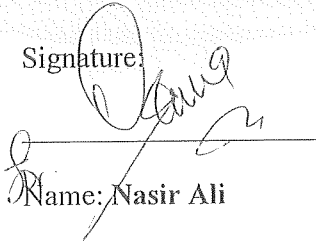


Name: **Junaid Mushtaq**
Paracha

Title:
General Manager

Date: February 23, 2018

Signature:



Name: **Nasir Ali**

Title:
Business Manager-ABS

Date: February 23, 2018

MAN DIESEL AND TURBO

Signature:



Name: **Imran Ghani**

Title:
Country Manager

Date: February 23, 2018