



By Courier

Mr. Muhammad Ghufraan
Deputy General Manager
Pakistan Stock Exchange Limited (the "Exchange")
Stock Exchange Building
Stock Exchange Road
Karachi.

24th August 2016

Dear Sir,

Re: Notice of the Extraordinary General Meeting

We write with reference to your letter No. PSX/C-1061-6156, dated 19th August 2016, which was received by us on 22nd August 2016, pertaining to the captioned subject.

We sincerely regret the non-compliance on our part and would like to explain that non-submission of required documents with the exchange in a timely manner was merely due to an inadvertent oversight, which we would request the exchange to graciously condone. As advised, we enclose:

- (1) draft Scheme of Amalgamation / Merger approved by the Board of Directors of the Company;
- (2) complete report of Valuation and Swap Ratio; and
- (3) 200 printed copies of the Scheme of Amalgamation / Merger.

The delay in our response and any inconvenience caused as a result is deeply regretted. Thank you in anticipation of taking a lenient view in the circumstances stated hereinabove.

Yours truly,

Majid Muqtadir
Company Secretary

Copy to: Chief Compliance Officer
(Cover only) Pakistan Stock Exchange Limited

The Director (*Enforcement*)
Securities and Exchange Commission of Pakistan
NIC Building, Jinnah Avenue, Blue Area
Islamabad

Ref: BPPL/COR/PSX/028

Byco Petroleum Pakistan Limited

The Harbour Front, 9th Floor, Dolmen City
HC-3, Block 4, Marine Drive, Clifton
Karachi - 75600, Pakistan

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I
Annexure

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SCHEME OF ARRANGEMENT

UNDER SECTIONS 284 TO 288 OF
THE COMPANIES ORDINANCE, 1984

INVOLVING

BYCO PETROLEUM PAKISTAN LIMITED

AND

BYCO OIL PAKISTAN LIMITED

AND

BYCO TERMINALS PAKISTAN LIMITED

FOR

The merger / amalgamation of the entire undertakings of Byco Oil Pakistan Limited and Byco Terminals Pakistan Limited with and into Byco Petroleum Pakistan Limited along with all ancillary matters.

SCHEME OF ARRANGEMENT

UNDER SECTIONS 284 TO 288 OF THE COMPANIES ORDINANCE, 1984

BETWEEN

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BYCO PETROLEUM PAKISTAN LIMITED, a public company limited by shares and listed on the Pakistan Stock Exchange Limited, incorporated and existing under the laws of Pakistan and having its registered office at The Harbour Front, 9th Floor, Dolmen City, HC-3, Block 4, Marine Drive, Clifton, Karachi - 75600 (hereinafter referred to as "BPPL", which expression shall mean and include, where the context so requires or admits, its successors-in-interest and permitted assigns);

AND

BYCO OIL PAKISTAN LIMITED, an unlisted public company limited by shares, incorporated and existing under the laws of Pakistan and having its registered office at The Harbour Front, 10th Floor, Dolmen City, HC-3, Block 4, Marine Drive, Clifton, Karachi - 75600 (hereinafter referred to as "BOPL", which expression shall mean and include, where the context so requires or admits, its successors-in-interest and permitted assigns);

AND

BYCO TERMINALS PAKISTAN LIMITED, an unlisted public company limited by shares, incorporated under the laws of Pakistan and having its registered office at The Harbour Front, 9th Floor, Dolmen City, HC-3, Block 4, Marine Drive, Clifton, Karachi - 75600 (hereinafter referred to as "BTPL", which expression shall mean and include, where the context so requires or admits, its successors-in-interest and permitted assigns).

RECITALS

WHEREAS by this Scheme of Arrangement ("Scheme"), it is *inter alia* proposed that:-

1. The entire undertaking comprising all the Assets, Liabilities and Obligations of BTPL shall, as at the Effective Date (as defined below), stand merged with, transferred to, vested in, and be assumed by BPPL.
2. Simultaneously, the entire undertaking comprising all the Assets, Liabilities and Obligations of BOPL shall, as at the Effective Date (as defined below), stand merged with, transferred to, vested in, and be assumed by BPPL.
3. As consideration for the above, it is proposed that BPPL Shares shall be issued to the Shareholders in accordance with this Scheme.

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4. Upon the merger and transfer of BTPL and BOPL in the manner prescribed under this Scheme respectively, BTPL and BOPL shall be dissolved without winding up.
5. This Scheme, if approved by the respective shareholders of BPPL, BOPL and BTPL, through a special resolution, along with the requisite majority of creditors of the respective companies, and sanctioned by the Court by an order passed in this respect, is to be binding on BPPL, BOPL and BTPL along with all the shareholders, creditors, employees, Customers, contracting parties, tax authorities, all regulatory / statutory bodies and persons of or with respect to BPPL, BOPL and BTPL (as applicable) respectively.

BENEFITS OF THIS SCHEME

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A. Larger Asset Base

The Amalgamations would lead to an increase in the asset base and size of the surviving entity i.e. BPPL. This would in turn assist the management to have access to more external funds at competitive rates. The larger size of equity and asset base would provide greater comfort to existing and potential creditors of the merged entity. Moreover, access to larger resources would in turn improve growth prospects and the ability to undertake large assignments.

B. Synergies

The Amalgamations would provide an opportunity to operate the businesses / operations of BPPL, BOPL and BTPL through a consolidated operations department and a single accounts department, thus resulting in economies of scales.

Furthermore, subsequent to the BOPL Amalgamation, BPPL will also be in a position to effectively and efficiently manage raw materials (including oil and LPG) by, *inter alia*, distributing the same between the refineries currently operated by BPPL and BOPL, as well as the working capital requirements with respect to the combined business of BPPL and BOPL which will further result in economies of scale.

C. Integration

The Amalgamations will strengthen BPPL's activities by integrating different stages involved within the oil / LPG industry including, but not limited to, refining, storage, marketing, distribution and transportation, thereby giving room in the future for expansion of its business and consequently effecting economics of scale and improving the business being carried out by the Byco group companies as well as those proposed to be carried out in the future.

D. Increase in Risk Absorption Capacity

The larger size of the merged / amalgamated entity as well as the integration (discussed above) would increase BPPL's risk absorption capacity, thus enhancing the capacity to manage the potential risks arising out of adverse and uncertain operating environments. In the long run, this factor would provide greater stability as well as sustainability in operations for BPPL.

E. Reduction in Administrative Costs

The arrangement would enable the merged entity i.e. BPPL to carry out its business through a single operations, accounts, treasury and management information system(MIS) department

with one set of management and staff, thus resulting in substantial cost savings and economies of scales, leading to enhanced profitability.

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F. **Single Corporate and Tax Reporting**

The Amalgamations will make single corporate and tax reporting possible for the merged entity. The same will entail elimination of maintenance of separate records for business operations, selling, purchasing, marketing, legal, administrative and secretarial, and other records, under the various laws resulting in duplication of work and higher costs.

G. **Leveraging Against Properties of BOPL and BTPL**

The Amalgamations will allow BPP, to acquire the benefit of use of the properties of BOPL and BTPL without having to pay upfront cash consideration to the shareholders of BOPL. In this manner, the operations of BPP (subsequent to the Amalgamations) will be more efficient financially for the company.

NOW THEREFORE, this Scheme is presented as follows

ARTICLE 1

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DEFINITIONS

1.1. In this Scheme, unless the subject or context otherwise requires, the following expression shall bear the meanings specified below:

“Additional BPPL Shares” shall have the same meaning as prescribed thereto in Article 10.3 of this Scheme;

“Advance BOPL Shares” shall have the same meaning as prescribed thereto in Article 4.3 of this Scheme;

“Amalgamation” means collectively the BOPL Amalgamation and the BTPL Amalgamation;

“Annexure A” is the annexure attached hereto which lists the members of the Board of Directors of BPPL;

“Annexure B” is the annexure attached hereto which lists the members of the Board of Directors of BOPL;

“Annexure C” is the annexure attached hereto which lists the members of the Board of Directors of BTPL;

“Annexure D” is the annexure attached hereto containing the Swap Letter;

“Assets” mean assets, properties and rights of every description and kind (whether present or future, actual or contingent, tangible or intangible) and includes properties held on trust and benefit of securities obtained from Customers, benefits, powers, rights, authorities, privileges, contracts, Government consents, tax refunds / credits, tax exemptions, sanctions and authorizations, including all registrations, approvals, licences, no objection certificates/letters, permits, categories, entitlements, sanctions, permissions and benefits relating to the business, all trademarks, patents, copyrights, licenses, liberties, secret processes, know-how and confidential information belonging / pertaining to a company. Without in any way limiting or prejudicing the generality of the foregoing, it is hereby clarified that the Assets shall include: (i) all properties, immovable and movable, real, corporeal or incorporeal, in possession or reversion, present or contingent of whatsoever nature and wheresoever situated belonging to a company; (ii) all choses-in-action, instruments, decretal amounts, bank and other accounts, cash balances, reserve funds, revenue balances, investments, loans, advances, guarantees, deposits, prepayments, receivables, book debts, trade debts and all other rights and interest in and arising out of such property in the ownership, possession, power or control of a company, whether legal or beneficial, whether within or out of Pakistan, and all books of accounts, registers, records and all other documents of whatever nature relating thereto; (iii) all the connections and facilities for telecommunications, electricity, gas and other installations, owned by, leased or licensed to a company (including related deposits); (iv) the Contingent Claims, tax credits /

carry forward losses and proceeds realized from the Liquidation of the Contingent Claims; and (v) unadjusted tax losses (including business as well as depreciation losses);

“BII” means Byco Industries Incorporated, a company incorporated and existing under the laws of Mauritius, being the parent company of BOPL;

“BOPL” shall have the meaning as prescribed in the Preamble above;

“BOPL Amalgamation” shall have the same meaning as prescribed thereto in Article 2.1(ii) of this Scheme;

“BPPL” shall have the meaning as prescribed in the Preamble above;

“BPPL Shares” means the ordinary shares of PKR 10/- (Pak Rupees Ten) each in the share capital of BPPL to be issued and allotted to the Shareholders in accordance with Article 10 of this Scheme;

“BTPL” shall have the meaning as prescribed in the Preamble above;

“BTPL Amalgamation” shall have the same meaning as prescribed thereto in Article 2.1(i) of this Scheme;

“CDC” means the Central Depository Company of Pakistan Limited;

“CDS” means the Central Depository System (an electronic book entry system for the recording and transfer of securities, established under the Central Depositories Act, 1997 and maintained by the CDC);

“Claim” means claim, counter claim, demand or cause of action and includes a Contingent Claim;

“Completion Date” has the same meaning as prescribed thereto in Article 3.1 of this Scheme;

“Contingent Claims” means any potential Claim that a company may have against any person prior to the Effective Date which may not be disclosed or reflected as part of its Assets on its books or records;

“Contract” means any contracts, agreements, deeds, instruments, letters or undertakings of every description, creating any obligations enforceable against the parties including, but not limited to, any finance agreements;

“Court” means the High Court of Sindh at Karachi;

“Creditors of BOPL” means the secured creditors of BOPL existing on or before the Completion Date;

“Creditors of BPPL” means the secured creditors of BPPL existing on or before the Completion Date;

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“Creditors of BTPL” means the secured creditors of BTPL existing on or before the Completion Date;

“Customer” means any person having entered into a transaction, arrangement or other dealing with a company;

“Effective Date” shall have the same meaning as prescribed thereto in Article 3.1 of this Scheme;

“Existing” means existing, outstanding or in force immediately prior to the Effective Date;

“Liabilities and Obligations” includes all borrowings, liabilities, duties, commitments and obligations of every description (whether present or future, actual or contingent) arising out of any Contract or otherwise whatsoever and the term “Liabilities” and “Obligations” are used interchangeably and/or in conjunction with each other;

“Liquidation” means the release, compromise, satisfaction, settlement or reduction to judgment of any Claim by a competent court of law;

“LPG” means liquefied petroleum gas;

“Ordinance” means the Companies Ordinance, 1984;

“Record Date” means the date to be fixed by the directors of BOPL, after the Completion Date, to determine the identities and entitlements of the Shareholders;

“SBP” means the State Bank of Pakistan;

“Scheme” means this Scheme of Arrangement in its present form with any modifications thereof or additions thereto, approved or with any conditions imposed by the Court;

“SECP” means the Securities and Exchange Commission of Pakistan;

“Security” or “Securities” means interest, right or title in and to any and all mortgages or charges (whether legal or equitable), debentures, bill of exchange, promissory note, guarantee, lien, pledge (whether actual or constructive), hypothecation, assignment by way of security, right of set-off, undertaking or other means of securing payment or discharge of any liabilities and obligations;

“Shareholders” means the registered shareholders of BOPL on the Record Date;

“Swap Letter” means the Swap Letter dated May 18, 2016, issued by Deloitte Yousuf Adil Chartered Accountants (a member of Deloitte Touche Tohmatsu Limited), attached hereto as Annexure “D” containing, *inter alia*, the Swap Ratio; and

“Swap Ratio” shall have the same meaning as prescribed thereto in Article 10.1 of this Scheme.

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ARTICLE 2

OBJECTS OF THE SCHEME

- 2.1. The principal object of this Scheme is to give effect to the following:
- (i) amalgamate BTPL with and into BPPL by transferring to, merging with and vesting in BPPL the whole of BTPL, including all Assets, Liabilities and Obligations of BTPL, as of the Effective Date, and dissolving BTPL without winding up (the "BTPL Amalgamation");
 - (ii) simultaneously, amalgamate BOPL with and into BPPL by transferring to, merging with and vesting in BPPL the whole of BOPL, including all Assets, Liabilities and Obligations in respect thereof, as of the Effective Date, and dissolving BOPL without winding up (the "BOPL Amalgamation"); and
 - (iii) allot and issue fully paid BPPL Shares to the Shareholders based on the Swap Ratio.
- 2.2. It is hereby clarified that although all of the above steps will take place on the same date, the same shall be deemed to be effective as of the Effective Date.

ARTICLE 3

EFFECTIVE DATE

- 3.1. This Scheme shall become operative and bind BPPL, BOPL and BTPL as soon as the certified copies of the order of the Court under Section 284 of the Ordinance, sanctioning this Scheme and making any necessary provisions under Section 287 of the Ordinance, have been filed with the Registrar of Companies, Karachi (hereinafter referred to as the "Completion Date"). When this Scheme becomes operative on the Completion Date, each of the Amalgamations, in accordance with the Scheme, will be treated as having effect from the close of business on June 30, 2016, or at such other date as may be stated by the Court (hereinafter referred to as the "Effective Date").
- 3.2. Accordingly, as of the Effective Date and thereafter, until the Assets, Liabilities, Obligations and undertakings of each of BTPL and BOPL are actually transferred to and vested in BPPL in terms of this Scheme, the businesses of BTPL and BOPL respectively will be deemed to have been carried for and on account and for the benefit of BPPL. The reserves including unappropriated profits/ losses of each of BTPL and BOPL up as at the Effective Date shall constitute and be treated as reserves/ losses of a corresponding nature in BPPL and shall be accounted for on that basis in the books of account of BPPL.

ARTICLE 4

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CAPITAL

- 4.1. The authorized share capital of BPPL is PKR 12,000,000,000/- (Pak Rupees Twelve Billion) divided into 1,200,000,000 (One Billion Two Hundred Million) shares of PKR 10/- (Pak Rupees Ten) each, out of which 977,858,737 (Nine Hundred Seventy Seven Million Eight Hundred Fifty Eight Thousand Seven Hundred Thirty Seven) shares have been issued, fully subscribed to and paid up.
- 4.2. The authorized share capital of BOPL is PKR 33,001,000,000/- (Pak Rupees Thirty Three Billion One Million) divided into 3,300,100,000 (Three Billion Three Hundred Million One Hundred Thousand) shares of PKR 10/- (Pak Rupees Ten) each, out of which 3,085,521,641 (Three Billion Eighty Five Million Five Hundred Twenty One Thousand Six Hundred Forty One) shares have been issued, fully subscribed to and paid up.
- 4.3. Additionally, BII has made payments outside Pakistan for the purchase of machinery for and on behalf of BOPL in the aggregate amount of approximately PKR 761,128,364/- (Pak Rupees Seven Hundred Sixty One Million One Hundred Twenty Eight Thousand Three Hundred Sixty Four). Against such payments, shares of BOPL shall be issued to BII at par (i.e. at PKR 10/- each), amounting to approximately 76,112,836 (Seventy Six Million One Hundred Twelve Thousand Eight Hundred Thirty Six) shares of BOPL ("Advance BOPL Shares"), subject to the completion of necessary formalities and obtaining the requisite regulatory consents (including SBP and SECP). For the purposes of this Scheme only, particularly the consideration for the Amalgamation (Article 10), the Advance BOPL Shares shall be deemed to have been issued in favour of BII. Having said the above, the actual shares representing such equity conversion shall only be issued once the necessary legal formalities have been completed (including, but not limited to, approval from SBP and SECP).
- 4.4. The authorized share capital of BTPL is PKR 8,000,000,000/- (Pak Rupees Eight Billion) divided into 800,000,000 (Eight Hundred Million) shares of PKR 10/- (Pak Rupees Ten) each, out of which 568,717,418 (Five Hundred Sixty Eight Million Seven Hundred Seventeen Thousand Four Hundred Eighteen) shares have been issued, fully subscribed to and paid up.
- 4.5. Upon the sanction of this Scheme, the authorized share capital of BPPL shall be merged and combined with the authorized share capital of each of BOPL and BTPL. Resultantly, the authorized share capital of BPPL shall thus stand enhanced to PKR 53,001,000,000/- (Pak Rupees Fifty Three Billion One Million) divided into 5,300,100,000 (Five Billion Three Hundred Million One Hundred Thousand) shares of PKR 10/- (Pak Rupees Ten) each as a consequence of the above. In addition to the above, the authorized share capital of BPPL shall stand enhanced by a further amount of PKR 6,999,000,000/- (Pak Rupees Six Billion Nine Hundred Ninety Nine Million) divided into 699,900,000 (Six Hundred Ninety Nine Million Nine Hundred Thousand) shares of PKR 10/- (Pak Rupees Ten) each. In aggregate, based on the above, upon the sanction of this Scheme, the authorized share capital of BPPL shall stand enhanced to PKR 60,000,000,000/- (Pak Rupees Sixty Billion) divided into 6,000,000,000 (Six Billion) shares of PKR 10/- (Pak Rupees Ten) each and accordingly the Memorandum and Articles of Association of BPPL shall stand amended. Approval of the shareholders of BPPL to this Scheme shall also include and constitute an approval by way of special resolution from the shareholders of BPPL, to the alteration of the Memorandum and

Articles of Association of BPPL for the increase of the authorized share capital of BPPL to PKR 60,000,000,000/- (Pak Rupees Sixty Billion), as required in terms of the Ordinance.

ARTICLE 5

BOARD OF DIRECTORS

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- 5.1. The present directors of BPPL are listed in Annexure A attached hereto.
- 5.2. The present directors of BOPL are listed in Annexure B attached hereto.
- 5.3. The present directors of BTPL are listed in Annexure C attached hereto.
- 5.4. The directors of BPPL are expected to continue as the directors after the Amalgamations/ Completion Date, subject to compliance with the applicable laws and / or their ceasing to be directors in the meantime due to any reason(s) and appointments being made to the vacancies thus created. The directors of both BOPL and BTPL shall cease to hold office as directors without any rights to any compensation for loss of office.
- 5.5. All the directors of BPPL, BOPL and BTPL have interest in the Amalgamations to the extent of their respective shareholdings and common directorship in BPPL, BOPL and BTPL (to the extent applicable). The effect of this Scheme on the interest of these directors does not differ from the respective interests of the shareholders of BPPL, BOPL and BTPL.

ARTICLE 6

BTPL AMALGAMATION

6.1. General Description

- (i) As of the Effective Date, BTPL, as a going concern, shall be amalgamated with and vest in BPPL upon the terms and conditions set forth in this Scheme without any further act, deed, matter or thing, process or procedure.
- (ii) BPPL shall be able to carry on all the business of BTPL and shall be entitled to all the rights and the benefits thereof.
- (iii) BTPL shall be dissolved, without winding up, from the Completion Date or on such later date as the Court may prescribe.

6.2. Transfer of the Assets

As of the Effective Date, all the Assets of BTPL, shall immediately without any conveyance or transfer and without any further act or deed be vested in and become the undertaking and Assets of BPPL, which shall have, hold and enjoy the same in its own right as fully as the same were possessed, held and enjoyed by BTPL prior to the BTPL Amalgamation. However, the vesting / transfer of the Assets shall be subject to all mortgages, charges or other encumbrances subsisting thereon.

6.3. **Transfer of Liabilities and Obligations**

As of the Effective Date, all the Liabilities and Obligations of BTPL shall immediately and without any further act or deed be assumed by and become the Liabilities and Obligations of BPPL, which shall pay, undertake, satisfy, discharge and perform, when due, all such Liabilities and Obligations.

6.4. **BPPL's Right to Execute Deeds**

Deeds, assignments or similar instruments to evidence the aforesaid transfer of Assets and/or assumption of Liabilities and Obligation of BTPL, if required at any time, may be executed by officers of BPPL authorized in this regard.

6.5. **References to Assets and Liabilities and Obligations**

Any reference in this Scheme to Assets or Liabilities and Obligations of BTPL is a reference to Assets or Liabilities and Obligations to which BTPL is for the time being entitled or subject to (whether beneficially or in any fiduciary capacity), immediately preceding the Effective Date, wherever such Assets or Obligations and liabilities are situated or arise and whether or not the same are capable of being transferred or assigned to or by BTPL under any applicable law or instrument.

6.6. **Assets held in Trust, etc.**

Any Asset comprised or vested in BTPL, which immediately before the Effective Date was held by BTPL as trustee or custodian in the form of any trust deed, settlement, covenant, agreement or will or as executor of the will, or administrator of the estate of a deceased person or as judicial trustee appointed by order of any court, or in any other fiduciary capacity, shall, as of the Effective Date, be held by BPPL in the same capacity upon the trusts, subject to the powers, provisions and liabilities applicable thereto.

6.7. **Contracts**

Every Contract to which BTPL is a party shall have effect as of the Effective Date as if:

- (i) BPPL had been a party thereto instead of BTPL; and
- (ii) Any reference (however worded and whether express or implied) to BTPL therein shall stand substituted, as respects anything to be done as of the Effective Date, to a reference to BPPL.

6.8. **Bank Accounts**

Any account(s) maintained by BTPL with any bank or financial institution shall, as of the Effective Date, become account(s) between BPPL and such bank or financial institution, subject to the same conditions and incidents as therefore; provided that nothing herein shall affect any right of BPPL to vary the conditions or incidents subject to which any account is kept.

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6.9 Instructions

Any existing instruction, order, direction, mandate, power of attorney, authority, undertaking or consent given to BTPL in writing shall have effect, as of the Effective Date, as if given to BPPL.

6.10. Negotiable Instruments

Any negotiable instrument or order for payment of money drawn on or given to, or accepted or endorsed by, BTPL, or payable at any place of business of BTPL, whether so drawn, given, accepted or endorsed before, as of the Effective Date, shall have the same effect as of the Effective Date, as if it had been drawn on, or given to, or accepted or endorsed by BPPL, or were payable at the same place of business of BPPL.

6.11. Custody of Documents

The custody of any document, record or goods held by BTPL as bailee and duly recorded in their books that pass to BTPL under any Contract of bailment relating to any such document, record or goods shall on that day become rights and obligations of BPPL.

6.12. Securities:

- (i) Any Security held immediately before the Effective Date by BTPL or by a nominee or agent of or trustee for BTPL, as security for the payment or discharge of any liability and obligation of a Customer shall, as of the Effective Date, be held by, or, as the case may require, by that nominee, agent or trustee for BPPL and be available to BPPL (whether for its own benefit or, as the case may be, for the benefit of any other person) as security for the payment or discharge of that liability and obligation.
- (ii) In relation to any Security vested in BPPL, pursuant to and in accordance with the provisions of this Scheme, and any liabilities and obligations thereby secured, BPPL shall be entitled to the rights and priorities to which BTPL would have been entitled if they had continued to hold the Security.
- (iii) Any Security referred to in the foregoing provisions of this paragraph which extends to future advances or liabilities shall, as of the Effective Date, be available to BPPL (whether for its own benefit or as the case may be, for the benefit of any other person) as security for the payment or discharge of future advances and future liabilities to the same extent and in the same manner in all respects as future advances by or liabilities to, BTPL or, as the case may be, BPPL were secured thereby immediately before that time.
- (iv) All Securities granted / created by BTPL in favour of the Creditors of BTPL will continue to remain operative and effective as Securities granted and created by BPPL in favour of its own creditors. To the extent that BTPL has granted any pari passu charge over the Assets, or any class of Assets of BTPL in favour of the Creditors of BTPL, upon the BTPL Amalgamation, the same shall be treated as a pari passu

charge over the combined Assets (or relevant class of Assets) BPPL (including the Assets which stand transferred to and vested in BPPL in accordance with the provisions of this Scheme), ranking pari passu with the charge(s) created / existing in favour of the Creditors of BPPL (and Creditors of BOPL) holding charges over similar Assets or class of Assets as the case may be. It is clarified that pari passu charge holders having charges over the fixed assets of BTPL will have a charge over the fixed assets of BPPL, ranking pari passu with all the Creditors of BPPL having pari passu charges over the fixed assets of BPPL. Similarly, the pari passu charge holders having charges over the current assets of BTPL will have charges over the current assets of BPPL, ranking pari passu with the Creditors of BPPL having pari passu charges over the current assets of BPPL. Furthermore, any charge or security interest granted to a Creditor of BTPL, by BTPL, over specific assets will continue to remain restricted to such specific assets upon the BTPL Amalgamation.

- (v) In the event that the Creditors of BTPL seek additional Securities in respect of the outstanding Liabilities and Obligation of BTPL, which Liabilities and Obligations shall be of BPPL as of the Effective Date, such additional Securities maybe provided by creating charges, mortgages or encumbrances on the Assets of BPPL, as may be commercially determined between BPPL and the respective Creditor of BTPL.

6.13. Legal Proceedings

Where by virtue of this Scheme any right, Claim or Liability of BTPL, becomes a right, Claim or Liability of BPPL as of the Effective Date, BPPL shall have the same rights, claims, powers and remedies (and in particular the same rights, Claims and powers as to taking or resisting legal proceedings or making or resisting applications to any authority) for ascertaining, perfecting or enforcing that right, Claim or Liability as if it had at all times been a right, Claim or Liability of BPPL, and any legal proceedings or application to any authority existing or pending immediately before the Effective Date by or against BTPL may be continued by or against BPPL.

6.14. Judgments

Any judgment or award obtained by or against BTPL, and not fully satisfied before the Effective Date shall at that time, for the extent to which it is enforceable by or against BTPL, become enforceable by or against BPPL.

6.15. Evidence

All books and other documents which would, before the Effective Date, have been evidenced in respect of any matter, for or against BTPL, shall be admissible in evidence in respect of the same matter for or against BPPL.

6.16 Clarification

The provisions contained in Articles 6.2 to 6.15 above are without prejudice to the generality of any other provisions in this Scheme, but subject to any provisions in this Scheme to the contrary effect.

ARTICLE 7

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BOPL AMALGAMATION

7.1. General Description

- (i) As of the Effective Date, BOPL, as a going concern, shall be amalgamated with and vest in BPPL upon the terms and conditions set forth in this Scheme without any further act, deed, matter or thing, process or procedure.
- (ii) BPPL shall be able to carry out all the business of BOPL and shall be entitled to all the rights and the benefits thereof.
- (iii) BOPL shall be dissolved, without winding up, on the date on which the BPPL Shares are allotted and issued to the Shareholders in consideration of the Amalgamations or on such later date as the Court may prescribe.

7.2. Transfer of the Assets

- (i) As of the Effective Date, all the Assets of BOPL, shall immediately without any conveyance or transfer and without any further act or deed, be vested in and become the undertaking and Assets of BPPL, which shall have, hold and enjoy the same in its own right as fully as the same were possessed, held and enjoyed by BOPL prior to the BOPL Amalgamation. However, the vesting / transfer of the Assets shall be subject to all mortgages, charges or other encumbrances subsisting thereon.
- (ii) As of the Effective Date, subject to the sanction of this Scheme by the Court, the tax exemption granted in favour of BOPL (previously Bosicor Oil Pakistan Limited) with respect to profits and gains derived by BOPL, as stipulated in Clause 132A of Part I of the Second Schedule to the Income Tax Ordinance, 2001, shall immediately, without any further act or deed, vest in BPPL, which shall have, hold and enjoy the same fully in its own right to the extent of the undertaking of BOPL (being amalgamated with and into BPPL) as was possessed, held and enjoyed by BOPL prior to the BOPL Amalgamation.

7.3. Transfer of Liabilities and Obligations

As of the Effective Date, all the Liabilities and Obligations of BOPL shall immediately and without any further act or deed be assumed by and become the Liabilities and Obligations of BPPL, which shall pay, undertake, satisfy, discharge and perform, when due, all such Liabilities and Obligations.

7.4. BPPL's Right to Execute Deeds

Deeds, assignments or similar instruments to evidence the aforesaid transfer of Assets and/or assumption of Liabilities and Obligation of BOPL may, if required at any time, may be executed by officers of BPPL authorized in this regard.

7.5. **References to Assets and Liabilities and Obligations**

Any reference in this Scheme to Assets or Liabilities and Obligations of BOPL is a reference to Assets or Liabilities and Obligations to which BOPL is for the time being entitled or subject to (whether beneficially or in any fiduciary capacity) immediately preceding the Effective Date, wherever such Assets or Obligations and Liabilities are situated or arise and whether or not such Assets or Obligations and Liabilities are capable of being transferred or assigned to or by BOPL under any applicable law or instrument

7.6. **Assets held in Trust, etc.**

Any Asset comprised or vested in BOPL which immediately before the Effective Date was held by BOPL as trustee or custodian in the form of any trust deed, settlement, covenant, agreement or will or as executor of the will, or administrator of the estate of a deceased person or as judicial trustee appointed by order of any court, or in any other fiduciary capacity, shall, as of the Effective Date, be held by BPPL in the same capacity upon the trusts, subject to the powers, provisions and Liabilities applicable thereto.

7.7. **Contracts**

Every Contract to which BOPL is a party shall have effect as of the Effective Date as if:

- (i) BPPL had been a party thereto instead of BOPL; and
- (ii) Any reference (however worded and whether express or implied) to BOPL therein shall stand substituted, as respects anything to be done as of the Effective Date, to a reference to BPPL.

7.8. **Bank Accounts**

Any account(s) maintained by BOPL with any bank or financial institution shall, as of the Effective Date, become account(s) between BPPL and such bank or financial institution, subject to the same conditions and incidents as therefore; provided that nothing herein shall affect any right of BPPL to vary the conditions or incidents subject to which any account is kept.

7.9. **Instructions**

Any existing instruction, order, direction, mandate, power of attorney, authority, undertaking or consent given to BOPL in writing shall have effect, as of the Effective Date, as if given to BPPL.

7.10. **Negotiable Instruments**

Any negotiable instrument or order for payment of money drawn on or given to, or accepted or endorsed by, BOPL or payable at any place of business of BOPL, whether so drawn, given, accepted or endorsed before, as of the Effective Date, shall have the same effect as of the Effective Date, as if it had been drawn on, or given to, or accepted or endorsed by BPPL, or were payable at the same place of business of BPPL.

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7.11. Custody of Documents

The custody of any document, record or goods held by BOPL as bailee and duly recorded in their books that pass to BOPL under any Contract of bailment relating to any such document, record or goods shall on that day become rights and obligations of BPPL.

7.12. Securities:

- (i) Any Security held immediately before the Effective Date by BOPL or by a nominee or agent of or trustee for BOPL, as security for the payment or discharge of any liability and obligation of a Customer shall, as of the Effective Date, be held by, or, as the case may require, by that nominee, agent or trustee for BPPL and be available to BPPL (whether for its own benefit or, as the case may be, for the benefit of any other person) as security for the payment or discharge of that liability and obligation.
- (ii) In relation to any Security vested in BPPL, pursuant to and in accordance with the provisions of this Scheme, and any liabilities and obligations thereby secured, BPPL shall be entitled to the rights and priorities to which BOPL would have been entitled if they had continued to hold the Security.
- (iii) Any Security referred to in the foregoing provisions of this paragraph which extends to future advances or liabilities shall, as of the Effective Date, be available to BPPL (whether for its own benefit or as the case may be, for the benefit of any other person) as security for the payment or discharge of future advances and future liabilities to the same extent and in the same manner in all respects as future advances by or liabilities to, BOPL or, as the case may be, BPPL were secured thereby immediately before that time.
- (iv) All Securities granted / created by BOPL in favour of the Creditors of BOPL will continue to remain operative and effective as Securities granted and created by BPPL in favour of its own creditors. To the extent that BOPL has granted any pari passu charge over the Assets or any class of Assets of BOPL in favour of the Creditors of BOPL, upon the BOPL Amalgamation, the same shall be treated as a pari passu charge over the combined Assets (or relevant class of Assets) of BPPL (including the Assets which stand transferred to and vested in BPPL in accordance with the provisions of this Scheme), ranking pari passu with the charge(s) created / existing in favour of the Creditors of BPPL (and Creditors of BTPL) holding charges over similar Assets or class of Assets, as the case may be. It is clarified that pari passu charge holders having charges over the fixed assets of BOPL will have a charge over the fixed assets of BPPL, ranking pari passu with all the Creditors of BPPL having pari passu charges over the fixed assets of BPPL. Similarly, the pari passu charge holders having charges over the current assets of BOPL will have charges over the current assets of BPPL, ranking pari passu with the Creditors of BPPL having pari passu charges over the current assets of BPPL. Furthermore, any charge or security interest granted to a Creditor of BOPL, by BOPL, over specific assets will continue to remain restricted to such specific assets upon the BOPL Amalgamation.

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- (v) In the event that the Creditors of BOPL seek additional Securities in respect of the outstanding Liabilities and Obligation of BOPL, which Liabilities and Obligations shall be of BPPL as of the Effective Date, such additional Securities maybe provided by creating charges, mortgages or encumbrances on the Assets of BPPL, as may be commercially determined between BPPL and the respective Creditor of BOPL.

7.13. Legal Proceedings

Where by virtue of this Scheme any right, Claim or Liability of BOPL, becomes a right, Claim or Liability of BPPL as of the Effective Date, BPPL shall have the same rights, claims, powers and remedies (and in particular the same rights, Claims and powers as to taking or resisting legal proceedings or making or resisting applications to any authority) for ascertaining, perfecting or enforcing that right, Claim or Liability as if it had at all times been a right, Claim or Liability of BPPL, and any legal proceedings or application to any authority existing or pending immediately before the Effective Date by or against BOPL may be continued by or against BPPL.

7.14. Judgments

Any judgment or award obtained by or against BOPL, and not fully satisfied before the Effective Date shall at that time, to the extent to which it is enforceable by or against BOPL, become enforceable by or against BPPL.

7.15. Evidence

All books and other documents which would, before the Effective Date, have been evidenced in respect of any matter, for or against BOPL, shall be admissible in evidence in respect of the same matter for or against BPPL.

7.16. Clarification

The provisions contained in Articles 7.2 to 7.15 above are without prejudice to the generality of any other provisions in this Scheme, but subject to any provisions in this Scheme to the contrary effect.

ARTICLE 8

CERTAIN OBLIGATIONS AND REPRESENTATIONS

- 8.1. Upon the BTPL Amalgamation, BPPL shall take all necessary and expedient steps to properly and efficiently manage its entire business and affairs and shall operate and promote its entire business and affairs in the normal course.
- 8.2. As of the Effective Date, subject to the sanction of the Scheme, BPPL shall undertake, pay, satisfy, discharge, perform and fulfill all the Liabilities and Obligations, Contracts, engagements and commitments whatsoever of BTPL.

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- 8.3. Upon the BOPL Amalgamation, BPPL shall take all necessary and expedient steps to properly and efficiently manage its entire business and affairs and shall operate and promote its entire business and affairs in the normal course.
- 8.4. As of the Effective Date, subject to the sanction of the Scheme, BPPL shall undertake, pay, satisfy, discharge, perform and fulfil the Liabilities and Obligations, Contracts, engagements and commitments whatsoever of BOPL.

ARTICLE 9

THE SCHEME'S EFFECT

- 9.1. The provisions of this Scheme shall be effective and binding by operation of law and shall become effective in terms of Article 3 above.
- 9.2. The execution of this Scheme shall not: (i) constitute any assignment, transfer, devolution, conveyance, alienation, parting with possession, or other disposition under any law for the time being in force; (ii) give rise to any forfeiture; (iii) invalidate or discharge any Contract or Security; and (iv) give rise to any right of first refusal or pre-emptive right that any person may have in respect of any investment made by such person in BPPL and / or BOPL and / or BTPL.
- 9.3. Upon the sanction of this Scheme, as of the Effective Date, the terms of this Scheme shall be binding on BPPL, BOPL and BTPL along with all the shareholders, creditors, employees, Customers, contracting parties, tax authorities, all regulatory / statutory bodies and persons of or with respect to BPPL, BOPL and BTPL (as applicable) respectively and on any other person having any right or liability in relation to either of them.

ARTICLE 10

CONSIDERATION FOR THE AMALGAMATIONS

- 10.1. As consideration for the Amalgamations (in addition to Article 10.3), the existing shares of BPPL held by BOPL shall stand cancelled and BPPL shall issue an aggregate of 5,142,536,068 (Five Billion One Hundred Forty Two Million Five Hundred Thirty Six Thousand Sixty Eight) BPPL Shares to the Shareholders at par and allot approximately 1.67 BPPL Shares, credited as fully paid up for every 1(one) share of the face value of PKR 10/- (Pak Rupees Ten) each of BOPL, to the Shareholders on the basis of a swap ratio of 1.67 BPPL Shares for every 1 (one) share of BOPL held by each of the Shareholders (the "Swap Ratio"), approved by the Board of Directors of each of BPPL, BOPL and BTPL based on the computation of the share swap ratio by Deloitte Yousuf Adil Chartered Accountants (a member of Deloitte Touche Tohmatsu Limited) as stated in the Swap Letter, and all entitlements of the Shareholders shall be determined in the proportion aforesaid. All fractions less than a share shall be consolidated into whole shares which shall be disposed of by BPPL in a manner determined by the Board of Directors of BPPL.

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- 10.2. The Swap Ratio has been determined on the basis of the audited accounts of BPPL and BOPL for the period ended December 31, 2015 and the respective valuations carried out by Arif Habib Limited of each of BPPL, BOPL and BTPL. The value of BTPL (including its Assets, Liabilities and Obligations) appear in the accounts of BTPL for the period ended December 31, 2015 and have been factored in for the purposes of calculating the Swap Ratio. Accordingly, the consideration in this Article 10 is with respect to the Amalgamations collectively.
- 10.3. In addition to the BPPL Shares issued to the Shareholders pursuant to Article 10.1, against the Advance BOPL Shares deemed to have been issued by BOPL to BII (as stipulated in Article 4.3), approximately 127,108,437 (One Hundred Twenty Seven Million One Hundred Eight Thousand Four Hundred Thirty Seven) BPPL Shares ("**Additional BPPL Shares**") shall be issued to BII based on the Swap Ratio. It is clarified that notwithstanding the entitlement of BII to have the Additional BPPL Shares issued in its favour against the Advance BOPL Shares, the actual Additional BPPL Shares shall be issued by BPPL in favour of BII once the necessary legal formalities have been completed (including, but not limited to, approval from SBP and SECP). It is further clarified that the deemed issuance of the Advance BOPL Shares, and accordingly the Additional BPPL Shares, have been factored into the calculation of the Swap Ratio.
- 10.4. At least 14 (fourteen) days' notice shall be given to the shareholders of BOPL, specifying the Record Date in order to determine the identities of the Shareholders (which shall be entitled to the BPPL Shares). Such notice shall also specify the date by which the shareholders of BOPL shall deliver to BOPL all the share certificates representing ordinary shares in BOPL held by them and such share certificates shall be delivered to BOPL on or before that date. In relation to those shareholders of BOPL who hold shares in book entry form through the CDS on the date specified in the notice, the book entries relating to the shares of BOPL in the CDC accounts of such shareholders shall stand frozen / restricted (till further instructions are provided to cancel the same).
- 10.5. Upon receipt of the share certificates delivered by the shareholders of BOPL (or otherwise) in accordance with Article 10.4, notice of the same shall be given by BOPL to BPPL. Upon receipt of such notice from BOPL, the shares of BPPL, held by BOPL shall stand cancelled in accordance with the rules and regulations of the CDC. The surrender and cancellation of shares in the above manner shall entitle the Shareholders to share certificates of BPPL for the number of fully paid up shares to which the respective Shareholder is entitled to in accordance with the provisions of this Scheme (whether immediately or otherwise).
- 10.6. The allotment of BPPL Shares (in accordance with the provisions of this Article 10) shall be made by BPPL within 30 (thirty) days from the date notified above (except in the case of the Additional BPPL Shares). The share certificates for such shares shall be made ready for delivery as soon as practicable thereafter and notices of their readiness for their delivery shall be given to the Shareholders in the manner provided in the Articles of Association of BPPL. Share certificates not collected within the time specified in any such notice shall be sent by post in prepaid envelopes addressed to the persons entitled thereto at their respective registered addresses. In the case of joint shareholders, share certificates may be delivered to or may be sent to the address of that one of the joint holders whose name appears first in respect of such joint holding. BPPL shall not be responsible for loss of the share certificates in such transmission. At the option of the respective Shareholder, shares of BPPL shall be issued by BPPL in book entry form through the CDS. In such case, the CDC shall, on the date to be

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specified by BPPL, credit their respective CDC accounts / sub-accounts with book entries relating to the corresponding number of BPPL Shares which the relevant Shareholder is entitled to in accordance with this Article 10. Such allotment shall be carried out in accordance with the rules and regulations of the CDC.

- 10.7. The BPPL Shares, issued and allotted to the Shareholders in accordance with the provisions of this Scheme shall, in all respect, rank pari passu with the ordinary shares of BPPL and shall be entitled to all dividends declared by BPPL after the Effective Date.
- 10.8. Upon the allotment of the BPPL Shares to the Shareholders (except the Additional BPPL Shares) in the manner aforesaid, all share certificates representing the ordinary shares of BOPL shall stand cancelled. In relation to the shares of BOPL existing in book entry form through the CDS, the book entries relating to the shares of BOPL in the CDC accounts of the respective shareholders shall stand cancelled.
- 10.9. Subject to the sanction of the Scheme by the Court, BOPL shall, without winding up, stand dissolved from the date on which the BPPL Shares, to be allotted by BPPL to the Shareholders in the manner stated above, but excluding the Additional BPPL Shares, have been so allotted.
- 10.10. It is clarified that the BPPL Shares issued to BII in accordance with the provisions of this Article 10, against cancellation of the shares of BOPL existing in favour of BII, shall also be held on a repatriable basis, and will be registered with the State Bank of Pakistan in such manner.

ARTICLE 11

EMPLOYEES

- 11.1. On and from the Effective Date, all full time officers and employees (including workmen) of BOPL and BTPL shall become the employees of BPPL at the same level of remuneration and under the same terms and conditions of service which they were receiving or, as the case may be, by which they were governed immediately before the Effective Date, including those relating to entitlements and benefits arising upon termination of services, on the basis of continuation of service.
- 11.2. On the Completion Date, all amounts of the Gratuity Funds and Provident Funds of each of BOPL and BTPL shall be transferred to and vest in the trustees of the Gratuity Fund and Provident Fund respectively, established by BPPL for the benefit of its employees.
- 11.3. On the Completion Date, amounts standing to the credit of the Gratuity Funds and Provident Funds of each of BOPL and BTPL shall be transferred to and vest in the trustees of the Gratuity Fund and Provident Fund respectively, established by BPPL for the benefit of its employees.

ARTICLE 12

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GENERAL

12.1. Modifications by the High Court

This Scheme shall be subject to such modification of conditions, as the Court may deem expedient to impose. The Board of Directors of BPPL, BOPL and BTPL respectively may consent to any modifications or additions to this Scheme or to any conditions which the Court may think fit. In case of any difficulty in implementation of any aspect of this Scheme, clarifications, directions and /or approval may be obtained from the Court. Notwithstanding the above, in the event that the terms of this Scheme are not approved by the shareholders and / or creditors of BPPL and / or BOPL and / or BTPL (as applicable) in its entirety and / or the Scheme, as approved by the respective companies, is modified by the Court, the Board of Directors of BPPL and / or BOPL and / or BTPL shall be entitled to withdraw this Scheme (whether or not approval from the shareholders and creditors of the respective companies has been obtained).

12.2. Headings

Article headings are not to be considered part of this Scheme, but are solely for convenience of reference, and shall not affect the meaning or interpretation of this Scheme or any of its provisions.

12.3. Severability

If any provision of this Scheme is found to be unlawful and unenforceable by a competent court of law, then to the fullest extent possible, all of the remaining provisions of the Scheme shall remain in full force and effect.

12.4. Costs and expenses

All costs, charges and expenses of BPPL, BOPL and BTPL in respect of the preparation of this Scheme and carrying the same into effect shall be borne by BPPL, BOPL and BTPL equally.

Karachi.

Dated: _____, 2016.



For and on behalf of
BYCO PETROLEUM PAKISTAN LIMITED
Muhammad Wasi Khan
Chief Executive Officer



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Muhammad Wasi Khan

For and on behalf of
BYCO OIL PAKISTAN LIMITED
Muhammad Wasi Khan
Chief Executive Officer



Muhammad Wasi Khan

For and on behalf of
BYCO TERMINALS PAKISTAN LIMITED
Muhammad Wasi Khan
Chief Executive Officer



LIST OF ANNEXURES

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- "Annexure A" – List of members of Board of Directors of BPPL.
- "Annexure B" -- List of members of Board of Directors of BOPL.
- "Annexure C" – List of members of Board of Directors of BTPL.
- "Annexure D" – Swap Letter dated May 18, 2016, issued by Deloitte Yousuf Adil Chartered Accountants (a member of Deloitte Touche Tohmatsu Limited).

ANNEXURE A

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LIST OF MEMBERS OF BOARD OF DIRECTORS OF BYCO PETROLEUM PAKISTAN LIMITED

1. Mr. Amir Abbasciy
2. Mr. Muhammad Mahmood Hussain
3. Mr. Akhtar Hussain Malik
4. Syed Arshad Raza
5. Mr. Muhammad Raza Hasnani
6. Mr. Omar Khan Lodhi
7. Mr. Khaqan Saadullah Khan
8. Mr. Mohaimmad Wasi Khan, Chief Executive Officer

ANNEXURE B

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LIST OF MEMBERS OF BOARD OF DIRECTORS OF BYCO OIL PAKISTAN LIMITED

1. Mr. Amir Abbassciy
2. Mr. Ali Iqbal Khan
3. Mr. Akhtar Hussain Malik
4. Syed Arshad Raza
5. Mr. Muhammad Raza Hasnani
6. Mr. Omar Khan Lodhi
7. Mr. Khaqan Saadullah Khan
8. Mr. Mohammad Wasi Khan, Chief Executive Officer

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ANNEXURE C

LIST OF MEMBERS OF BOARD OF DIRECTORS OF BYCO TERMINALS PAKISTAN LIMITED

1. Mr. Amir Abbasciy
2. Mr. Ali Iqbal Khan
3. Mr. Akhtar Hussain Malik
4. Syed Karim ul Hasan Shah
5. Mr. Muhammad Raza Hasnani
6. Mr. Omar Khan Lodhi
7. Mr. Khaqan Saadullah Khan
8. Mr. Mohammad Wasi Khan, Chief Executive Officer

Deloitte Yousuf Adil
Chartered Accountants
Lavish Court, A-35, Block 7 & 8
KCHSU, Shishraah-e-Faisal
Karachi 75350
Pakistan

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FAS/AIH/2527

May 18, 2016

Syed Saquib Afri
Vice President - Investment Banking
Arif Habib Limited
2nd Floor, Arif Habib Centre
23, M.I. Khan Road
Karachi, Pakistan.

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Dear Sir,

Computation of share swap ratio for the scheme of merger/amalgamation of Byco Group of Companies.

In accordance with the terms of our engagement letter reference AIH/2221 dated April 25, 2016, we have carried out a computation of share swap ratio on the basis of independent valuation carried out by Arif Habib Limited (hereinafter referred as "AIH") of the three companies of Byco Group as follows:

1. Byco Oil Pakistan Limited (BOPL),
2. Byco Petroleum Pakistan Limited (BPPL), and
3. Byco Terminal Pakistan Limited (BTPL) (100% owned subsidiary of BPPL)

We have also reviewed the Valuation Report of the above entities prepared by AIH, including the reasonableness of the key underlying assumptions included in the Valuation Report.

Share Swap computation:

- Based on the above, we have computed the share swap consideration of 1.67 shares of BPPL to be issued for 1 share of BOPL. (Refer Annexure A). Accordingly, 1.67 shares of BPPL can be issued as consideration for 100 shares of BOPL, subject to the approval of the Board of Directors and Shareholders of the respective companies and the approval of the Scheme of Arrangement for the amalgamation of the Byco Group of Companies (hereinafter referred as the scheme) by the Honorable High Court of Sindh.
- The swap ratio computed above has been based on the independent valuation of the three companies carried out by AIH, using Discounted Cash Flow method, under which present values are determined by discounting estimated future cash flows of the respective companies. Such valuations are carried out based on a set of assumptions provided by the management and sponsors of BOPL, BPPL and BTPL to AIH, with regard to future events that are inherently uncertain. We may point out that actual results are likely to be different than projected since anticipated events do not occur as expected and the variation could be material.

- Additionally, considering the fact that the breakup value per share of BPPF, on the basis of its audited consolidated accounts (after also considering surplus on revaluation of fixed assets) is negative as at December 31, 2015 hence, the breakup value per share has not been considered, when computing the share swap ratio. Also, since BOPF is not a listed entity, therefore, valuation under market approach has also not been considered.

Caveats

- This letter has been prepared for the transaction referred above and in relation to the scheme and accordingly, is not to be used by any other person or for any other purpose.
- We have not carried out the valuation of these companies. Therefore, the responsibility for this valuation lies with AEB. Accordingly, we express no opinion or any other form of assurance on the valuation carried out.
- Our report has been issued on the understanding that AEB has drawn our attention to all matters concerning the financial positions of the three entities which may have a material impact on our report up to the date of signature. We have no responsibility to update the report for events and circumstances occurring after the date of our report.

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Yours truly,

Deloitte Yousuf Adil

Chartered Accountants

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Share Swap Ratio Computation Number of Shares of BPPL to be issued to the Shareholders of BOPL

	BOPL	BPPL
Equity value as worked out by AHI, (PKR '000)	114,062,018	21,099,139
Number of Shares as at December 31, 2015 ('000)	3,161,634 ¹	977,859
Nominal Value per Share (PKR)	10	10
DCF value per share (PKR)	36.08	21.58
Share Swap Ratio	1.67 (i.e. 167 shares of BPPL, as consideration for 100 shares of BOPL)	

1/1

1/1
*Taking into consideration the issuance of 13,309,523 ordinary shares against PKR 1 bn financing facility from NBP and the issuance of shares against PKR 20.9 bn share deposit money from Byco Industries Incorporated.

SCHEME OF ARRANGEMENT

**UNDER SECTIONS 284 TO 288 OF
THE COMPANIES ORDINANCE, 1984**

INVOLVING

BYCO PETROLEUM PAKISTAN LIMITED

AND

BYCO OIL PAKISTAN LIMITED

AND

BYCO TERMINALS PAKISTAN LIMITED

FOR

The merger / amalgamation of the entire undertakings of Byco Oil Pakistan Limited and Byco Terminals Pakistan Limited with and into Byco Petroleum Pakistan Limited along with all ancillary matters.

SCHEME OF ARRANGEMENT

UNDER SECTIONS 284 TO 288 OF THE COMPANIES ORDINANCE, 1984

BETWEEN

BYCO PETROLEUM PAKISTAN LIMITED, a public company limited by shares and listed on the Pakistan Stock Exchange Limited, incorporated and existing under the laws of Pakistan and having its registered office at The Harbour Front, 9th Floor, Dolmen City, HC-3, Block 4, Marine Drive, Clifton, Karachi – 75600 (hereinafter referred to as “**BPPL**”, which expression shall mean and include, where the context so requires or admits, its successors-in-interest and permitted assigns);

AND

BYCO OIL PAKISTAN LIMITED, an unlisted public company limited by shares, incorporated and existing under the laws of Pakistan and having its registered office at The Harbour Front, 10th Floor, Dolmen City, HC-3, Block 4, Marine Drive, Clifton, Karachi – 75600 (hereinafter referred to as “**BOPL**”, which expression shall mean and include, where the context so requires or admits, its successors-in-interest and permitted assigns);

AND

BYCO TERMINALS PAKISTAN LIMITED, an unlisted public company limited by shares, incorporated under the laws of Pakistan and having its registered office at The Harbour Front, 9th Floor, Dolmen City, HC-3, Block 4, Marine Drive, Clifton, Karachi – 75600 (hereinafter referred to as “**BTPL**”, which expression shall mean and include, where the context so requires or admits, its successors-in-interest and permitted assigns).

RECITALS

WHEREAS by this Scheme of Arrangement (“**Scheme**”), it is *inter alia* proposed that:-

1. The entire undertaking comprising all the Assets, Liabilities and Obligations of BTPL shall, as at the Effective Date (as defined below), stand merged with, transferred to, vested in, and be assumed by BPPL.
2. Simultaneously, the entire undertaking comprising all the Assets, Liabilities and Obligations of BOPL shall, as at the Effective Date (as defined below), stand merged with, transferred to, vested in, and be assumed by BPPL.
3. As consideration for the above, it is proposed that BPPL Shares shall be issued to the Shareholders in accordance with this Scheme.

4. Upon the merger and transfer of BTPL and BOPL in the manner prescribed under this Scheme respectively, BTPL and BOPL shall be dissolved without winding up.
5. This Scheme, if approved by the respective shareholders of BPPL, BOPL and BTPL, through a special resolution, along with the requisite majority of creditors of the respective companies, and sanctioned by the Court by an order passed in this respect, is to be binding on BPPL, BOPL and BTPL along with all the shareholders, creditors, employees, Customers, contracting parties, tax authorities, all regulatory / statutory bodies and persons of or with respect to BPPL, BOPL and BTPL (as applicable) respectively.

BENEFITS OF THIS SCHEME

A. Larger Asset Base

The Amalgamations would lead to an increase in the asset base and size of the surviving entity i.e. BPPL. This would in turn assist the management to have access to more external funds at competitive rates. The larger size of equity and asset base would provide greater comfort to existing and potential creditors of the merged entity. Moreover, access to larger resources would in turn improve growth prospects and the ability to undertake large assignments.

B. Synergies

The Amalgamations would provide an opportunity to operate the businesses / operations of BPPL, BOPL and BTPL through a consolidated operations department and a single accounts department, thus resulting in economies of scales.

Furthermore, subsequent to the BOPL Amalgamation, BPPL will also be in a position to effectively and efficiently manage raw materials (including oil and LPG) by, *inter alia*, distributing the same between the refineries currently operated by BPPL and BOPL, as well as the working capital requirements with respect to the combined business of BPPL and BOPL which will further result in economies of scale.

C. Integration

The Amalgamations will strengthen BPPL's activities by integrating different stages involved within the oil / LPG industry including, but not limited to, refining, storage, marketing, distribution and transportation, thereby giving room in the future for expansion of its business and consequently effecting economics of scale and improving the business being carried out by the Byco group companies as well as those proposed to be carried out in the future.

D. Increase in Risk Absorption Capacity

The larger size of the merged / amalgamated entity as well as the integration (discussed above) would increase BPPL's risk absorption capacity, thus enhancing the capacity to manage the potential risks arising out of adverse and uncertain operating environments. In the long run, this factor would provide greater stability as well as sustainability in operations for BPPL.

E. Reduction in Administrative Costs

The arrangement would enable the merged entity i.e. BPPL to carry out its business through a single operations, accounts, treasury and management information system (MIS) department

with one set of management and staff, thus resulting in substantial cost savings and economies of scales, leading to enhanced profitability.

F. Single Corporate and Tax Reporting

The Amalgamations will make single corporate and tax reporting possible for the merged entity. The same will entail elimination of maintenance of separate records for business operations, selling, purchasing, marketing, legal, administrative and secretarial, and other records, under the various laws resulting in duplication of work and higher costs.

G. Leveraging Against Properties of BOPL and BTPL

The Amalgamations will allow BPPL to acquire the benefit of use of the properties of BOPL and BTPL without having to pay upfront cash consideration to the shareholders of BOPL. In this manner, the operations of BPPL (subsequent to the Amalgamations) will be more efficient financially for the company.

NOW THEREFORE, this Scheme is presented as follows:

ARTICLE 1

DEFINITIONS

1.1. In this Scheme, unless the subject or context otherwise requires, the following expression shall bear the meanings specified below:

“Additional BPPL Shares” shall have the same meaning as prescribed thereto in Article 10.3 of this Scheme;

“Advance BOPL Shares” shall have the same meaning as prescribed thereto in Article 4.3 of this Scheme;

“Amalgamations” means collectively the BOPL Amalgamation and the BTPL Amalgamation;

“Annexure A” is the annexure attached hereto which lists the members of the Board of Directors of BPPL;

“Annexure B” is the annexure attached hereto which lists the members of the Board of Directors of BOPL;

“Annexure C” is the annexure attached hereto which lists the members of the Board of Directors of BTPL;

“Annexure D” is the annexure attached hereto containing the Swap Letter;

“Assets” mean assets, properties and rights of every description and kind (whether present or future, actual or contingent, tangible or intangible) and includes properties held on trust and benefit of securities obtained from Customers, benefits, powers, rights, authorities, privileges, contracts, Government consents, tax refunds / credits, tax exemptions, sanctions and authorizations, including all registrations, approvals, licences, no objection certificates / letters, permits, categories, entitlements, sanctions, permissions and benefits relating to the business, all trademarks, patents, copyrights, licenses, liberties, secret processes, know-how and confidential information belonging / pertaining to a company. Without in any way limiting or prejudicing the generality of the foregoing, it is hereby clarified that the Assets shall include: (i) all properties, immovable and movable, real, corporeal or incorporeal, in possession or reversion, present or contingent of whatsoever nature and wheresoever situated belonging to a company; (ii) all choses-in-action, instruments, decretal amounts, bank and other accounts, cash balances, reserve funds, revenue balances, investments, loans, advances, guarantees, deposits, prepayments, receivables, book debts, trade debts and all other rights and interest in and arising out of such property in the ownership, possession, power or control of a company, whether legal or beneficial, whether within or out of Pakistan, and all books of accounts, registers, records and all other documents of whatever nature relating thereto; (iii) all the connections and facilities for telecommunications, electricity, gas and other installations, owned by, leased or licensed to a company (including related deposits); (iv) the Contingent Claims, tax credits / carry

forward losses and proceeds realized from the Liquidation of the Contingent Claims; and (v) unadjusted tax losses (including business as well as depreciation losses);

"BII" means Byco Industries Incorporated, a company incorporated and existing under the laws of Mauritius, being the parent company of BOPL;

"BOPL" shall have the meaning as prescribed in the Preamble above;

"BOPL Amalgamation" shall have the same meaning as prescribed thereto in Article 2.1(ii) of this Scheme;

"BPPL" shall have the meaning as prescribed in the Preamble above;

"BPPL Shares" means the ordinary shares of PKR 10/- (Pak Rupees Ten) each in the share capital of BPPL to be issued and allotted to the Shareholders in accordance with Article 10 of this Scheme;

"BTPL" shall have the meaning as prescribed in the Preamble above;

"BTPL Amalgamation" shall have the same meaning as prescribed thereto in Article 2.1(i) of this Scheme;

"CDC" means the Central Depository Company of Pakistan Limited;

"CDS" means the Central Depository System (an electronic book entry system for the recording and transfer of securities, established under the Central Depositories Act, 1997 and maintained by the CDC);

"Claim" means claim, counter-claim, demand or cause of action and includes a Contingent Claim;

"Completion Date" has the same meaning as prescribed thereto in Article 3.1 of this Scheme;

"Contingent Claims" means any potential Claim that a company may have against any person prior to the Effective Date which may not be disclosed or reflected as part of its Assets on its books or records;

"Contract" means any contracts, agreements, deeds, instruments, letters or undertakings of every description, creating any obligations enforceable against the parties including, but not limited to, any finance agreements;

"Court" means the High Court of Sindh at Karachi;

"Creditors of BOPL" means the secured creditors of BOPL existing on or before the Completion Date;

"Creditors of BPPL" means the secured creditors of BPPL existing on or before the Completion Date;

“Creditors of BTPL” means the secured creditors of BTPL existing on or before the Completion Date;

“Customer” means any person having entered into a transaction, arrangement or other dealing with a company;

“Effective Date” shall have the same meaning as prescribed thereto in Article 3.1 of this Scheme;

“existing” means existing, outstanding or in force immediately prior to the Effective Date;

“Liabilities and Obligations” includes all borrowings, liabilities, duties, commitments and obligations of every description (whether present or future, actual or contingent) arising out of any Contract or otherwise whatsoever and the term **“Liabilities”** and **“Obligations”** are used interchangeably and / or in conjunction with each other;

“Liquidation” means the release, compromise, satisfaction, settlement or reduction to judgment of any Claim by a competent court of law;

“LPG” means liquefied petroleum gas;

“Ordinance” means the Companies Ordinance, 1984;

“Record Date” means the date to be fixed by the directors of BOPL, after the Completion Date, to determine the identities and entitlements of the Shareholders;

“SBP” means the State Bank of Pakistan;

“Scheme” means this Scheme of Arrangement in its present form with any modifications thereof or additions thereto, approved or with any conditions imposed by the Court;

“SECP” means the Securities and Exchange Commission of Pakistan;

“Security” or **“Securities”** means interest, right or title in and to any and all mortgages or charges (whether legal or equitable), debentures, bill of exchange, promissory note, guarantee, lien, pledge (whether actual or constructive), hypothecation, assignment by way of security, right of set-off, undertaking or other means of securing payment or discharge of any liabilities and obligations;

“Shareholders” means the registered shareholders of BOPL on the Record Date;

“Swap Letter” means the Swap Letter dated May 18, 2016, issued by Deloitte Yousuf Adil Chartered Accountants (a member of Deloitte Touche Tohmatsu Limited), attached hereto as Annexure D containing, *inter alia*, the Swap Ratio; and

“Swap Ratio” shall have the same meaning as prescribed thereto in Article 10.1 of this Scheme.

ARTICLE 2

OBJECTS OF THE SCHEME

- 2.1. The principal object of this Scheme is to give effect to the following:
- (i) amalgamate BTPL with and into BPPL by transferring to, merging with and vesting in BPPL the whole of BTPL, including all Assets, Liabilities and Obligations of BTPL, as of the Effective Date, and dissolving BTPL without winding up (the “**BTPL Amalgamation**”);
 - (ii) simultaneously, amalgamate BOPL with and into BPPL by transferring to, merging with and vesting in BPPL the whole of BOPL, including all Assets, Liabilities and Obligations in respect thereof, as of the Effective Date, and dissolving BOPL without winding up (the “**BOPL Amalgamation**”); and
 - (iii) allot and issue fully paid BPPL Shares to the Shareholders based on the Swap Ratio.
- 2.2. It is hereby clarified that although all of the above steps will take place on the same date, the same shall be deemed to be effective as of the Effective Date.

ARTICLE 3

EFFECTIVE DATE

- 3.1. This Scheme shall become operative and bind BPPL, BOPL and BTPL as soon as the certified copies of the order of the Court under Section 284 of the Ordinance, sanctioning this Scheme and making any necessary provisions under Section 287 of the Ordinance, have been filed with the Registrar of Companies, Karachi (hereinafter referred to as the “**Completion Date**”). When this Scheme becomes operative on the Completion Date, each of the Amalgamations, in accordance with the Scheme, will be treated as having effect from the close of business on June 30, 2016, or at such other date as may be stated by the Court (hereinafter referred to as the “**Effective Date**”).
- 3.2. Accordingly, as of the Effective Date and thereafter, until the Assets, Liabilities, Obligations and undertakings of each of BTPL and BOPL are actually transferred to and vested in BPPL in terms of this Scheme, the businesses of BTPL and BOPL respectively will be deemed to have been carried for and on account and for the benefit of BPPL. The reserves including un-appropriated profits / losses of each of BTPL and BOPL up as at the Effective Date shall constitute and be treated as reserves / losses of a corresponding nature in BPPL and shall be accounted for on that basis in the books of account of BPPL.

ARTICLE 4

CAPITAL

- 4.1. The authorized share capital of BPPL is PKR 12,000,000,000/- (Pak Rupees Twelve Billion) divided into 1,200,000,000 (One Billion Two Hundred Million) shares of PKR 10/- (Pak Rupees Ten) each, out of which 977,858,737 (Nine Hundred Seventy Seven Million Eight Hundred Fifty Eight Thousand Seven Hundred Thirty Seven) shares have been issued, fully subscribed to and paid up.
- 4.2. The authorized share capital of BOPL is PKR 33,001,000,000/- (Pak Rupees Thirty Three Billion One Million) divided into 3,300,100,000 (Three Billion Three Hundred Million One Hundred Thousand) shares of PKR 10/- (Pak Rupees Ten) each, out of which 3,085,521,641 (Three Billion Eighty Five Million Five Hundred Twenty One Thousand Six Hundred Forty One) shares have been issued, fully subscribed to and paid up.
- 4.3. Additionally, BII has made payments outside Pakistan for the purchase of machinery for and on behalf of BOPL in the aggregate amount of approximately PKR 761,128,364/- (Pak Rupees Seven Hundred Sixty One Million One Hundred Twenty Eight Thousand Three Hundred Sixty Four)]. Against such payments, shares of BOPL shall be issued to BII at par (i.e. at PKR 10/- each), amounting to approximately 76,112,836 (Seventy Six Million One Hundred Twelve Thousand Eight Hundred Thirty Six) shares of BOPL ("**Advance BOPL Shares**"), subject to the completion of necessary formalities and obtaining the requisite regulatory consents (including SBP and SECP). For the purposes of this Scheme only, particularly the consideration for the Amalgamations (Article 10), the Advance BOPL Shares shall be deemed to have been issued in favour of BII. Having said the above, the actual shares representing such equity conversion shall only be issued once the necessary legal formalities have been completed (including, but not limited to, approval from SBP and SECP).
- 4.4. The authorized share capital of BTPL is PKR 8,000,000,000/- (Pak Rupees Eight Billion) divided into 800,000,000 (Eight Hundred Million) shares of PKR 10/- (Pak Rupees Ten) each, out of which 568,717,418 (Five Hundred Sixty Eight Million Seven Hundred Seventeen Thousand Four Hundred Eighteen) shares have been issued, fully subscribed to and paid up.
- 4.5. Upon the sanction of this Scheme, the authorized share capital of BPPL shall be merged and combined with the authorized share capital of each of BOPL and BTPL. Resultantly, the authorized share capital of BPPL shall thus stand enhanced to PKR 53,001,000,000/- (Pak Rupees Fifty Three Billion One Million) divided into 5,300,100,000 (Five Billion Three Hundred Million One Hundred Thousand) shares of PKR 10/- (Pak Rupees Ten) each as a consequence of the above. In addition to the above, the authorized share capital of BPPL shall stand enhanced by a further amount of PKR 6,999,000,000/- (Pak Rupees Six Billion Nine Hundred Ninety Nine Million) divided into 699,900,000 (Six Hundred Ninety Nine Million Nine Hundred Thousand) shares of PKR 10/- (Pak Rupees Ten) each. In aggregate, based on the above, upon the sanction of this Scheme, the authorized share capital of BPPL shall stand enhanced to PKR 60,000,000,000/- (Pak Rupees Sixty Billion) divided into 6,000,000,000 (Six Billion) shares of PKR 10/- (Pak Rupees Ten) each and accordingly the Memorandum and Articles of Association of BPPL shall stand amended. Approval of the shareholders of BPPL to this Scheme shall also include and constitute an approval by way of special resolution from the shareholders of BPPL, to the alteration of the Memorandum and

Articles of Association of BPPL for the increase of the authorized share capital of BPPL to PKR 60,000,000,000/- (Pak Rupees Sixty Billion), as required in terms of the Ordinance.

ARTICLE 5

BOARD OF DIRECTORS

- 5.1. The present directors of BPPL are listed in Annexure A attached hereto.
- 5.2. The present directors of BOPL are listed in Annexure B attached hereto.
- 5.3. The present directors of BTPL are listed in Annexure C attached hereto.
- 5.4. The directors of BPPL are expected to continue as the directors after the Amalgamations / Completion Date, subject to compliance with the applicable laws and / or their ceasing to be directors in the meantime due to any reason(s) and appointments being made to the vacancies thus created. The directors of both BOPL and BTPL shall cease to hold office as directors without any rights to any compensation for loss of office.
- 5.5. All the directors of BPPL, BOPL and BTPL have interest in the Amalgamations to the extent of their respective shareholdings and common directorship in BPPL, BOPL and BTPL (to the extent applicable). The effect of this Scheme on the interest of these directors does not differ from the respective interests of the shareholders of BPPL, BOPL and BTPL.

ARTICLE 6

BTPL AMALGAMATION

6.1. General Description

- (i) As of the Effective Date, BTPL, as a going concern, shall be amalgamated with and vest in BPPL upon the terms and conditions set forth in this Scheme without any further act, deed, matter or thing, process or procedure.
- (ii) BPPL shall be able to carry out all the business of BTPL and shall be entitled to all the rights and the benefits thereof.
- (iii) BTPL shall be dissolved, without winding up, from the Completion Date or on such later date as the Court may prescribe.

6.2. Transfer of the Assets

As of the Effective Date, all the Assets of BTPL, shall immediately without any conveyance or transfer and without any further act or deed be vested in and become the undertaking and Assets of BPPL, which shall have, hold and enjoy the same in its own right as fully as the same were possessed, held and enjoyed by BTPL prior to the BTPL Amalgamation. However,

the vesting / transfer of the Assets shall be subject to all mortgages, charges or other encumbrances subsisting thereon.

6.3. Transfer of Liabilities and Obligations

As of the Effective Date, all the Liabilities and Obligations of BTPL shall immediately and without any further act or deed be assumed by and become the Liabilities and Obligations of BPPL, which shall pay, undertake, satisfy, discharge and perform, when due, all such Liabilities and Obligations.

6.4. BPPL's Right to Execute Deeds

Deeds, assignments or similar instruments to evidence the aforesaid transfer of Assets and / or assumption of Liabilities and Obligation of BTPL, if required at any time, may be executed by officers of BPPL authorized in this regard.

6.5. References to Assets and Liabilities and Obligations

Any reference in this Scheme to Assets or Liabilities and Obligations of BTPL is a reference to Assets or Liabilities and Obligations to which BTPL is for the time being entitled or subject to (whether beneficially or in any fiduciary capacity), immediately preceding the Effective Date, wherever such Assets or Obligations and Liabilities are situated or arise and whether or not the same are capable of being transferred or assigned to or by BTPL under any applicable law or instrument.

6.6. Assets held in Trust, etc.

Any Asset comprised or vested in BTPL, which immediately before the Effective Date was held by BTPL as trustee or custodian in the form of any trust deed, settlement, covenant, agreement or will or as executor of the will, or administrator of the estate of a deceased person or as judicial trustee appointed by order of any court, or in any other fiduciary capacity, shall, as of the Effective Date, be held by BPPL in the same capacity upon the trusts, subject to the powers, provisions and Liabilities applicable thereto.

6.7. Contracts

Every Contract to which BTPL is a party shall have effect as of the Effective Date as if:

- (i) BPPL had been a party thereto instead of BTPL; and
- (ii) Any reference (however worded and whether express or implied) to BTPL therein shall stand substituted, as respects anything to be done as of the Effective Date, to a reference to BPPL.

6.8. Bank Accounts

Any account(s) maintained by BTPL with any bank or financial institution shall, as of the Effective Date, become account(s) between BPPL and such bank or financial institution, subject to the same conditions and incidents as therefore; provided that nothing herein shall

affect any right of BPPL to vary the conditions or incidents subject to which any account is kept.

6.9 Instructions

Any existing instruction, order, direction, mandate, power of attorney, authority, undertaking or consent given to BTPL in writing shall have effect, as of the Effective Date, as if given to BPPL.

6.10. Negotiable Instruments

Any negotiable instrument or order for payment of money drawn on or given to, or accepted or endorsed by, BTPL, or payable at any place of business of BTPL, whether so drawn, given, accepted or endorsed before, as of the Effective Date, shall have the same effect as of the Effective Date, as if it had been drawn on, or given to, or accepted or endorsed by BPPL, or were payable at the same place of business of BPPL.

6.11. Custody of Documents

The custody of any document, record or goods held by BTPL as bailee and duly recorded in their books that pass to BTPL under any Contract of bailment relating to any such document, record or goods shall on that day become rights and obligations of BPPL.

6.12. Securities:

- (i) Any Security held immediately before the Effective Date by BTPL or by a nominee or agent of or trustee for BTPL, as security for the payment or discharge of any liability and obligation of a Customer shall, as of the Effective Date, be held by, or, as the case may require, by that nominee, agent or trustee for BPPL and be available to BPPL (whether for its own benefit or, as the case may be, for the benefit of any other person) as security for the payment or discharge of that liability and obligation.
- (ii) In relation to any Security vested in BPPL, pursuant to and in accordance with the provisions of this Scheme, and any liabilities and obligations thereby secured, BPPL shall be entitled to the rights and priorities to which BTPL would have been entitled if they had continued to hold the Security.
- (iii) Any Security referred to in the foregoing provisions of this paragraph which extends to future advances or liabilities shall, as of the Effective Date, be available to BPPL (whether for its own benefit or as the case may be, for the benefit of any other person) as security for the payment or discharge of future advances and future liabilities to the same extent and in the same manner in all respects as future advances by or liabilities to, BTPL or, as the case may be, BPPL were secured thereby immediately before that time.
- (iv) All Securities granted / created by BTPL in favour of the Creditors of BTPL will continue to remain operative and effective as Securities granted and created by BPPL in favour of its own creditors. To the extent that BTPL has granted any pari

passu charge over the Assets or any class of Assets of BTPL in favour of the Creditors of BTPL, upon the BTPL Amalgamation, the same shall be treated as a pari passu charge over the combined Assets (or relevant class of Assets) BPPL (including the Assets which stand transferred to and vested in BPPL in accordance with the provisions of this Scheme), ranking pari passu with the charge(s) created / existing in favour of the Creditors of BPPL (and Creditors of BOPL) holding charges over similar Assets or class of Assets as the case may be. It is clarified that pari passu charge holders having charges over the fixed assets of BTPL will have a charge over the fixed assets of BPPL, ranking pari passu with all the Creditors of BPPL having pari passu charges over the fixed assets of BPPL. Similarly, the pari passu charge holders having charges over the current assets of BTPL will have charges over the current assets of BPPL, ranking pari passu with the Creditors of BPPL having pari passu charges over the current assets of BPPL. Furthermore, any charge or security interest granted to a Creditor of BTPL, by BTPL, over specific assets will continue to remain restricted to such specific assets upon the BTPL Amalgamation.

- (v) In the event that the Creditors of BTPL seek additional Securities in respect of the outstanding Liabilities and Obligation of BTPL, which Liabilities and Obligations shall be of BPPL as of the Effective Date, such additional Securities may be provided by creating charges, mortgages or encumbrances on the Assets of BPPL, as may be commercially determined between BPPL and the respective Creditor of BTPL.

6.13. Legal Proceedings

Where by virtue of this Scheme any right, Claim or Liability of BTPL, becomes a right, Claim or Liability of BPPL as of the Effective Date, BPPL shall have the same rights, claims, powers and remedies (and in particular the same rights, Claims and powers as to taking or resisting legal proceedings or making or resisting applications to any authority) for ascertaining, perfecting or enforcing that right, Claim or Liability as if it had at all times been a right, Claim or Liability of BPPL, and any legal proceedings or application to any authority existing or pending immediately before the Effective Date by or against BTPL may be continued by or against BPPL.

6.14. Judgments

Any judgment or award obtained by or against BTPL, and not fully satisfied before the Effective Date shall at that time, to the extent to which it is enforceable by or against BTPL, become enforceable by or against BPPL.

6.15. Evidence

All books and other documents which would, before the Effective Date, have been evidenced in respect of any matter, for or against BTPL, shall be admissible in evidence in respect of the same matter for or against BPPL.

6.16 Clarification

The provisions contained in Articles 6.2 to 6.15 above are without prejudice to the generality of any other provisions in this Scheme, but subject to any provisions in this Scheme to the contrary effect.

ARTICLE 7

BOPL AMALGAMATION

7.1. General Description

- (i) As of the Effective Date, BOPL, as a going concern, shall be amalgamated with and vest in BPPL upon the terms and conditions set forth in this Scheme without any further act, deed, matter or thing, process or procedure.
- (ii) BPPL shall be able to carry out all the business of BOPL and shall be entitled to all the rights and the benefits thereof.
- (iii) BOPL shall be dissolved, without winding up, on the date on which the BPPL Shares are allotted and issued to the Shareholders in consideration of the Amalgamations or on such later date as the Court may prescribe.

7.2. Transfer of the Assets

- (i) As of the Effective Date, all the Assets of BOPL, shall immediately without any conveyance or transfer and without any further act or deed, be vested in and become the undertaking and Assets of BPPL, which shall have, hold and enjoy the same in its own right as fully as the same were possessed, held and enjoyed by BOPL prior to the BOPL Amalgamation. However, the vesting / transfer of the Assets shall be subject to all mortgages, charges or other encumbrances subsisting thereon.
- (ii) As of the Effective Date, subject to the sanction of this Scheme by the Court, the tax exemption granted in favour of BOPL (previously Bosicor Oil Pakistan Limited) with respect to profits and gains derived by BOPL, as stipulated in Clause 132A of Part I of the Second Schedule to the Income Tax Ordinance, 2001, shall immediately, without any further act or deed, vest in BPPL, which shall have, hold and enjoy the same fully in its own right to the extent of the undertaking of BOPL (being amalgamated with and into BPPL) as was possessed, held and enjoyed by BOPL prior to the BOPL Amalgamation.

7.3. Transfer of Liabilities and Obligations

As of the Effective Date, all the Liabilities and Obligations of BOPL shall immediately and without any further act or deed be assumed by and become the Liabilities and Obligations of BPPL, which shall pay, undertake, satisfy, discharge and perform, when due, all such Liabilities and Obligations.

7.4. BPPL's Right to Execute Deeds

Deeds, assignments or similar instruments to evidence the aforesaid transfer of Assets and / or assumption of Liabilities and Obligation of BOPL may, if required at any time, may be executed by officers of BPPL authorized in this regard.

7.5. References to Assets and Liabilities and Obligations

Any reference in this Scheme to Assets or Liabilities and Obligations of BOPL is a reference to Assets or Liabilities and Obligations to which BOPL is for the time being entitled or subject to (whether beneficially or in any fiduciary capacity) immediately preceding the Effective Date, wherever such Assets or Obligations and Liabilities are situated or arise and whether or not such Assets or Obligations and Liabilities are capable of being transferred or assigned to or by BOPL under any applicable law or instrument.

7.6. Assets held in Trust, etc.

Any Asset comprised or vested in BOPL which immediately before the Effective Date was held by BOPL as trustee or custodian in the form of any trust deed, settlement, covenant, agreement or will or as executor of the will, or administrator of the estate of a deceased person or as judicial trustee appointed by order of any court, or in any other fiduciary capacity, shall, as of the Effective Date, be held by BPPL in the same capacity upon the trusts, subject to the powers, provisions and Liabilities applicable thereto.

7.7. Contracts

Every Contract to which BOPL is a party shall have effect as of the Effective Date as if:

- (i) BPPL had been a party thereto instead of BOPL; and
- (ii) Any reference (however worded and whether express or implied) to BOPL therein shall stand substituted, as respects anything to be done as of the Effective Date, to a reference to BPPL.

7.8. Bank Accounts

Any account(s) maintained by BOPL with any bank or financial institution shall, as of the Effective Date, become account(s) between BPPL and such bank or financial institution, subject to the same conditions and incidents as therefore; provided that nothing herein shall affect any right of BPPL to vary the conditions or incidents subject to which any account is kept.

7.9. Instructions

Any existing instruction, order, direction, mandate, power of attorney, authority, undertaking or consent given to BOPL in writing shall have effect, as of the Effective Date, as if given to BPPL.

7.10. Negotiable Instruments

Any negotiable instrument or order for payment of money drawn on or given to, or accepted or endorsed by, BOPL, or payable at any place of business of BOPL, whether so drawn, given, accepted or endorsed before, as of the Effective Date, shall have the same effect as of the Effective Date, as if it had been drawn on, or given to, or accepted or endorsed by BPPL, or were payable at the same place of business of BPPL.

7.11. **Custody of Documents**

The custody of any document, record or goods held by BOPL as bailee and duly recorded in their books that pass to BOPL under any Contract of bailment relating to any such document, record or goods shall on that day become rights and obligations of BPPL.

7.12. **Securities:**

- (i) Any Security held immediately before the Effective Date by BOPL or by a nominee or agent of or trustee for BOPL, as security for the payment or discharge of any liability and obligation of a Customer shall, as of the Effective Date, be held by, or, as the case may require, by that nominee, agent or trustee for BPPL and be available to BPPL (whether for its own benefit or, as the case may be, for the benefit of any other person) as security for the payment or discharge of that liability and obligation.
- (ii) In relation to any Security vested in BPPL, pursuant to and in accordance with the provisions of this Scheme, and any liabilities and obligations thereby secured, BPPL shall be entitled to the rights and priorities to which BOPL would have been entitled if they had continued to hold the Security.
- (iii) Any Security referred to in the foregoing provisions of this paragraph which extends to future advances or liabilities shall, as of the Effective Date, be available to BPPL (whether for its own benefit or as the case may be, for the benefit of any other person) as security for the payment or discharge of future advances and future liabilities to the same extent and in the same manner in all respects as future advances by or liabilities to, BOPL or, as the case may be, BPPL were secured thereby immediately before that time.
- (iv) All Securities granted / created by BOPL in favour of the Creditors of BOPL will continue to remain operative and effective as Securities granted and created by BPPL in favour of its own creditors. To the extent that BOPL has granted any pari passu charge over the Assets or any class of Assets of BOPL in favour of the Creditors of BOPL, upon the BOPL Amalgamation, the same shall be treated as a pari passu charge over the combined Assets (or relevant class of Assets) of BPPL (including the Assets which stand transferred to and vested in BPPL in accordance with the provisions of this Scheme), ranking pari passu with the charge(s) created / existing in favour of the Creditors of BPPL (and Creditors of BTPL) holding charges over similar Assets or class of Assets as the case may be. It is clarified that pari passu charge holders having charges over the fixed assets of BOPL will have a charge over the fixed assets of BPPL, ranking pari passu with all the Creditors of BPPL having pari passu charges over the fixed assets of BPPL. Similarly, the pari passu charge holders having charges over the current assets of BOPL will have charges over the current

assets of BPPL, ranking pari passu with the Creditors of BPPL having pari passu charges over the current assets of BPPL. Furthermore, any charge or security interest granted to a Creditor of BOPL, by BOPL, over specific assets will continue to remain restricted to such specific assets upon the BOPL Amalgamation.

- (v) In the event that the Creditors of BOPL seek additional Securities in respect of the outstanding Liabilities and Obligation of BOPL, which Liabilities and Obligations shall be of BPPL as of the Effective Date, such additional Securities may be provided by creating charges, mortgages or encumbrances on the Assets of BPPL, as may be commercially determined between BPPL and the respective Creditor of BOPL.

7.13. Legal Proceedings

Where by virtue of this Scheme any right, Claim or Liability of BOPL, becomes a right, Claim or Liability of BPPL as of the Effective Date, BPPL shall have the same rights, claims, powers and remedies (and in particular the same rights, Claims and powers as to taking or resisting legal proceedings or making or resisting applications to any authority) for ascertaining, perfecting or enforcing that right, Claim or Liability as if it had at all times been a right, Claim or Liability of BPPL, and any legal proceedings or application to any authority existing or pending immediately before the Effective Date by or against BOPL may be continued by or against BPPL.

7.14. Judgments

Any judgment or award obtained by or against BOPL, and not fully satisfied before the Effective Date shall at that time, to the extent to which it is enforceable by or against BOPL, become enforceable by or against BPPL.

7.15. Evidence

All books and other documents which would, before the Effective Date, have been evidenced in respect of any matter, for or against BOPL, shall be admissible in evidence in respect of the same matter for or against BPPL.

7.16. Clarification

The provisions contained in Articles 7.2 to 7.15 above are without prejudice to the generality of any other provisions in this Scheme, but subject to any provisions in this Scheme to the contrary effect.

ARTICLE 8

CERTAIN OBLIGATIONS AND REPRESENTATIONS

- 8.1. Upon the BTPL Amalgamation, BPPL shall take all necessary and expedient steps to properly and efficiently manage its entire business and affairs and shall operate and promote its entire business and affairs in the normal course.

- 8.2. As of the Effective Date, subject to the sanction of the Scheme, BPPL shall undertake, pay, satisfy, discharge, perform and fulfil all the Liabilities and Obligations, Contracts, engagements and commitments whatsoever of BTPL.
- 8.3. Upon the BOPL Amalgamation, BPPL shall take all necessary and expedient steps to properly and efficiently manage its entire business and affairs and shall operate and promote its entire business and affairs in the normal course.
- 8.4. As of the Effective Date, subject to the sanction of the Scheme, BPPL shall undertake, pay, satisfy, discharge, perform and fulfil the Liabilities and Obligations, Contracts, engagements and commitments whatsoever of BOPL.

ARTICLE 9

THE SCHEME'S EFFECT

- 9.1. The provisions of this Scheme shall be effective and binding by operation of law and shall become effective in terms of Article 3 above.
- 9.2. The execution of this Scheme shall not: (i) constitute any assignment, transfer, devolution, conveyance, alienation, parting with possession, or other disposition under any law for the time being in force; (ii) give rise to any forfeiture; (iii) invalidate or discharge any Contract or Security; and (iv) give rise to any right of first refusal or pre-emptive right that any person may have in respect of any investment made by such person in BPPL and / or BOPL and / or BTPL.
- 9.3. Upon the sanction of this Scheme, as of the Effective Date, the terms of this Scheme shall be binding on BPPL, BOPL and BTPL along with all the shareholders, creditors, employees, Customers, contracting parties, tax authorities, all regulatory / statutory bodies and persons of or with respect to BPPL, BOPL and BTPL (as applicable) respectively and on any other person having any right or liability in relation to either of them.

ARTICLE 10

CONSIDERATION FOR THE AMALGAMATIONS

- 10.1. As consideration for the Amalgamations (in addition to Article 10.3), the existing shares of BPPL held by BOPL shall stand cancelled and BPPL shall issue an aggregate of 5,142,536,068 (Five Billion One Hundred Forty Two Million Five Hundred Thirty Six Thousand Sixty Eight) BPPL Shares to the Shareholders at par and allot approximately 1.67 BPPL Shares, credited as fully paid up for every 1 (one) share of the face value of PKR 10/- (Pak Rupees Ten) each of BOPL, to the Shareholders on the basis of a swap ratio of 1.67 BPPL Shares for every 1 (one) share of BOPL held by each of the Shareholders (the "**Swap Ratio**"), approved by the Board of Directors of each of BPPL, BOPL and BTPL based on the computation of the share swap ratio by Deloitte Yousuf Adil Chartered Accountants (a member of Deloitte Touche Tohmatsu Limited) as stated in the Swap Letter, and all entitlements of the Shareholders shall be determined in the proportion aforesaid. All fractions less than a share shall be consolidated

into whole shares which shall be disposed of by BPPL in a manner determined by the Board of Directors of BPPL.

- 10.2. The Swap Ratio has been determined on the basis of the audited accounts of BPPL and BOPL for the period ended December 31, 2015 and the respective valuations carried out by Arif Habib Limited of each of BPPL, BOPL and BTPL. The value of BTPL (including its Assets, Liabilities and Obligations) appear in the accounts of BTPL for the period ended December 31, 2015 and have been factored in for the purposes of calculating the Swap Ratio. Accordingly, the consideration in this Article 10 is with respect to the Amalgamations collectively.
- 10.3. In addition to the BPPL Shares issued to the Shareholders pursuant to Article 10.1, against the Advance BOPL Shares deemed to have been issued by BOPL to BII (as stipulated in Article 4.3), approximately 127,108,437 (One Hundred Twenty Seven Million One Hundred Eight Thousand Four Hundred Thirty Seven) BPPL Shares ("**Additional BPPL Shares**") shall be issued to BII based on the Swap Ratio. It is clarified that notwithstanding the entitlement of BII to have the Additional BPPL Shares issued in its favour against the Advance BOPL Shares, the actual Additional BPPL Shares shall be issued by BPPL in favour of BII once the necessary legal formalities have been completed (including, but not limited to, approval from SBP and SECP). It is further clarified that the deemed issuance of the Advance BOPL Shares, and accordingly the Additional BPPL Shares, have been factored into the calculation of the Swap Ratio.
- 10.4. At least 14 (fourteen) days' notice shall be given to the shareholders of BOPL, specifying the Record Date in order to determine the identities of the Shareholders (which shall be entitled to the BPPL Shares). Such notice shall also specify the date by which the shareholders of BOPL shall deliver to BOPL all the share certificates representing ordinary shares in BOPL held by them and such share certificates shall be delivered to BOPL on or before that date. In relation to those shareholders of BOPL who hold shares in book entry form through the CDS on the date specified in the notice, the book entries relating to the shares of BOPL in the CDC accounts of such shareholders shall stand frozen / restricted (till further instructions are provided to cancel the same).
- 10.5. Upon receipt of the share certificates delivered by the shareholders of BOPL (or otherwise) in accordance with Article 10.4, notice of the same shall be given by BOPL to BPPL. Upon receipt of such notice from BOPL, the shares of BPPL, held by BOPL shall stand cancelled in accordance with the rules and regulations of the CDC. The surrender and cancellation of shares in the above manner shall entitle the Shareholders to share certificates of BPPL for the number of fully paid up shares to which the respective Shareholder is entitled to in accordance with the provisions of this Scheme (whether immediately or otherwise).
- 10.6. The allotment of BPPL Shares (in accordance with the provisions of this Article 10) shall be made by BPPL within 30 (thirty) days from the date notified above (except in the case of the Additional BPPL Shares). The share certificates for such shares shall be made ready for delivery as soon as practicable thereafter and notices of their readiness for their delivery shall be given to the Shareholders in the manner provided in the Articles of Association of BPPL. Share certificates not collected within the time specified in any such notice shall be sent by

post in prepaid envelopes addressed to the persons entitled thereto at their respective registered addresses. In the case of joint shareholders, share certificates may be delivered to or may be sent to the address of that one of the joint holders whose name appears first in respect of such joint holding. BPPL shall not be responsible for loss of the share certificates in such transmission. At the option of the respective Shareholder, shares of BPPL shall be issued by BPPL in book entry form through the CDS. In such case, the CDC shall, on the date to be specified by BPPL, credit their respective CDC accounts / sub-accounts with book entries relating to the corresponding number of BPPL Shares which the relevant Shareholder is entitled to in accordance with this Article 10. Such allotment shall be carried out in accordance with the rules and regulations of the CDC.

- 10.7. The BPPL Shares, issued and allotted to the Shareholders in accordance with the provisions of this Scheme shall, in all respect, rank pari passu with the ordinary shares of BPPL and shall be entitled to all dividends declared by BPPL after the Effective Date.
- 10.8. Upon the allotment of the BPPL Shares to the Shareholders (except the Additional BPPL Shares) in the manner aforesaid, all share certificates representing the ordinary shares of BOPL shall stand cancelled. In relation to the shares of BOPL existing in book entry form through the CDS, the book entries relating to the shares of BOPL in the CDC accounts of the respective shareholders shall stand cancelled.
- 10.9. Subject to the sanction of the Scheme by the Court, BOPL shall, without winding up, stand dissolved from the date on which the BPPL Shares, to be allotted by BPPL to the Shareholders in the manner stated above, but excluding the Additional BPPL Shares, have been so allotted.
- 10.10. It is clarified that the BPPL Shares issued to BII in accordance with the provisions of this Article 10, against cancellation of the shares of BOPL existing in favour of BII, shall also be held on a repatriable basis, and will be registered with the State Bank of Pakistan in such manner.

ARTICLE 11

EMPLOYEES

- 11.1. On and from the Effective Date, all full time officers and employees (including workmen) of BOPL and BTPL shall become the employees of BPPL at the same level of remuneration and under the same terms and conditions of service which they were receiving or, as the case may be, by which they were governed immediately before the Effective Date, including those relating to entitlements and benefits arising upon termination of services, on the basis of continuation of service.
- 11.2. On the Completion Date, all amounts of the Gratuity Funds and Provident Funds of each of BOPL and BTPL shall be transferred to and vest in the trustees of the Gratuity Fund and Provident Fund respectively, established by BPPL for the benefit of its employees.
- 11.3. On the Completion Date, amounts standing to the credit of the Gratuity Funds and Provident Funds of each of BOPL and BTPL shall be transferred to and vest in the trustees of the

Gratuity Fund and Provident Fund respectively, established by BPPL for the benefit of its employees.

ARTICLE 12

GENERAL

12.1. Modifications by the High Court

This Scheme shall be subject to such modification of conditions, as the Court may deem expedient to impose. The Board of Directors of BPPL, BOPL and BTPL respectively may consent to any modifications or additions to this Scheme or to any conditions which the Court may think fit. In case of any difficulty in implementation of any aspect of this Scheme, clarifications, directions and /or approval may be obtained from the Court. Notwithstanding the above, in the event that the terms of this Scheme are not approved by the shareholders and / or creditors of BPPL and / or BOPL and / or BTPL (as applicable) in its entirety and / or the Scheme, as approved by the respective companies, is modified by the Court, the Board of Directors of BPPL and / or BOPL and / or BTPL shall be entitled to withdraw this Scheme (whether or not approval from the shareholders and creditors of the respective companies has been obtained).

12.2. Headings

Article headings are not to be considered part of this Scheme, but are solely for convenience of reference, and shall not affect the meaning or interpretation of this Scheme or any of its provisions.

12.3. Severability

If any provision of this Scheme is found to be unlawful and unenforceable by a competent court of law, then to the fullest extent possible, all of the remaining provisions of the Scheme shall remain in full force and effect.

12.4. Costs and expenses

All costs, charges and expenses of BPPL, BOPL and BTPL in respect of the preparation of this Scheme and carrying the same into effect shall be borne by BPPL, BOPL and BTPL equally.

Karachi.

Dated: _____, 2016.

For and on behalf of
BYCO PETROLEUM PAKISTAN LIMITED
Name: _____
Designation: _____

For and on behalf of
BYCO OIL PAKISTAN LIMITED
Name: _____
Designation: _____

For and on behalf of
BYCO TERMINALS PAKISTAN LIMITED
Name: _____
Designation: _____

LIST OF ANNEXURES

- “Annexure A”** – List of members of Board of Directors of BPPL.
- “Annexure B”** – List of members of Board of Directors of BOPL.
- “Annexure C”** – List of members of Board of Directors of BTPL.
- “Annexure D”** – Swap Letter dated May 18, 2016, issued by Deloitte Yousuf Adil Chartered Accountants (a member of Deloitte Touche Tohmatsu Limited).

ANNEXURE A

LIST OF MEMBERS OF BOARD OF DIRECTORS OF BYCO PETROLEUM PAKISTAN LIMITED

- 1 Mr. Amir Abbassciy
- 2 Mr. Muhammad Mahmood Hussain
3. Mr. Akhtar Hussain Malik
4. Syed Arshad Raza
5. Mr. Muhammad Raza Hasnani
6. Mr. Omar Khan Lodhi
7. Mr. Khaqan Saadullah Khan
8. Mr. Mohammad Wasi Khan, Chief Executive Officer

ANNEXURE B

LIST OF MEMBERS OF BOARD OF DIRECTORS OF BYCO OIL PAKISTAN LIMITED

- 1 Mr. Amir Abbassciy
- 2 Mr. Ali Iqbal Khan
3. Mr. Akhtar Hussain Malik
4. Syed Arshad Raza
5. Mr. Muhammad Raza Hasnani
6. Mr. Omar Khan Lodhi
7. Mr. Khaqan Saadullah Khan
8. Mr. Mohammad Wasi Khan, Chief Executive Officer

ANNEXURE C

LIST OF MEMBERS OF BOARD OF DIRECTORS OF BYCO TERMINALS PAKISTAN LIMITED

- 1 Mr. Amir Abbassciy
- 2 Mr. Ali Iqbal Khan
3. Mr. Akhtar Hussain Malik
4. Syed Kashif ul Hasan Shah
5. Mr. Muhammad Raza Hasnani
6. Mr. Omar Khan Lodhi
7. Mr. Khaqan Saadullah Khan
8. Mr. Mohammad Wasi Khan, Chief Executive Officer

FAS/AHL/2527
May 18, 2016

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Syed Saquib Ali
Vice President - Investment Banking
Arif Habib Limited
2nd Floor, Arif Habib Centre
23, M.T. Khan Road
Karachi, Pakistan.

Dear Sir,

Computation of share swap ratio for the scheme of merger/amalgamation of Byco Group of Companies.

In accordance with the terms of our engagement letter reference AHL/2221 dated April 25, 2016, we have carried out a computation of share swap ratio on the basis of independent valuation carried out by Arif Habib Limited (hereinafter referred as "AHL") of the three companies of Byco Group as follows:

1. Byco Oil Pakistan Limited (BOPL),
2. Byco Petroleum Pakistan Limited (BPPL), and
3. Byco Terminal Pakistan Limited (BTPL) [100% owned subsidiary of BPPL]

We have also reviewed the Valuation Report of the above entities prepared by AHL including the reasonableness of the key underlying assumptions included in the Valuation Report.

Share Swap computation:

- Based on the above, we have computed the share swap consideration of **1.67 shares of BPPL to be issued for 1 share of BOPL** (Refer Annexure A). Accordingly, 167 shares of BPPL can be issued as consideration for 100 shares of BOPL, subject to the approval of the Board of Directors and Shareholders of the respective companies and the approval of the Scheme of Arrangement for the amalgamation of the Byco Group of Companies (hereinafter referred as the scheme) by the Honorable High Court of Sindh.
- The swap ratio computed above has been based on the independent valuation of the three companies carried out by AHL, using Discounted Cash Flow method, under which present values are determined by discounting estimated future cash flows of the respective companies. Such valuations are carried out based on a set of assumptions provided by the management and sponsors of BOPL, BPPL and BTPL to AHL, with regard to future events that are inherently uncertain. We may point out that actual results are likely to be different than projected since anticipated events do not occur as expected and the variation could be material.

- Additionally, considering the fact that the breakup value per share of BPPL on the basis of its audited consolidated accounts (after also considering surplus on revaluation of fixed assets) is negative as at December 31, 2015 hence, the breakup value per share has not been considered, when computing the share swap ratio. Also, since BOPL is not a listed entity, therefore, valuation under market approach has also not been considered.

Caveats

- This letter has been prepared for the transaction referred above and in relation to the scheme and accordingly, is not to be used by any other person or for any other purpose.
- We have not carried out the valuation of these companies. Therefore, the responsibility for this valuation lies with AHL. Accordingly, we express no opinion or any other form of assurance on the valuation carried out.
- Our report has been issued on the understanding that AHL has drawn our attention to all matters concerning the financial positions of the three entities which may have a material impact on our report up to the date of signature. We have no responsibility to update the report for events and circumstances occurring after the date of our report.

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Yours truly,

Deloitte Yousuf Adil

Chartered Accountants

DYA

Annexure A

Share Swap Ratio Computation
Number of Shares of BPPL to be issued to the Shareholders of BOPL

	BOPL	BPPL
Equity value as worked out by AHL (PKR '000)	114,062,018	21,099,139
Number of Shares as at December 31, 2015 ('000)	3,161,634 *	977,859
Nominal Value per Share (PKR)	10	10
DCF value per share (PKR)	36.08	21.58
Share Swap Ratio	1.67 (i.e. 167 shares of BPPL as consideration for 100 shares of BOPL)	

DYA

**Taking into consideration the issuance of 148,809,523 ordinary shares against PKR 1 bn financing facility from NBP and the issuance of shares against PKR 20.97bn share deposit money from Byco Industries Incorporated.*



By Courier

Mr. Muhammad Ghufraan
Deputy General Manager
Pakistan Stock Exchange Limited (the "Exchange")
Stock Exchange Building
Stock Exchange Road
Karachi.

24th August 2016

Dear Sir,

Re: Notice of the Extraordinary General Meeting

We write with reference to your letter No. PSX/C-1061-6156, dated 19th August 2016, which was received by us on 22nd August 2016, pertaining to the captioned subject.

We sincerely regret the non-compliance on our part and would like to explain that non-submission of required documents with the exchange in a timely manner was merely due to an inadvertent oversight, which we would request the exchange to graciously condone. As advised, we enclose:

- (1) draft Scheme of Amalgamation / Merger approved by the Board of Directors of the Company;
- (2) complete report of Valuation and Swap Ratio; and
- (3) 200 printed copies of the Scheme of Amalgamation / Merger.

The delay in our response and any inconvenience caused as a result is deeply regretted. Thank you in anticipation of taking a lenient view in the circumstances stated hereinabove.

Yours truly,

Majid Muqtadir
Company Secretary

Copy to: Chief Compliance Officer
(Cover only) Pakistan Stock Exchange Limited

The Director (*Enforcement*)
Securities and Exchange Commission of Pakistan
NIC Building, Jinnah Avenue, Blue Area
Islamabad

Ref: BPPL/COR/PSX/028

Byco Petroleum Pakistan Limited

The Harbour Front, 9th Floor, Dolmen City
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