



CLOVER PAKISTAN LIMITED

Mr. Abdullah Rafiq
Manager- Listing Department
Pakistan Stock Exchange Limited
Stock Exchange Building,
Stock Exchange Road
Karachi

5th October 2018

Dear Sir,

Re: Disclosure of Material Information

Please refer to your letter No. C-623-4223 dated 18th September 2018 on the subject.

We enclose herewith following requisite documents required by you:

1. Scheme of Arrangement approved by the Board of Directors; and
2. Complete report of Valuation and Swap Ratio.

Kindly acknowledge receipt of above documents.

Yours truly,

Zeeshan Ul Haq
Company Secretary

Enclosed as above.

SCHEME OF ARRANGEMENT

**UNDER SECTIONS 279 TO 283 AND 285 OF
THE COMPANIES ACT, 2017**

INVOLVING

CLOVER PAKISTAN LIMITED

AND

HASCOMBE BUSINESS SOLUTIONS (PRIVATE) LIMITED

FOR

The merger / amalgamation of the entire undertaking of Hascombe Business Solutions (Private) Limited with and into Clover Pakistan Limited against the issue of shares by Clover Pakistan Limited to the shareholders of Hascombe Business Solutions (Private) Limited and all ancillary matters.

SCHEME OF ARRANGEMENT

UNDER SECTIONS 279 TO 283 AND 285 OF THE COMPANIES ACT, 2017

BETWEEN

CLOVER 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 Banglow No. 23-B, Lalazar, Off: M. T. Khan Road, Karachi (hereinafter referred to as "Clover", which expression shall mean and include, where the context so requires or admits, its successors-in-interest and permitted assigns);

AND

HASCOMBE BUSINESS SOLUTIONS (PRIVATE) LIMITED, a private company limited by shares, incorporated under the laws of Pakistan and having its registered office at Ground Floor, P. O. Plaza, I. I. Chundrigar Road, Karachi (hereinafter referred to as "Hascombe", 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 Hascombe shall, as at the Effective Date (as defined below), stand merged with, transferred to, vested in, and be assumed by Clover.
2. As consideration for the above, it is proposed that Shares shall be issued to the Shareholders in accordance with this Scheme.
3. Upon the merger and transfer of Hascombe in the manner stated under this Scheme, Hascombe shall be dissolved without winding up.
4. This Scheme, if approved by the respective shareholders of Clover and Hascombe, through a special resolution, along with the requisite majority of creditors (as may be applicable), and sanctioned by the Court by an order passed in this respect, is to be binding on Clover and Hascombe along with all the shareholders, creditors, employees, Customers, contracting parties, tax authorities and any other regulatory / statutory bodies of or with respect to Clover and Hascombe (as applicable).

BENEFITS OF THIS SCHEME

A. Larger Equity and Asset Base

The Amalgamation would lead to an increased asset base and the size of Clover, which is a listed company. This would in turn assist the management to have access to more external funds at competitive rates. The larger size of the asset base would provide greater comfort to existing and potential creditors of the surviving entity.

Moreover, access to larger resources would in turn improve growth prospects and ability to undertake large assignments / projects.

B. Synergies

The Amalgamation would provide an opportunity to operate the business of the companies through a consolidated operations department, a single accounts department and one set of employees working in each of Clover and Hascombe, thus resulting in economies of scales.

C. Acquiring Business Operations

Since Clover and its sponsors have been searching for alternative business propositions, the Amalgamation shall enable Clover (being a listed company) to take over the running business and operations of Hascombe without having to pay cash consideration. This is expected to be more beneficial for Clover and its shareholders vis-à-vis a green field project which is more risky and usually take considerable time to establish.

D. Increase in Risk Absorption Capacity

The larger size of Clover (as the merged / amalgamated entity) would increase its risk absorption capacity thus enhancing the capacity to manage the potential risks arising out of the adverse and uncertain operating environment. In the long run, this factor would provide greater stability as well as sustainability in operations.

E. Reduction in Administrative Costs

The Amalgamation would enable the merged entity to carry out its business through single operations, accounts, treasury and management information system department with one set of management and staff, thus resulting in substantial cost savings and economies of scales leading to enhanced efficiency and profitability.

F. Single Corporate and Tax Reporting

The Amalgamation will make single corporate and tax reporting possible for the merged entity. It 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.

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:

"Act" means Companies Act, 2017;

"Amalgamation" shall have the same meaning as prescribed thereto in Article 2.1. of this Scheme;

"Annexure A" is the annexure attached hereto which lists the members of the Board of Directors of Clover;

"Annexure B" is the annexure attached hereto which lists the members of the Board of Directors of Hascombe;

"Annexure C" is the annexure attached hereto which lists the details of the Shareholders;

"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, licences, no objection certificates / letters, permits, categories, entitlements, sanctions, permissions and benefits relating to the business / company, all trademarks, patents, copyrights, licences, liberties, secret processes, know-how, good-will 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 plant, machinery, equipment, furniture and fixtures, computer hardware and software, software applications and licences, motor vehicles, office equipment, appliances, and accessories, spare parts and tools, data and information; (iii) 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; (iv) all the connections and facilities for telecommunications, electricity, gas and other installations, owned by, leased or licensed to a company (including related deposits); and (v) the Contingent Claims, tax credits / carry forward losses and proceeds realized from the Liquidation of the Contingent Claims;

"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;

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

"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 any finance agreements;

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

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

"Effective Date" has 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;

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

"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;

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

"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;

"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 shareholders of Hascombe detailed in Annexure C attached hereto (which term shall also mean and include the persons to whom such shareholders have transferred all or part of their shareholding in Hascombe), to whom Shares may be issued in accordance with the provisions of this Scheme;

"Shares" means the ordinary shares of PKR 10/- (Pak Rupees Ten) each in the share capital of Clover to be issued and allotted to the Shareholders in accordance with Article 9.1 of this Scheme;

"Swap Letter" means the Swap Letter dated September 18, 2018, 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" has the same meaning as prescribed thereto in Article 9.1 of this Scheme.

ARTICLE 2

OBJECTS OF THE SCHEME

- 2.1. The principal object of this Scheme is to amalgamate Hascombe with and into Clover by transferring to, merging with and vesting in Clover the whole of Hascombe, including all Assets, Liabilities and Obligations of Hascombe, as of the Effective Date, against the allotment and issue of Shares to the Shareholders based on the Swap Ratio, and dissolving Hascombe without winding-up (the "Amalgamation").
- 2.2. It is hereby clarified that although 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 Clover and Hascombe as soon as certified copies of the order of the Court under Sections 279 / 282 of the Act, sanctioning this Scheme and making any necessary provisions under Section 282 of the Act, 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, the Amalgamation, in accordance with the Scheme, will be treated as having effect from the start of business on April 1, 2018 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 undertaking of Hascombe (including the Assets; Liabilities and Obligations of Hascombe) is actually transferred to and vested in Clover in terms of this Scheme, the business of Hascombe will be deemed to have been carried for and on account and for the benefit of Clover. The reserves, including unappropriated profits / losses of Hascombe, up to and immediately preceding the Effective Date, shall constitute and be treated as reserves / losses of a corresponding nature in Clover and shall be accounted for on that basis in the books of account of Clover.

ARTICLE 4

CAPITAL

- 4.1. The authorized share capital of Clover is PKR 100,000,000/- (Pak Rupees One Hundred Million) divided into 10,000,000 (Ten Million) shares of PKR 10/- (Pak Rupees Ten) each, out of which 9,434,880 (Nine Million Four Hundred Thirty Four Thousand Eight Hundred Eighty) shares have been issued, fully subscribed to and paid up.
- 4.2. The authorized share capital of Hascombe is PKR 300,000,000/- (Pak Rupees Three Hundred Million) divided into 3,000,000/- (Three Million) shares of PKR 100/- (Pak Rupees One Hundred) each, out of which 2,554,384 (Two Million Five Fifty Four Thousand Three Hundred & Eighty Four) shares have been issued, fully subscribed to and paid up.
- 4.3. Upon the sanction of this Scheme, the authorized share capital of Clover shall be merged and combined with the authorized share capital of Hascombe. Resultantly, as a consequence of the above, the authorized share capital of Clover shall thus stand enhanced to PKR 400,000,000/- (Pak Rupees Four Hundred Million), divided into 40,000,000 (Forty Million) shares of PKR 10/- (Pak Rupees Ten) each, and accordingly the Memorandum and Articles of Association of Clover shall stand amended. Approval of the shareholders of Clover to this Scheme shall also include and constitute an approval by way of special resolution from the shareholders of Clover, to the alteration of the Memorandum and Articles of Association of Clover for the increase of the authorized share capital of Clover to PKR 400,000,000/- (Pak Rupees Four Hundred Million), as required in terms of the Act.

ARTICLE 5

BOARD OF DIRECTORS

- 5.1. The present directors of Clover are listed in Annexure A attached hereto.
- 5.2. The present directors of Hascombe are listed in Annexure B attached hereto.
- 5.3. The directors of Clover are expected to continue as the directors after the Amalgamation / 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.

- 5.4. The directors of Hascombe shall cease to hold office as directors without any right to any compensation for loss of office.
- 5.5. All the directors of Clover and Hascombe have interest in the Amalgamation to the extent of their common directorships and respective shareholdings in Clover and Hascombe (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 Clover and Hascombe (except as specified in this Scheme). It is clarified that Fossil Energy (Private) Limited, being the majority shareholder of Clover, is also the holding company of Hascombe.

ARTICLE 6

AMALGAMATION

6.1. General Description

- (i) As of the Effective Date, Hascombe, as a going concern, shall be amalgamated with and vest in Clover upon the terms and conditions set forth in this Scheme without any further act, deed, matter or thing, process or procedure.
- (ii) Clover shall be able to carry out all the business of Hascombe and shall be entitled to all the rights and the benefits thereof.
- (iii) Hascombe shall be dissolved, without winding up, on the date on which the Shares are allotted and issued to the Shareholders in consideration of the Amalgamation 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 Hascombe shall immediately, without any conveyance or transfer and without any further act or deed, be vested in and become the undertaking and Assets of Clover, which shall have, hold and enjoy the same in its own right as fully as the same were possessed, held and enjoyed by Hascombe prior to the Amalgamation. However, the vesting / transfer of the Assets shall be subject to all mortgages, charges or other encumbrances subsisting thereon (in the manner provided hereunder).

6.3. Transfer of Liabilities and Obligations

As of the Effective Date, all the Liabilities and Obligations of Hascombe (including towards the creditors of Hascombe) shall immediately, and without any further act or deed, be assumed by and become the Liabilities and Obligations of Clover, which shall pay, undertake, satisfy, discharge and perform, when due, all of the Liabilities and Obligations.

6.4. Clover's Right to Execute Deeds

Deeds, assignments or similar instruments to evidence the aforesaid transfer of Assets and / or assumption of Liabilities may, if required, at any time may be executed by officers of Clover 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 Hascombe is a reference to Assets or Liabilities and Obligations to which Hascombe 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 Liabilities are situated or arise and whether or not capable of being transferred or assigned to or by Hascombe under any applicable law or instrument.

6.6. Assets held in Trust, etc.

Any Asset vested in Hascombe which immediately before the Effective Date was held by Hascombe 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 Clover in the same capacity upon the trusts, subject to the powers, provisions and Liabilities applicable thereto.

6.7. Contracts

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

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

6.8. Bank Accounts

Any account(s) maintained by Hascombe with any bank or financial institution shall, as of the Effective Date, become account(s) between Clover and such bank or financial institution, subject to the same conditions and incidents as therefore; provided that nothing herein shall affect any right of Clover 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 Hascombe in writing shall have effect, as of the Effective Date, as if given to Clover.

6.10. Negotiable Instruments

Any negotiable instrument or order for payment of money drawn on or given to, or accepted or endorsed by Hascombe, or payable at any place of business of Hascombe, 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 Clover, or were payable at the same place of business of Clover.

6.11. Custody of Documents

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

6.12. Securities:

- (i) Any Security held immediately before the Effective Date by Hascombe or by a nominee or agent of or trustee for Hascombe, 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 Clover and be available to Clover (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 Clover, in accordance with the provisions of this Scheme, and any liabilities and obligations thereby secured, Clover shall be entitled to the rights and priorities to which Hascombe 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 Clover (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, Hascombe or, as the case may be, Clover, were secured thereby immediately before that time.
- (iv) All Securities granted / created by Hascombe in favour of the creditors of Hascombe will continue to remain operative and effective as Securities granted and created by Clover in favour of its own creditors. To the extent that Hascombe has granted any pari passu charge over the Assets or any class of Assets of Hascombe in favour of the creditors of Hascombe, upon the Amalgamation, the same shall be treated as a pari passu charge over the combined Assets (or relevant class of Assets) of Clover (including the Assets of Hascombe which stand transferred to and vested in Clover in accordance with the provisions of this Scheme), ranking pari passu with the charge(s) created / existing in favour of the creditors of Clover 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 Hascombe will have a charge over the fixed assets of Clover, ranking pari passu with all the creditors of Clover

having pari passu charges over the fixed assets of Clover. Similarly, the pari passu charge holders having charges over the current assets of Hascombe will have charges over the current assets of Clover, ranking pari passu with the creditors of Clover having pari passu charges over the current assets of Clover. Furthermore, any charge or security interest granted to a creditor of Hascombe, by Hascombe, over specific assets will continue to remain restricted to such specific assets upon the Amalgamation.

6.13. Legal Proceedings

Where by virtue of this Scheme any right, Claim or Liability of Hascombe, becomes a right, Claim or Liability of Clover as of the Effective Date, Clover 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 Clover, and any legal proceedings or application to any authority existing or pending immediately before the Effective Date by or against Hascombe may be continued by or against Clover.

6.14. Judgments

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

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 Hascombe, shall be admissible in evidence in respect of the same matter for or against Clover.

6.16. Authorizations

Any authorizations / powers of attorney granted by Hascombe to any persons, with respect to matters pertaining to the undertaking of Hascombe, shall continue to subsist subsequent to the Amalgamation and shall be deemed to be authorizations / powers of attorney granted by Clover to such persons, until or unless otherwise revoked or modified by Clover.

6.17. Clarification

The provisions contained in Articles 6.2. to 6.16. 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

CERTAIN OBLIGATIONS AND REPRESENTATIONS

- 7.1. Upon the Amalgamation, Clover 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.
- 7.2. As of the Completion Date (but with effect from the Effective Date), Clover shall undertake, pay, satisfy, discharge, perform and fulfil the Liabilities and Obligations, Contracts, engagements and commitments whatsoever of Hascombe.

ARTICLE 8

THE SCHEME'S EFFECT

- 8.1. The provisions of this Scheme shall be effective and binding by operation of law and shall become effective in terms of Article 3 above.
- 8.2. 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 Clover and / or Hascombe.
- 8.3. Upon the sanction of this Scheme, as of the Effective Date, the terms of this Scheme shall be binding on Clover and Hascombe and also on all the respective shareholders of Clover and Hascombe, the Customers of each of Clover and Hascombe, the creditors of the companies (to the extent applicable) and on any other person having any right or liability in relation to either of the companies.

ARTICLE 9

CONSIDERATION FOR THE AMALGAMATION AND RELATED MATTERS

- 9.1. As consideration for the Amalgamation, Clover shall issue an aggregate of 15,479,567 (Fifteen Million Four Hundred Seventy Nine Thousand Five Hundred Sixty Seven) Shares to the Shareholders and allot approximately 6.06 Shares to the Shareholders, credited as fully paid up for every 1 (one) share of Hascombe held by the Shareholders, on the basis of a swap ratio of 6.06 Shares for every 1 (one) share of Hascombe held by each of the Shareholders (the "Swap Ratio"), as approved by the Board of Directors of each of Clover and Hascombe, based on the calculations / valuations of Deloitte Yousuf Adil Chartered Accountants (a member of Deloitte Touche Tohmatsu Limited) 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 Clover in a manner determined by the Board of Directors of Clover.
- 9.2. The Swap Ratio has been determined on the basis of the accounts of each of Clover and Hascombe, specially audited for the period ended March 31, 2018 and the calculations / valuations / recommendations of Deloitte Yousuf Adil Chartered Accountants (a member of

Deloitte Touche Tohmatsu Limited) in terms of, *inter alia*, the Swap Letter. Furthermore, the Swap Ratio has been approved by the Board of Directors of Clover and Hascombe.

- 9.3. Subsequent to the Completion Date, at least 7 (seven) days' notice shall be given to the Shareholders by Hascombe specifying the Record Date in order to determine the identities of the Shareholders and their entitlements. Such notice shall also specify the date by which the Shareholders shall deliver to Hascombe, for cancellation, all the share certificates representing ordinary shares in Hascombe held by them and such share certificates shall be delivered to Hascombe on or before that date. Hascombe shall, within 7 (seven) days of the Record Date, provide Clover with the list of the Shareholders along with details of their respective entitlements.
- 9.4. The share certificates delivered / to be delivered by the Shareholders in accordance with Article 9.3. above shall stand cancelled (whether or not the same have been surrendered to Hascombe by the prescribed date) and the Shareholders shall be entitled to share certificates / Shares of Clover for the number of fully paid up Shares to which the respective Shareholder is entitled to in accordance with the provisions of this Scheme.
- 9.5. The allotment of Shares (in accordance with the provisions of this Article 9) shall be made by Clover within 30 (thirty) days from the date notified above. 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 Clover. 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. Clover shall not be responsible for loss of the share certificates in such transmission. The Shareholders shall have the option of receiving the Shares in book entry form through the CDS, which they shall intimate to Hascombe in advance (which in turn will intimate Clover of the same at the time of sharing details pertaining to the Shareholders in accordance with Article 9.3). In such case, on the date to be specified in the notice mentioned in Article 9.3. above, Clover shall credit the respective CDC accounts / sub-accounts of the relevant Shareholders with book entries relating to the corresponding number of Shares which the relevant Shareholder is entitled to in accordance with this Article 9. Such allotment shall be carried out in accordance with the rules and regulations of the CDC.
- 9.6. The 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 Clover and shall be entitled to all dividends declared after the Completion Date.
- 9.7. Subject to the sanction of the Scheme by the Court, Hascombe shall, without winding up, stand dissolved from the date on which all the Shares, to be allotted by Clover to the Shareholders as prescribed above, have been so allotted.

ARTICLE 10

EMPLOYEES

- 10.1. On and from the Completion Date (but with effect from the Effective Date), all full time officers and employees (including workmen) of Hascombe shall become the employees of Clover 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.
- 10.2. On and from the Completion Date, amounts standing to the credit of the employees of Hascombe with respect to Hascombe's Provident Fund (established for the benefit of its employees) shall transfer to and vest in the trustees of similar funds established by Clover for the benefit of its employees.

ARTICLE 11

GENERAL

11.1. 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 Clover and Hascombe 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 Clover and / or Hascombe (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 Clover and / or Hascombe shall be entitled to withdraw this Scheme (whether or not approval from the shareholders and creditors of the respective companies has been obtained).

11.2. 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.

11.3. Severability

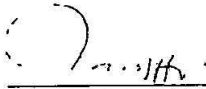
If any provision of this Scheme is found to be unlawful and unenforceable by a competent court of law, then to the fullest extent possible, all of the remaining provisions of the Scheme shall remain in full force and effect.

11.4. Costs and expenses

All costs, charges and expenses of Clover and Hascombe in respect of the preparation of this Scheme and carrying the same into effect shall be borne by Clover.

Karachi.

Dated: 19th September 2018.

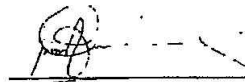


For and on behalf of
CLOVER PAKISTAN LIMITED



Name: ZEE SITAN LLC HRG

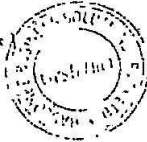
Designation: Director & Company Secretary



For and on behalf of
HASCOMBE BUSINESS SOLUTIONS (PRIVATE) LIMITED

Name: Muhammad Akbar

Designation: Chief Financial Officer



LIST OF ANNEXURES

- "Annexure A" – List of members of Board of Directors of Clover.
- "Annexure B" – List of members of Board of Directors of Hascombe.
- "Annexure C" – Details of the Shareholders.
- "Annexure D" – Swap Letter dated September 18, 2018, issued by Deloitte Yousuf Adil Chartered Accountants (a member of Deloitte Touche Tohmatsu Limited).

ANNEXURE A

LIST OF MEMBERS OF BOARD OF DIRECTORS OF CLOVER PAKISTAN LIMITED

Mr. Muhammad Jamshed Azmat

Mr. Aqeel Ahmed Khan

Mr. Nadeem Ahmed Butt

Mr. Khawar Jamil Butt

Mrs. Nazia Malik

Ms. Ifrah Butt

Mr. Zeeshan Ul Haq

ANNEXURE B

LIST OF MEMBERS OF BOARD OF DIRECTORS OF
HASCOMBE BUSINESS SOLUTIONS (PRIVATE) LIMITED

Mr. Khawer Jameel Butt

Mr. Nadeem Ahmed Butt

Mr. Syed Irshad Ahmed Bukhari

Mr. Basit Habib

ANNEXURE C

DETAILS OF THE SHAREHOLDERS

Name of Shareholder	No. of Shares of Hascombe
Fossil Energy (Private) Limited	2,554,381
Mr. Nadeem Ahmed Butt	1
Mr. Syed Irshad Ahmed Bukhari	1
Mr. Basit Habib	1
TOTAL	2,554,384

Clov/0357
September 18, 2018

Muhammad Jamshed Azmet
Chairman
Clover Pakistan Limited
Bunglow No. 23-B, Lalazar,
Off MT Khan Road,
Karachi, Pakistan.

Dear Sir,

Subject: Swap Computation Certificate

We have provided the services as agreed vide our engagement letter Clov/1741 dated June 11, 2018, to assist in the determination of share swap ratio based on the proposed transaction for the following companies (hereinafter collectively referred to as the "Companies") as at the cut off date:

- a) Clover Pakistan Limited – hereinafter referred to as CPL or the Company (surviving entity)
- b) Hascombe Business Solutions (Pvt.) Limited – hereinafter referred to as HBSL (merging entity)

We have signed this share swap letter after receiving the following:

- a) Extracts of the minutes of the meeting of the Board of Directors of CPL and HBSL depicting the approval of the transaction and Share swap ratio as mentioned in this letter;
- b) Draft of the Scheme of Arrangement for the amalgamation, to be presented to the Board of Directors of CPL and HBSL that are involved in the amalgamation;
- c) Signed representation letter by the authorized senior personnel of CPL and HBSL, respectively.

1. Our understanding of the transaction

We understand that Fossil Energy (Private) Limited (FEPL) has approved the process in its Board meeting dated February 12, 2018 to merge HBSL, a subsidiary of FEPL with and into CPL. Both Companies are subsidiaries of FEPL with 55% shareholding in CPL and 100% shareholding in HBSL.

By means of merger, all rights, assets, liabilities and obligations of HBSL will be transferred to and merged with and into CPL.

The Scheme is envisaged to be effective as of date i.e. the start of business on April 01, 2018 or a date as approved by the Honourable High Court of Sindh.

The swap ratio has been computed on the transaction cut off date of March 31, 2018.

2. About the Companies

2.1 Clover Pakistan Limited

CPL was incorporated in Pakistan on September 30, 1986 as a public limited company under the Companies Ordinance 1984, and is quoted on Pakistan Stock Exchange. During the year ended June

30, 2017, FEPL started the process to acquire shares with the management control of CPL. The process was completed before December 15, 2017 and thereafter, FEPL acquired management control by acquiring 55% shareholding in the Company. CPL has 9,434,880 shares outstanding as at March 31, 2018 with a face value of PKR 10 each.

CPL was principally engaged in manufacturing and sale of food & plastic products and trading in food & consumer durables. CPL now plans to enter into oil & air filters business, car care products, oil change facilities, food & beverages (Clover Kitchen), lubricants, gantry equipment & related services. CPL will establish oil change facilities across the Country to strengthen its presence in lubricants market. CPL is in the process of obtaining the license for establishing the new lubricant marketing company and has submitted the application to Oil and Gas Regulatory Authority on May 16, 2018.

2.2 Hascombe Business Solutions (Pvt.) Limited

HBSL formerly known as Gestetner (Pvt.) Limited, was incorporated on May 06, 1950, as private limited company under the repealed Companies Ordinance, 1984 in Pakistan. Main business activities of HBSL are marketing, distribution & after sales service support of office automation products/equipment, fuel dispensers, vending machines, services of cleaning & up keeping of fuel stations, canopies and boards. HBSL has 2,554,384 shares outstanding as at March 31, 2018 with face value of PKR 100 each.

3. Our Methodology

The share swap ratio computation is based on the standalone valuation of the Companies by applying the Discounted Cash Flows (DCF) methodology under Income approach and Net Assets Valuation (NAV) methodology under the Asset approach. We assigned weightages of 75% to DCF being the ratio, considering the business nature of the companies i.e. that the same are mainly involved in trading and services and are not asset intensive entities.

We were provided with historical financial statements and financial projection together with the explanation as and when required for this valuation.

4. Share Swap Computation:

As per the computed share swap ratio, 6.06 shares of CPL to be issued for 1 share of HBSL, accordingly, 15,479,567 shares of CPL shall be issued to the shareholders of HBSL as consideration for the merger, subject to the approval of the Board of Directors, shareholders of the respective companies and thereafter approval of the Scheme by the Honorable High Court of Sindh.

Approach	CPL		HBSL	
	Value per share (PKR)	Weightage in Percentage	Value per share (PKR)	Weightage in Percentage
Net assets approach (Break-up value per share)	18.93	25%	22.08	25%
Income based approach (DCF)	45.82	75%	308.68	75%
FMV	39.10		237.03	
Share Swap Ratio	6.06			

For further details, please refer to Annexure A.

5. Caveats:

- This letter has been prepared solely for the transaction referred above in relation to the Scheme and accordingly, it is not to be used by any other person or for any other purpose.
- Valuation is not a precise science; it is subjective and requires the application of experience and judgment to given facts to arrive at a conclusion. There is no single "right" answer; there are reasoned and reasonable values. Hence, the actual results and accordingly the valuation are likely to be different than projected since anticipated events do not occur as expected and the variation could be material.
- Our valuation results are based on the financial projection and related information received from the management of the Companies, where we have not conducted any due diligence or verification of the aforementioned information.
- The procedures performed for issuing this letter, do not constitute either an audit or a review made in accordance with International Standards on Auditing or International Standards on Review Engagements, therefore, we do not, hereby, express an opinion or other form of assurance.
- This letter has been issued on the understanding that the Client has drawn our attention to all matters concerning the financial position of the two entities which may have a material impact on our valuation.
- We have no responsibility to update this letter for events and circumstances occurring after the date of our letter.

Yours truly,

Deloitte Yousuf Adil

Chartered Accountants

Annexure A

i. Valuation Results

Approaches	CPL		HBSL	
	Total value (PKR)	Value per share (PKR)	Total value (PKR)	Value per share (PKR)
Asset based approach (NAV)	178,562,571	18.93	56,388,000	22.08
Income based approach (DCF)	432,340,629	45.82	788,479,268	308.68

ii. Swap Ratio Computation

Approaches	CPL		HBSL	
	Value per share (PKR)	Weightage in Percentage	Value per share (PKR)	Weightage in Percentage*
Asset based approach (NAV)	18.93	25%	22.08	25%
Income based approach (DCF)	45.82	75%	308.68	75%
FMV	39.10		237.03	
Share Swap Ratio	6.06			

* CPL and HBSL are mainly involved in trading and service businesses. Accordingly, 25% weightage is assigned to NAV based valuation for the purpose of share swap determination.

iii. Share Capital of the Companies as at the cut off date March 31, 2018

S.No	Companies	Number of Shares Outstanding as at March 31, 2018	Par Value (PKR)	Issued Share Capital (PKR)
1.	CPL	9,434,880	10	94,348,800
2.	HBSL	2,554,384	100	255,438,400

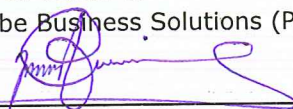
iv. Post Merger Paid up Capital-CPL

Paid up Capital	No. of Shares
Shares to be issued	15,479,567
Total number of shares after merger	24,914,447
Post Merger Paid up Capital @10 each ordinary share	249,144,470

DYA.


For and on behalf of
Clover Pakistan Limited

For and on behalf of
Hascombe Business Solutions (Pvt.) Limited





CLOVER PAKISTAN LIMITED

Extract of the Resolutions passed by the Board of Directors (the "Board") of Clover Pakistan Limited (the "Company") at their meeting held on Tuesday, 18th September 2018 at 1:30 p.m. at the corporate office of the Company, Karachi.

During the meeting, the Board discussed the scheme of arrangement proposed to be entered into between the Company and Hascombe Business Solutions (Private) Limited ("Hascombe"), pertaining, *inter alia*, to the merger by way of amalgamation of Hascombe with and into the Company, along with other ancillary and incidental matters thereto including, but not limited to, the approval of the share swap ratio, the change in the authorized share capital of the Company and authorizing persons to take any and all necessary actions in respect of and consequent to the above, upon which the following resolutions were passed by the Board:

RESOLVED that Hascombe be merged, by way of amalgamation, with and into the Company, in accordance with the terms of a Scheme of Arrangement ("Scheme") prepared under the provisions of Sections 279 to 283 and 285 of the Companies Act, 2017 (the "Proposed Amalgamation"), subject to the approval of the requisite majority of the shareholders of the Company, and sanction of the High Court of Sindh at Karachi.

FURTHER RESOLVED that the draft of the Scheme laid before the Board, pertaining to the Proposed Amalgamation, be and is hereby approved, subject to finalization of the same by the authorized representative(s) of the Company (which does not materially alter the substance of the Scheme), and further subject to any changes and modifications as may be required by the shareholders of the Company and / or Hascombe and / or the Honorable High Court of Sindh and / or such amendments as may be considered necessary to rectify an error or for clarifying any provision of the Scheme without affecting the substance thereof.

FURTHER RESOLVED that for the purpose of the Proposed Amalgamation, the following consideration / swap ratio, based on the accounts of the Company and Hascombe specially audited by the statutory auditors for the period ended March 31, 2018, and the relative calculations / recommendations] carried out by Deloitte Yousuf Adil Chartered Accountants (a member of Deloitte Touche Tohamatsu Limited) in terms of their swap letter dated 10th September 2018, be and is hereby approved:

15,479,567 (fifteen million four hundred seventy nine thousand five hundred sixty seven) ordinary shares of the Company, having a face value of PKR 10/- (Pak Rupees Ten) each, shall be allotted and issued in aggregate by the Company to the shareholders of Hascombe, as fully paid up, on the basis of a swap ratio of approximately 6.06 shares of the Company for every 1 (one) share of Hascombe held by each of the shareholders of Hascombe, in accordance with the provisions of the Scheme.

FURTHER RESOLVED that, upon the sanction of the Scheme, the authorized share capital of the Company shall stand automatically increased from PKR 100,000,000/- (Pak Rupees One Hundred Million) to PKR 400,000,000/- (Pak Rupees Four Hundred Million), divided into 40,000,000 (Forty Million) shares of PKR 10/- (Pak Rupees Ten) each, by merger of the existing authorized share capital of the Company and Hascombe, and that the Memorandum and Articles of Association of the Company shall stand amended in terms of the Scheme.

FURTHER RESOLVED that the Company be and is authorized to take all necessary steps to obtain the requisite approvals / no objections / clearances from the relevant regulatory / competent authorities, as may be required under the applicable laws.

FURTHER RESOLVED that the Company be and is hereby authorized to file a petition / application (along with Hascombe) before the High Court of Sindh at Karachi under Sections 279 to 283 and 285 of the Companies Act, 2017 read with Rules 55 and 60 of the Companies (Court) Rules, 1997, and all

applicable / enabling laws, for the purpose of seeking sanction of the Scheme in respect of the Proposed Amalgamation.



CLOVER PAKISTAN LIMITED

FURTHER RESOLVED that for the purposes aforesaid, Mr. Jamshed Azmet, the Chairman of the Company, and /or Mr. Zeeshan Ul Haq, Director and Company Secretary of the Company, be and are hereby singly and severally authorized to do the following on behalf of the Company:

- (i) finalize and execute all documents, including but not limited to the Scheme, petition, applications, affidavits and any other related documents;
- (ii) take all steps and actions for obtaining the requisite consents from the relevant regulatory authorities, creditors, members and any other persons (as applicable) with respect to the Proposed Amalgamation and all ancillary matters;
- (iii) file, pursue and take any and all necessary actions in respect of submitting applications to the relevant authorities with respect to the Proposed Amalgamation and obtaining the approvals of the same;
- (iv) appoint / engage lawyer(s), consultant(s), advisor(s) and professionals as deemed necessary and sign Vakalatnamas and engagement letters on behalf of the Company;
- (v) represent the Company before the High Court of Sindh and all other relevant competent authorities / bodies;
- (vi) make such alterations and changes in the Scheme as may be expedient or necessary for satisfying the requirements or conditions imposed by any regulatory authority and / or the High Court of Sindh at Karachi, provided that prior approval of the Board shall be obtained for making any material changes in the Scheme (as approved in this meeting);
- (vii) withdraw the Scheme, upon the instructions of the Board;
- (viii) generally do all acts, deeds and things as may be required with respect to the aforementioned resolutions and implementing the Scheme in terms thereof along with all incidental actions and matters in respect of the same; and
- (ix) delegate any of the above powers to any person(s) as may be deemed fit.

CERTIFIED TRUE COPY

The above resolutions were passed by the directors of the Company at their meeting held on 18th September 2018.

Zeeshan Ul Haq
Company Secretary