



GlaxoSmithKline Consumer
Healthcare Pakistan Limited
35-Dockyard Road,
West Wharf,
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Pakistan

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December 17, 2018

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

SUBJECT: DISCLOSURE OF MATERIAL INFORMATION

Dear Sirs,

In accordance with Sections 96 of the Securities Act, 2015 and Clause 5.19.13(c) of the Pakistan Stock Exchange Regulation, we are hereby sharing the following material information with the shareholders:

The Sindh High Court has sanctioned the Scheme of Merger and Amalgamation between GlaxoSmithKline Consumer Healthcare Pakistan Limited and GlaxoSmithKline OTC (Private) Ltd. Pursuant to the Order of the Sindh High Court GlaxoSmithKline OTC (Private) Limited stands merged with and into GlaxoSmithKline Consumer Healthcare Pakistan Limited in accordance with the Scheme of Arrangement.

A certified copy of the Order and Scheme of Arrangement are attached herewith for your information and record.

Yours Faithfully,

**Sohail Ahmed
Chief Executive Officer**

889/15 (6)

IN THE HIGH COURT OF SINDH AT KARACHI
(COMPANIES JURISDICTION)

Presented on: 21/11/2018
Deputy Registrar (O.S.)

JUDICIAL MISCELLANEOUS APPLICATION NO 21 OF 2018

In The Matter Of The Companies Act, 2017
Between

(1) GLAXOSMITHKLINE OTC PRIVATE LIMITED

And

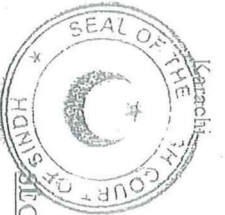
(2) GLAXOSMITHKLINE CONSUMER HEALTHCARE
PAKISTAN LIMITED

GLAXOSMITHKLINE OTC PRIVATE LIMITED,
A private company limited by shares established and
Existing under the laws of Islamic Republic of Pakistan
With its Registered Office situated at 35, Dockyard Road,
West Wharf, Karachi

Petitioner No.1

GLAXOSMITHKLINE CONSUMER HEALTHCARE
PAKISTAN LIMITED, a public company limited by
shares established and existing under the laws of
Islamic Republic of Pakistan with its Registered Office
situated at 35, Dockyard Road, West Wharf

Petitioner No.2



PETITION UNDER SECTION 279 READ WITH
SECTION 279 TO 283 OF THE COMPANIES ACT, 2017

udge.

ORDER SHEET
IN THE HIGH COURT OF SINDH AT KARACHI

J.C.M. No.21 of 2018

DATE ORDER WITH SIGNATURE OF JUDGE

For hearing of Main Petition

12.12.2018.

Mr. Hassan Ali Mandviwala, Advocate for Petitioners.
Mr. Saad Abbasi, Advocate for SECP.

This is a Petition for merger of Petitioner No.1 into Petitioner No.2 and has been filed under Section 279 to 282 and 285(8) of the Companies Act 2017. The Petitioner No.1 was incorporated on 31.03.2015 and is engaged in the business of manufacturing, formulation and repacking of drugs for import, export, sale and distribution. The Petitioner No.2 was also incorporated on 31.03.2015. The Petitioner No.2 is engaged in the business of import, marketing and sale of consumer healthcare products. Now the petitioners are desirous of merging Petitioner No.1 into Petitioner No.2 and the Scheme of Arrangement for such purposes has been annexed with this Petition as Annexure "A", wherein, the Share Exchange Swap Ratio as well as allotment of Shares of Petitioner No.2 to Petitioner No.1 has been mentioned so as to make the scheme of arrangement binding with Petitioners and the Shareholders of the Petitioners No.1 and 2 along with other persons.

The Petitioners are desirous to restructure and merge, by way of amalgamation, with the object of better and more economic reasons to run the same business. The Petitioners have agreed and entered into an agreement being the Scheme of Arrangement (Annexure "A") for merger and amalgamation which

has been duly approved by the respective Board of Directors of the Petitioners and such resolutions have been placed on record.

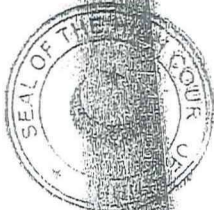
The Scheme of Arrangement, attached as Annexure "A" to this petition gives full particulars as to the benefits of the merger / amalgamation, the purpose for the same, the consequences of the arrangement, the effective date of the merger / amalgamation, consideration and related matters, the effect on the employees of the Petitioner Nos.1 and 2 and general provisions with respect to the arrangement. It also provides the number of shares of Petitioner No.2 to be allotted respectively to shareholders of Petitioner No.1 on the basis of evaluation and SWAP ratio. Such Scheme of Arrangement is part and parcel of the petition. By seeking sanction of the Scheme of Arrangement through this Petition under the Companies Act, as above, the intention is to obtain approval of the terms, whereby, the entire undertaking and business, inclusive of all assets, properties, rights, liabilities, obligations and dues of Petitioner No.1, as more specifically stated in the Scheme of Arrangement, will be transferred to, stand vested and assumed by petitioner No.2, whereas, Petitioner No.2 will continue as a going concern under the name of "GLAXOSMITHKLINE CONSUMER HEALTHCARE PAKISTAN LIMITED" and petitioner No.1 at the same time shall stand dissolved.



On 14.09.2018 on an application (CMA No.306/2018) on behalf of the Petitioners under Rule 55 of the Companies (Court) Rules, 1997, read with Section 151 CPC, the Court had permitted to convene separate meeting(s) of the members of the petitioners under Section 279(2) of the Companies Act, 2017 after publishing a notice in newspapers, and also inviting creditors, whereas, further directions were given for advertisement of the main Petition for publishing in terms of Rule 76 read with Rule 19 of the Companies (Court) Rules, 1997 and notice was also ordered to Securities & Exchange Commission of Pakistan. It appears that all requisite formalities have been completed as publication has been

made in daily "THE NEWS" and "JANG" dated 27.9.2018, whereas, report has been furnished by the Chairman in respect of convening of the meetings and the approval of the scheme. Comments were filed by SECP and certain objections were raised to which necessary response has been filed, before SECP, whereby, all objections have been complied with and today learned Counsel for SECP has given its consent as well. A proper notice has also been published in the Gazette of Pakistan dated 31.10.2018.

In view of such position, since all formalities have been completed whereas, no objections have been received from any quarter, there appears to be no impediment in granting this Petition which is accordingly allowed as prayed. For further proceedings and necessary fulfilment of the requirements under the Companies Act, 2017, the Petitioner may approach SECP accordingly.



Att. M. Sumera Khan
Judge
12-12-18

IDENTIFIED TO THE COURT

Faizan/PA*

13-12-2018
14-12-2018
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Assistant Registrar (GENERAL)

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Assistant Registrar (GENERAL)

cc A
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SCHEME OF ARRANGEMENT FOR MERGER

UNDER SECTION 279 to 283 OF THE COMPANIES ACT, 2017

BETWEEN

GLAXOSMITHKLINE OTC (PRIVATE) LIMITED

AND

GLAXOSMITHKLINE CONSUMER HEALTHCARE PAKISTAN LIMITED

AND

THEIR RESPECTIVE SHAREHOLDERS

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This Scheme of Arrangement is made pursuant to Section 279 to 283 of the Companies Act, 2017 for the transfer and vesting of GlaxoSmithKline OTC (Private) Limited with and into GlaxoSmithKline Consumer Healthcare Pakistan Limited in the manner provided for hereunder:

PART I – GENERAL

1. **GLAXOSMITHKLINE OTC (PRIVATE) LIMITED** (hereinafter referred to as “GSK OTC”) was incorporated as a private limited company under the provisions of the Companies Ordinance, 1984 on March 31, 2015, with its registered office situated at 35 – Dockyard Road, West Wharf, Karachi 74000.

The authorised share capital of GSK OTC is PKR 1,024,205,000 divided into 102,420,500 shares of PKR 10 each, each of which 2,401,548 ordinary shares are issued and fully paid.

Shares to be issued in respect of advance received against issued share capital as appearing in audited financial statements as at December 31st, 2017 of GSK OTC (“Advance”).

2. **GLAXOSMITHKLINE CONSUMER HEALTHCARE PAKISTAN LIMITED** (hereinafter referred to as “GSK Consumer Healthcare”) is a public company limited by shares, incorporated under the provisions of the Companies Ordinance, 1984 on March 31, 2015, with its registered office situated at 35 – Dockyard Road, West Wharf, Karachi 74000, and is listed on the PSX since March 22, 2017.

The principal business of GSK Consumer Healthcare is import, marketing and sale of consumer healthcare products.

The authorised share capital of GSK Consumer Healthcare is PKR 2,000,000,000 divided into 200,000,000 ordinary shares of PKR 10, each of which 955,501,830 ordinary shares of the aggregate nominal value of PKR 10 are issued and fully paid.

3. **RATIONALE FOR THE SCHEME OF ARRANGEMENT**

The rationale for the Scheme is to effect merger by vesting of all the assets and liabilities of GSK OTC with and into GSK Consumer Healthcare, as the business activities and product portfolios of both the companies are similar and complement each other, and to achieve *inter-alia* economies of scale and efficiency. The merger would *inter-alia* have the following benefits:

- a) The merger would provide for enhanced market growth to GSK Consumer Healthcare by improved supply chain of its products to the consumer through a widespread distribution network. The strong brand recognition of GSK Consumer Healthcare coupled with effective distribution network would increase the market diversity of the surviving entity leading to increased volume of sales and higher profitability.
- b) The reconstruction would enable the surviving entity to acquire the manufacturing facility of GSK OTC along with its licenses for manufacturing, marketing and distribution for its products.
- c) As a result of acquiring the manufacturing facility, products of both companies will be produced at the same facility and hence provide for economies of scale through cost reduction of toll manufacturing.
- d) The financial position of the surviving entity will become even stronger through combined cash flows of both the entities and any working capital constraints will be eliminated altogether. An increased cash flows will allow the surviving entity to settle debts, reinvest in business operations, maximize shareholders' value and prevent from any future financial challenges posed by the changing market conditions.
- e) Simplification of management processes will reduce operational costs significantly and avoid any complexity or duplication in reporting obligations, regulatory filings, and auditor's expenses. This will allow the management to focus on the core

business by adopting strategies necessary for the growth of the respective businesses.

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- f) The combined manufacturing and marketing of products of both the companies will allow the surviving entity to invest in research and development of healthcare products and Over the Counter drugs for the benefit of the consumer.

PART II – DEFINITIONS AND SHARE CAPITAL

1. Definitions

In this Scheme, unless the subject or context otherwise requires, the following terms stated herein shall have the meanings assigned thereto:

- (a) "Act" means the Companies Act, 2017, the rules and regulations made thereunder and shall include any statutory re-enactment or amendment(s) made thereto from time to time.
- (b) "Court" means the High Court of Sindh having jurisdiction under Section 279 to 283 of the Companies Act, 2017 in connection with this Scheme;
- (c) "Completion Date" means the date on which all regulatory approvals for transfer of Marketing Authorization Rights and Manufacturing License from Drug Regulatory Authority of Pakistan are granted to GSK Consumer Healthcare.
- (d) "CDC" means the Central Depository Company of Pakistan Limited, a Company regulated by the Securities and Exchange Commission of Pakistan;
- (e) "Effective Date" means 01st day of January, 2018.
- (f) "GSK Consumer Healthcare" means GlaxoSmithKline Consumer Healthcare Pakistan Limited, a listed public company limited by shares incorporated in Pakistan, having its registered office at 35 – Dockyard Road, West Wharf, Karachi 747000.
- (g) "GSK OTC" means GlaxoSmithKline OTC (Private) Limited, a private limited company incorporated under the laws of Pakistan, having its registered office at 35 – Dockyard Road, West Wharf, Karachi 747000.
- (h) "PSX" means the Pakistan Stock Exchange;
- (i) "Scheme" means this Scheme of Arrangement in its present form with any modification thereof or addition thereto approved by the Court;
- (j) "Special Purpose Balance Sheets" means the balance sheets prepared in accordance with the accounting standards accepted in Pakistan to determine the value of GSK OTC's business as at December 31, 2017, attached as Schedule-1 in this Scheme.

2. Share Capital

- (a) The share capital structure of GSK OTC on December 31, 2017 is as follows:

<u>Authorised</u>	<u>PKR</u>
1,024,205,00 shares of PKR 10 each	1,024,205,000
<u>Issued and Paid-up</u>	
2,401,548 shares of PKR 10 each	24,015,480

- (b) The share capital structure of GSK Consumer Healthcare on December 31, 2018 is as follows:

<u>Authorised</u>	<u>PKR</u>
200,000,000 shares of PKR 10 each	2,000,000,000

Issued, Subscribed and Paid-up

95,550,183 shares of PKR 10 each

955,501,830

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PART III – TRANSFER AND VESTING OF UNDERTAKING

1. Merger

- 1.1 The principal object of this Scheme is to effect the merger of GSK OTC with and into GSK Consumer Healthcare. The merger involves the transfer to and vesting into GSK Consumer Healthcare the entire undertaking and business of GSK OTC together with all the properties, assets, rights, encumbrances, liabilities, obligations, litigations, etc. of every description. As a result of the merger, shareholders of GSK OTC shall receive shares of GSK Consumer Healthcare and the shares of the GSK OTC shall stand cancelled. On the Completion Date of merger and after vesting of GSK OTC with and into GSK Consumer Healthcare, GSK OTC shall stand dissolved by the order of the Court under Section 279 to 283 of the Act without winding up.
- 1.2 The undertaking of GSK OTC as at the Effective Date shall, without any further act, instrument or deed stand transferred to and be vested or deemed to have been transferred to or vested in GSK Consumer Healthcare as from the Effective Date.
- 1.3 The transfer/ vesting shall be subject to existing encumbrances, if any as may be subsisting and agreed to be modified/ created over the assets of GSK OTC by the relevant banks, financial institutions or other creditors.
- 1.4 Such of the assets which are moveable in nature or are capable of transfer by manual/physical delivery or by endorsement and delivery, the same shall be so transferred and shall become property of GSK Consumer Healthcare as its integral part. All the bodies, department and concerned institutions/ companies wherever required shall immediately transfer the assets without any further act, delay or deed by GSK OTC.
- 1.5 All the immovable assets and properties and other rights, connections etc. shall stand transferred in the name of GSK Consumer Healthcare on the Effective Date and all the bodies, institutions and concerned government departments and functionaries shall effect the transfer of assets in the name of GSK Consumer Healthcare, without any act, delay or deed and without payment of any amount, fees, charges, levies or tax of whatsoever nature.
- 1.6 All the rights, debts, liabilities and obligations of GSK OTC as at the Effective date shall, without any further act, deed or instrument, be transferred and vested in GSK Consumer Healthcare so as to become as and from the Effective Date the rights, debts, liabilities and obligations of GSK Consumer Healthcare.
- 1.7 Liabilities and obligations of GSK OTC and GSK Consumer Healthcare are contained in Schedule I of this Scheme.
- 1.8 The GSK OTC Undertaking to be transferred to and vested in GSK CH under this Scheme shall be inclusive of the following:
 - (a) all assets and properties of GSK OTC, including, without limitation, properties of all kinds and by whatever title held and whether movable or immovable or tangible or intangible, and without limiting the generality of the foregoing in particular:
 - (i) the entire estate, right, title and interest of GSK OTC and the factory, warehouse, office buildings and other buildings and structures constructed thereon together with all rights, easements, privileges and advantages appurtenant thereto or for the benefit thereof, or with the same enjoyed or reputed to belong thereto;
 - (ii) the manufacturing, warehousing, office facilities and all related infrastructure;
 - (iii) all plant, machinery, equipment, spare parts, tools, appliances, computer systems and equipment, motor and other vehicles, furniture, fixtures and fittings;

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- (iv) all stock-in-trade, inventory, stocks of fuel, raw materials, ingredients, packaging, office and laboratory supplies, engineering spares, consumable stores, work in progress, finished goods;
 - (v) all contracts entered into by or subsisting in favour of GSK OTC which remain in whole or in part to be performed, inclusive of all rights and obligations of GSK OTC arising thereunder;
 - (vi) all contracts, agreements, trusts, leases, hires, rentals, sub-leases, tenancies, conveyances, grants, instruments of transfer, engagements, commitments and arrangements entered into by GSK OTC or subsisting in favour of GSK OTC, inclusive of all rights and obligations of GSK OTC arising thereunder;
 - (vii) all actionable claims, book, trade and other debts or sums (including suppliers' credit notes) due, owing, accrued or payable to GSK OTC (whether or not invoiced and whether or not immediately due or payable), advances, deposits, prepayments and other receivables, loans made, investments (both short term and long term, including without limitation, investments in shares, debentures, debt instruments and other securities), cash in hand and at banks or other depositories;
 - (viii) all historical and current documents, customer lists, product and supplier lists, catalogues, literature, employee records, documents of title, sales targets, sales statistics, market share statistics, marketing surveys and reports, marketing research and any advertising or other promotional materials and other accounting (including management accounting reports) and other financial data whether in hard copy or in computer held form (including, for avoidance of doubt, such media as microfilm and microfiche);

but the transfer and vesting of such assets and properties shall be subject to all mortgages and charges and other encumbrances subsisting thereon;

- (b) all connections and facilities for telecommunication owned by, or leased or licensed to GSK OTC, including mobile phones, telephones, telexes and facsimile and the benefit of all payments and deposits made by or for the account of GSK OTC in connection therewith;
- (c) all connections, meters and other installations owned by, or leased or licensed to, GSK OTC for the supply of electricity, gas and water and the benefit of all payments and deposits made by or for the account of GSK OTC in connection therewith;
- (d) all rights, powers, authorities and privileges of GSK OTC including all registrations, licences, permits, categories, entitlements, sanctions, approvals and permissions concerning the investment in or carrying on of any business by GSK OTC or the businesses and other activities carried on by GSK OTC or any part thereof;
- (e) all rights, title and interest of GSK OTC in technical data and know-how, industrial and technical information, trade secrets, confidential information, drawings, formulations, technical reports, operating and testing procedures, instruction manuals, raw material or production specifications, the results of research and development work, whether in hard copy or in computer held form (including, for the avoidance of doubt, such media as microfilm and microfiche) and computer software;
- (f) all rights, title and interest of GSK OTC anywhere in the world and the goodwill in respect of any trade marks, service marks, trade names, trading styles, copyrights, designs, patents, inventions, secret processes, know-how and confidential information, including, without limitation, any licences (inclusive of the benefits and burdens of such licences) for the same, and any applications or the rights to apply for protection or registration of any of the same and any continuing, reissue, divisional and re-examination patent application;
- (g) the goodwill of GSK OTC in respect of each and all of its businesses and activities;

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- (h) all other rights, powers, authorities and privileges of GSK OTC including, without limitation:
 - (i) all registrations, licences, permits, categories, entitlements, authorisations, sanctions, permissions and approvals issued or granted by any government, governmental department or agency, or any statutory or local authority or any municipal corporation to GSK OTC; and
 - (ii) all concessions, entitlements, tariff protections and duty and tax exemptions and remissions; and
 - (iii) all credits and refunds on account of sales tax, customs duty, octroi and other duties, taxes, levies, fees, charges, or imposts paid on account of, or in connection with any properties, assets or materials comprised in the GSK OTC Undertaking and inclusive of the right to adjust the amount of sales tax paid on the purchase acquisition or import thereof (input tax) against sales tax payable by GSK OTC on goods sold by it (output tax); and
 - (iv) all rights against third parties (including sub-contracts and any retention of title rights);
 - (i) all licences of every kind and description for the manufacture of drugs (whether by way of basic manufacture, semi-basic manufacture, formulation, repacking, experimental purposes, or otherwise howsoever, including without limitation third party toll and/or contract manufacture by or for GSK OTC) held in respect of every and all premises where the manufacture of drugs or any process in connection therewith is undertaken by or for GSK OTC, and for the import, export, sale and distribution of drugs; and all drug registrations held by GSK OTC (whether for local manufacture or import or export or any other dealing whatsoever with such drugs) including those particularly set out in the list attached hereto and marked "Schedule I"; and all rights, powers, authorities and privileges of every kind and description held by GSK OTC in connection with the manufacture (including without limitation third party toll and/or contract manufacture by or for GSK OTC), import, export, storage, transportation, labelling, advertising, distribution or sale of or any other dealings whatsoever with respect to drugs or any raw materials auxiliaries or packing materials therefor including without limitation the right to use all existing packaging materials, labels and stocks of drugs, together with every and all renewals, validations and approvals and every and all rights and entitlements for renewal or validation or approval and further renewal or validation of every such drug manufacturing licence, drug registration, or other right, power, authority or privilege whatsoever;
 - (j) the Contract Manufacturing Agreement dated 8 March 2017 subsisting between GSK OTC and Novartis Pharma (Pakistan) Limited and all rights liabilities and obligations arising thereunder for GSK OTC, and the permissions and authorisations granted by the Drug regulatory Authority of Pakistan for the toll manufacture of the products covered by the aforesaid Contract Manufacturing Agreement for and on behalf of Novartis Pharma (Pakistan) Limited, and the right to use any and all packaging materials relating to the said products which may be available with GSK OTC at the Completion Date;
 - (k) all licences, permits and authorisations for the import or export of any plant, machinery, equipment, materials, goods, articles or things and all bills of entry, airway bills, bills of lading or other documents of title relating thereto and all letters of credit and other payment orders and all rights, titles, privileges, benefits, liabilities and obligations of GSK OTC arising thereunder or pursuant thereto or in relation thereof;
 - (l) all banking and other accounts maintained by GSK OTC including such accounts maintained with the Collector of Customs and all the credit and debit (as the case may be) balances in such accounts;
 - (m) all debts and other liabilities and obligations of GSK OTC whether accrued or accruing or contingent and whether incurred solely or jointly with another or others including amounts owing to banks and financial institutions and other creditors;

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- (n) all loans, advances, finances, leases and banking facilities provided to, or agreed to be provided to, GSK OTC inclusive of interest, mark up or other return and bank charges in respect thereof;
 - (o) all amounts owing (whether or not due for payment) or payable by GSK OTC in respect of the supply of goods, utilities and services to GSK OTC and which are unpaid (including, without limitation, credit notes granted and advances received from suppliers or customers);
 - (p) the liabilities of GSK OTC on account of its employees or former employees including such liabilities payable on termination of service by way of gratuity, redundancy, provident fund, pension or otherwise;
 - (q) the contracts of employment between GSK OTC and such of its employees who may have agreed to accept employment with GSK CH in lieu of their employment with GSK OTC upon the merger of GSK OTC with GSK CH becoming effective and the rights and obligations of GSK OTC arising under such contracts;
 - (r) the liabilities of GSK OTC for payment of taxes, and the entitlements of GSK OTC to credit or refund of payments made for or in respect of any assessment or liability for taxes including advance tax collections;
 - (s) the benefits of any policies of insurance issued to or otherwise available to GSK OTC;
 - (t) the capital reserves, revenue reserves, revaluation surpluses, un-appropriated profits and accumulated accounting losses of GSK OTC; and
 - (u) the benefit of all capital allowances and tax losses.
 - (v) any suit, action, arbitration, charge, governmental investigation, claim, litigation or proceedings, costs, demands and expenses in relation to the foregoing.
- 1.9 In relation to any security vested in GSK Consumer Healthcare in accordance with the provisions of this Scheme and any liabilities and obligations thereby secured, GSK Consumer Healthcare shall be entitled to the rights and priorities to which GSK OTC would have been entitled if it had continued to hold the encumbrance.
- 1.10 Any encumbrance referred to in the forgoing provisions which extends to future advances or liabilities shall, on and from the Effective Date, be available to GSK Consumer Healthcare (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 GSK OTC, or as the case may be to GSK Consumer Healthcare, were secured thereby immediately before that time.

PART IV – GENERAL TERMS & CONDITIONS

1. **Effective Date**
- 1.1 This Scheme shall become operative, effective and binding on GSK OTC and GSK Consumer Healthcare and their respective shareholders, creditor(s) and all other third parties as soon as a certified copy of an order of the Court sanctioning the Scheme has been filed with the Registrar of Companies, Karachi and all regulatory approvals for transfer of Marketing Authorization Rights and Manufacturing License from Drug Regulatory Authority of Pakistan are granted to GSK Consumer Healthcare (hereinafter referred to as the "Completion Date"). When the Scheme becomes operative on the Completion Date, the merger in accordance with the Scheme will be treated as having effect from Effective Date. Accordingly, as from the Effective Date, the business of GSK OTC shall be deemed to have been carried on and for the benefit of GSK Consumer Healthcare.
- 1.2 The merger in accordance with this Scheme shall be treated as having taken effect from the Effective Date and till that time GSK OTC shall carry on its normal business activities.
- 1.3 It is hereby undertaken by GSK OTC and GSK Consumer Healthcare that they shall carry on their businesses until the Completion Date of merger with reasonable diligence, business prudence and shall not alienate, charge, mortgage, hypothecate, encumber or otherwise deal

with or dispose of the respective undertakings of GSK OTC and GSK Consumer Healthcare or any part thereof.

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2. Representations

- 2.1 On completion of the merger, GSK Consumer Healthcare shall take all necessary steps to properly and efficiently manage its entire business and affairs including the business of GSK OTC.
- 2.2 On completion of the merger, GSK Consumer Healthcare shall operate and promote its entire business and affairs in normal course.

3. Effectiveness of the Scheme

- 3.1 The terms of this Scheme shall be effective and binding by operation of law on sanction of the Scheme by the Court.
- 3.2 The merger in terms of this Scheme shall not constitute any assignment, transfer, devolution, conveyance alienation, parting with possession or other disposition under any law for the time being in force. Further it shall not give rise to any forfeiture, invalidate or discharge any contract or encumbrance, and shall not 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.
- 3.3 As on the Effective Date, the terms of this Scheme shall be binding on GSK OTC, GSK Consumer Healthcare and also on the shareholders and creditors of GSK Consumer Healthcare, GSK OTC and on any other person having right or liability in relation to any of them.

4. Employees

- 4.1 All the Employees of GSK OTC shall stand transferred to GSK Consumer Healthcare at the Completion Date.

5. Consideration

- 5.1 As consideration for the merger, the existing shares of GSK OTC shall be cancelled. Each shareholder of the GSK OTC shall receive shares of GSK Consumer Healthcare and consequently, GSK OTC shall not be subject to winding up.
- 5.2 The above arrangement has been determined on the basis of the accounts of GSK OTC and GSK Consumer Healthcare as of December 31, 2017 and the recommendation of Arif Habib, Financial Advisers and Chartered Accountants in terms of their valuation report dated 26th March 2018 and Share Swap Ratio Letter dated March 30, 2018 ("Share Swap Ratio Report"). Furthermore, the Share Swap Ratio Report has been approved by the Board of Directors of GSK Consumer Healthcare from the options provided in the aforementioned Share Swap Ratio Report.

6. Merger of Authorised Capital

- 6.1 As a result of the approval of this Scheme by the SECP, GSK OTC shall be merged with GSK Consumer Healthcare and authorized capital of GSK OTC shall stand merged with the authorized capital of GSK Consumer Healthcare. The authorized capital of GSK Consumer Healthcare shall stand at [2,000,000,000] divided into [200,000,000] ordinary shares of PKR 10 (Rupees Ten Only) each on the Effective Date in accordance with the sanction order of the Court.

7. Modification of Scheme

- 7.1 The Board of Directors of GSK OTC and GSK Consumer Healthcare have given their assent to any modification or amendment to the Scheme or agreed to any terms and/or conditions which the Court or the SECP under law may deem fit to direct to impose or which may otherwise be considered necessary or desirable for settling any question or doubt or difficulty that may arise for implementing and/or carrying out the Scheme and to do all acts, deeds and things as may be necessary, desirable or expedient for putting the Scheme into effect.

7.2 For the purposes of giving effect to this Scheme or any modification or amendment thereof, the persons authorized in the respective Board Resolutions are hereby authorized by GSK OTC and GSK Consumer Healthcare to give such directions and / or to take all such steps and actions as may be necessary or desirable including any direction for settling any question or doubt or difficulty whatsoever that may arise.

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8. Expenses

8.1 All the costs, charges and expenses incurred/ to be incurred by GSK OTC and GSK Consumer Healthcare respectively in relation to or in connection with carrying into the implementation of the Scheme or incidental to the completion of the Amalgamation in pursuance of this Scheme shall be borne and paid by GSK OTC and GSK Consumer Healthcare equally. All expenses after the Effective Date shall be borne by GSK Consumer Healthcare.

9. Governing Law

9.1 This Scheme shall be governed by and be construed in accordance with laws of Pakistan.

10. Securities & Exchange Commission of Pakistan's Directive

10.1 For the purpose of giving effect to the objects of this Scheme and for removing any lacunas, doubt or ambiguity contained in this Scheme, the Securities & Exchange Commission of Pakistan ("SECP") may issue directions; either generally or specially, to GSK OTC or GSK Consumer Healthcare and such directions shall be binding. The persons authorized in the respective Board Resolutions are hereby authorized to assess any modification or amendment of this Scheme or agree to any terms and/ or conditions which the SECP may deem fit to direct or impose.

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

11. Other Terms and Condition

11.1 All suits, appeals, arbitrations, governmental investigations and other legal proceedings instituted by or against GSK OTC pending on or immediately before the Effective Date with any court, tribunal, regulatory body or any other authority shall be treated as suits, appeals and legal proceedings by or against GSK Consumer Healthcare and may be continued, prosecuted and enforced by or against GSK Consumer Healthcare accordingly.

11.2 This Scheme is subject to the sanction of the Court and may be sanctioned in its present form or with any modification or addition to this Scheme as the Court may approve and this Scheme with such modification or addition if any, is also subject to any conditions, which the Court may impose.

11.3 The boards of directors of GSK OTC and GSK Consumer Healthcare may consent on behalf of all concerned to any modifications of or additions to this Scheme or to any conditions, which the Court may think fit to order.

11.4 All costs, charges and expenses incurred in connection with the transfer to and vesting in GSK Consumer Healthcare of GSK OTC and all other costs, charges and expenses incurred in respect of the preparation of this Scheme and carrying the same into effect shall be borne and paid by GSK Consumer Healthcare.

11.5 This Scheme shall become effective as soon as a certified copy of an order or orders of the Court sanctioning this Scheme is filed with the Registrar of Companies, Karachi and all regulatory approvals from Drug Regulatory Authority of Pakistan for transfer of Marketing Authorization Rights and Manufacturing License are granted to GSK Consumer Healthcare.

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Schedule 1

[SPECIAL PURPOSE FINANCIAL STATEMENTS]