

SCHEME OF ARRANGEMENT

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

INVOLVING

HUM NETWORK LIMITED

AND

M.D PRODUCTIONS (PRIVATE) LIMITED

AND

HUMM CO. (PRIVATE) LIMITED

FOR

The merger / amalgamation of the entire undertaking of M.D Productions (Private) Limited with and into Humm Co. (Private) Limited and a reorganization of Hum Network Limited and Humm Co. (Private) Limited as a consequence thereof along with all ancillary matters.

SCHEME OF ARRANGEMENT

UNDER SECTIONS 284 TO 288 OF THE COMPANIES ORDINANCE, 1984

BETWEEN

HUM NETWORK 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 Plot No. 10/11, Hassan Ali Street, Off I. I. Chundrigar Road, Karachi (hereinafter referred to as "**HNL**", which expression shall mean and include, where the context so requires or admits, its successors-in-interest and permitted assigns);

AND

M.D PRODUCTIONS (PRIVATE) LIMITED, a private company limited by shares, incorporated and existing under the laws of Pakistan and having its registered office at D-145, Block-5, Kehkashan, Clifton, Opposite PALPA Office, Karachi (hereinafter referred to as "**MDPPL**", which expression shall mean and include, where the context so requires or admits, its successors-in-interest and permitted assigns);

AND

HUMM CO. (PRIVATE) LIMITED, a private company limited by shares, incorporated and existing under the laws of Pakistan and having its registered office at Plot No. 10/11, Hassan Ali Street, Off I. I. Chundrigar Road, Karachi (hereinafter referred to as "**HCPL**", 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 MDPPL shall, as at the Effective Date (as defined below), stand merged with, transferred to, vested in, and be assumed by HCPL.
2. As consideration for the above, and to effectuate the reorganization arrangement, it is proposed that HCPL Shares shall be issued to HNL and the MDPPL Shareholders in accordance with this Scheme, such that HCPL shall be a subsidiary of HNL.
3. In consideration for the above reorganization arrangement, it is proposed that HNL Shares shall be issued to the MDPPL Shareholders in accordance with this Scheme.

4. Upon the merger and transfer of MDPPL in the manner prescribed under this Scheme, MDPPL shall be dissolved without winding up.
5. This Scheme, if approved by the respective shareholders of HNL, MDPPL and HCPL, 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 HNL, MDPPL and HCPL along with all the shareholders, creditors, employees, Customers, contracting parties, tax authorities and any other regulatory / statutory bodies of or with respect to HNL, MDPPL and HCPL (as applicable) respectively.

BENEFITS OF THIS SCHEME

A. Objectives of Long Term Growth and Expansion

The Arrangement would lead to an established media house (i.e. MDPPL), with which HNL already has dealings, merging with and into the wholly owned subsidiary of HNL (i.e. HCPL) and allow HNL to have majority shareholding in, and control over such entity, which would produce contents, shows, programs etc. to be aired on HNL's network of channels. This would enable HNL to achieve its long term objectives of growth and expansion in the Pakistani media industry and the same is expected to lead to greater profitability for both HNL and HCPL.

B. Holding Company and Separation of Business

While HNL, as a holding company, would have control over HCPL, the Arrangement would allow the business of MDPPL (which shall be merged with and into HCPL) to remain under a separate legal entity, with a specialized management and team to operate the business thereof under the supervision of the nominees of HNL. This would result in the business of HCPL (subsequent to the Arrangement) being managed and carried out in a more effective and efficient manner, thus benefitting HNL.

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:

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

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

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

"Annexure C" is the annexure attached hereto which lists the members of the Board of Directors of HCPL;

"Annexure D" is the annexure attached hereto containing the Swap Letter;

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

"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, sanctions and authorizations, including all registrations, licences, permits, categories, entitlements, sanctions, permissions and benefits relating to the business, all trademarks, patents, copyrights, licences, 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); and (iv) 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;

"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 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" 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;

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

"HCPL Shares" means the ordinary shares of PKR 10/- (Pak Rupees Ten) each in the share capital of HCPL to be issued and allotted to HNL and the MDPPL Shareholders, in accordance with Articles 9.1. and 9.2. of this Scheme;

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

"HNL Shares" means the ordinary shares of PKR 1/- (Pak Rupees One) each in the share capital of HNL to be issued and allotted to the MDPPL Shareholders, in accordance with Article 9.4. of this Scheme;

"HNL Swap Ratio" shall have the same meaning as prescribed thereto in Article 9.4. of this Scheme;

"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;

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

“MDPPL – HCPL Swap Ratio” shall have the same meaning as prescribed thereto in Article 9.1 of this Scheme;

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

“Ordinance” means the Companies Ordinance, 1984;

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

“Swap Letter” means the Swap Letter dated September 22, 2016, issued by A. F. Ferguson & Co. (a member firm of PricewaterhouseCoopers network), attached hereto as Annexure D containing, *inter alia*, the MDPPL – HCPL Swap Ratio and HNL Swap Ratio.

ARTICLE 2

OBJECTS OF THE SCHEME

- 2.1. The principal object of this Scheme is to give effect to the following:
- (i) amalgamate MDPPL with and into HCPL by transferring to, merging with and vesting in HCPL the whole of MDPPL, including all Assets, Liabilities and Obligations of MDPPL, as of the Effective Date, and dissolving MDPPL without winding up (the “Amalgamation”);
 - (ii) reorganize HNL and HCPL in such a manner that HCPL becomes a subsidiary of HNL, and for the purposes of which, allot and issue fully paid up HCPL Shares to HNL and the MDPPL Shareholders in accordance with the provisions of this Scheme; and
 - (iii) allot and issue fully paid HNL Shares to the MDPPL Shareholders based on the HNL Swap Ratio,

(the above shall hereinafter be referred to as the “Arrangement”).

- 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 HNL, MDPPL and HCPL 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, the Arrangement, in accordance with the Scheme, will be treated as having effect from July 1, 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 undertaking of MDPPL is actually transferred to and vested in HCPL in terms of this Scheme, the business of MDPPL will be deemed to have been carried for and on account and for the benefit of HCPL. The reserves including un-appropriated profits / losses of MDPPL up as at the Effective Date shall constitute and be treated as reserves / losses of a corresponding nature in HCPL and shall be accounted for on that basis in the books of account of HCPL.

ARTICLE 4

CAPITAL

- 4.1. The authorized share capital of HNL is PKR 1,500,000,000/- (Pak Rupees One Billion Five Hundred Million) divided into 1,500,000,000 (One Billion Five Hundred Million) shares of PKR 1/- (Pak Rupees One) each, out of which 945,000,000 (Nine Hundred Forty Five Million) shares have been issued, fully subscribed to and paid up.
- 4.2. The authorized share capital of MDPPL is PKR 50,000,000/- (Pak Rupees Fifty Million) divided into 5,000,000 (Five Million) shares of PKR 10/- (Pak Rupees Ten) each, all of which have been issued, fully subscribed to and paid up.
- 4.3. The authorized share capital of HCPL is PKR 1,000,000/- (Pak Rupees One Million) divided into 100,000 (One Hundred Thousand) shares of PKR 10/- (Pak Rupees Ten) each, out of which 4 (four) shares have been issued, fully subscribed to and paid up.
- 4.4. Upon the sanction of this Scheme, the authorized share capital of HCPL shall be merged and combined with the authorized share capital of MDPPL. Resultantly, the authorized share capital of HCPL shall thus stand enhanced to PKR 51,000,000/- (Pak Rupees Fifty One Million) divided into 5,100,000 (Five Million One Hundred Thousand) shares of PKR 10/- (Pak Rupees Ten) each as a consequence of the above. Additionally, the authorized share capital of HCPL shall stand enhanced by a further amount of PKR 237,958,000/- (Pak Rupees Two Hundred Thirty Seven Million Nine Hundred Fifty Eight Thousand) divided into 23,795,800 (Twenty Three Million Seven Hundred Ninety Five Thousand Eight Hundred) 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 HCPL shall stand enhanced to PKR 288,958,000/- (Pak Rupees

Two Hundred Eighty Eight Million Nine Hundred Fifty Eight Thousand) divided into 28,895,800 (Twenty Eight Million Eight Hundred Ninety Five Thousand Eight Hundred) shares of PKR 10/- (Pak Rupees Ten) each and accordingly the Memorandum and Articles of Association of HCPL shall stand amended. Approval of the shareholders of HCPL to this Scheme shall also include and constitute an approval by way of special resolution from the shareholders of HCPL, to the alteration of the Memorandum and Articles of Association of HCPL for the increase of the authorized share capital of HCPL to PKR 288,958,000/- (Pak Rupees Two Hundred Eighty Eight Million Nine Hundred Fifty Eight Thousand), as required in terms of the Ordinance.

- 4.5. It is hereby clarified that consequent upon the Scheme becoming effective, the authorized share capital of HNL shall remain unchanged.

ARTICLE 5

BOARD OF DIRECTORS

- 5.1. The present directors of HNL are listed in Annexure A attached hereto.
- 5.2. The present directors of MDPPL are listed in Annexure B attached hereto.
- 5.3. The present directors of HCPL are listed in Annexure C attached hereto.
- 5.4. The directors of HNL are expected to continue as the directors after the Arrangement / 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.
- 5.5. The directors of MDPPL shall cease to hold office as directors without any rights to any compensation for loss of office upon the dissolution of MDPPL in accordance with the provisions of this Scheme.
- 5.6. The directors of HCPL are expected to continue as the directors till the Completion Date, subject to their ceasing to be directors in the meantime due to any reason(s) and appointments being made to the vacancies thus created. Within 2 (two) days from the Completion Date, HNL shall cause 1 (one) of its nominee directors to resign from the board of directors of HCPL, which shall be accepted by the board. Immediately upon such resignation, the directors of HCPL shall appoint a person nominated by the majority MDPPL Shareholders to fill the casual vacancy.
- 5.7. All the directors of HNL, MDPPL and HCPL have interest in the Arrangement to the extent of their respective directorships and shareholdings in HNL, MDPPL and HCPL (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 HNL, MDPPL and HCPL (except as specified in this Scheme). It is added that Mr. Duraid Qureshi, the Chief Executive of HNL is the spouse of Ms. Momina Duraid Qureshi, the Chief Executive and majority shareholder of MDPPL.

ARTICLE 6

AMALGAMATION

6.1. General Description

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

6.3. Transfer of Liabilities and Obligations

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

6.4. HCPL'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 MDPPL, if required at any time, may be executed by officers of HCPL 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 MDPPL is a reference to Assets or Liabilities and Obligations to which MDPPL 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 MDPPL under any applicable law or instrument.

6.6. Assets held in Trust, etc.

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

6.7. Contracts

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

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

6.8. Bank Accounts

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

6.10. Negotiable Instruments

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

6.11. Custody of Documents

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

6.12. **Securities:**

- (i) Any Security held immediately before the Effective Date by MDPPL or by a nominee or agent of or trustee for MDPPL, 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 HCPL and be available to HCPL (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 HCPL, pursuant to and in accordance with the provisions of this Scheme, and any liabilities and obligations thereby secured, HCPL shall be entitled to the rights and priorities to which MDPPL 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 HCPL (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, MDPPL or, as the case may be, HCPL were secured thereby immediately before that time.
- (iv) All Securities granted / created by MDPPL in favour of any secured creditors immediately before the Completion Date (if any) will continue to remain operative and effective as Securities granted and created by HCPL in favour of its own creditors. To the extent that MDPPL has granted any pari passu charge over the Assets or any class of Assets of MDPPL in favour of such creditors, upon the Amalgamation, the same shall be treated as a pari passu charge over the combined Assets (or relevant class of Assets) of HCPL (including the Assets which stand transferred to and vested in HCPL in accordance with the provisions of this Scheme), ranking pari passu with the charge(s) created / existing in favour of the secured creditors of HCPL holding charges over similar Assets or class of Assets as the case may be. Furthermore, any charge or security interest granted to a secured creditor of MDPPL, by MDPPL, 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 MDPPL, becomes a right, Claim or Liability of HCPL as of the Effective Date, HCPL 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 HCPL, and any legal proceedings or application to any authority existing or pending immediately before the Effective Date by or against MDPPL may be continued by or against HCPL.

6.14. Judgments

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

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 MDPPL, shall be admissible in evidence in respect of the same matter for or against HCPL.

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

CERTAIN OBLIGATIONS AND REPRESENTATIONS

- 7.1. Upon the Amalgamation, HCPL 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), HCPL shall undertake, pay, satisfy, discharge, perform and fulfil all the Liabilities and Obligations, Contracts, engagements and commitments whatsoever of MDPPL.

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 HNL and / or MDPPL and / or HCPL.
- 8.3. Upon the sanction of this Scheme, as of the Effective Date, the terms of this Scheme shall be binding on HNL, MDPPL and HCPL, and also on all the respective shareholders of HNL, MDPPL and HCPL, the Customers of each of HNL, MDPPL and HCPL, the creditors of the

companies (to the extent applicable) and on any other person having any right or liability in relation to either of them.

- 8.4. Till the sanction of the Scheme by the Court, the management and shareholders of MDPPL shall endeavour to operate the business and undertaking of MDPPL in the ordinary course of business and to maintain MDPPL in good status and condition.

ARTICLE 9

CONSIDERATION FOR THE AMALGAMATION / ARRANGEMENT

- 9.1. In consideration for the Amalgamation, HCPL shall allot and issue, at par, an aggregate of 28,895,700 (Twenty Eight Million Eight Hundred Ninety Five Thousand Seven Hundred) HCPL Shares collectively to HNL and the MDPPL Shareholders, credited as fully paid up on the basis of a swap ratio of 2.600613 HCPL Shares for every 1 (one) share of MDPPL (the "**MDPPL – HCPL Swap Ratio**"), approved by the Board of Directors of each of HNL, MDPPL and HCPL, based on the calculations of A. F. Ferguson & Co. (a member firm of PricewaterhouseCoopers network) stated in the Swap Letter.
- 9.2. Notwithstanding the above, in order to effectuate the Arrangement, HCPL shall allot and issue the HCPL Shares in such manner that HNL shall be entitled to 55% (fifty five percent) of the HCPL Shares i.e. 15,892,635 (Fifteen Million Eight Hundred Ninety Two Thousand Six Hundred Thirty Five) HCPL Shares, while the MDPPL Shareholders shall be entitled to the balance 45% (forty five percent) of the HCPL Shares, amounting to 13,003,065 (Thirteen Million Three Thousand Sixty Five) HCPL Shares, pro rata to their shareholding in MDPPL on the Record Date. All fractions less than a share shall be consolidated into whole shares which shall be disposed of by HCPL in a manner determined by the Board of Directors of HCPL.
- 9.3. The MDPPL – HCPL Swap Ratio has been determined on the basis of the audited financial statements of MDPPL as at March 31, 2016, as adjusted for the management financial information from April 1, 2016 till June 30, 2016 and the relative valuations / calculations carried out by A. F. Ferguson & Co. (a member firm of PricewaterhouseCoopers network) in terms of the Swap Letter, as approved by the Board of Directors of each of HNL, MDPPL and HCPL.
- 9.4. As consideration in favour of the MDPPL Shareholders for the Arrangement, particularly the issuance of 55% (fifty five percent) of the HCPL Shares in favour of HNL, HNL shall allot and issue, at par, an aggregate of 174,143,151 (One Hundred Seventy Four Million One Hundred Forty Three Thousand One Hundred Fifty One) HNL Shares to the MDPPL Shareholders, pro rata to their shareholding in MDPPL on the Record Date, credited as fully paid up on the basis of a swap ratio of 34.828630 HNL Shares for every 1 (one) share of MDPPL (the "**HNL Swap Ratio**"), approved by the Board of Directors of each of HNL, MDPPL and HCPL, based on the calculations of A. F. Ferguson & Co. (a member firm of PricewaterhouseCoopers network) stated in the Swap Letter, and all entitlements of the MDPPL 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 HNL in a manner determined by the Board of Directors of HNL.

- 9.5. The HNL Swap Ratio has been determined on the basis of the audited financial statements of MDPPL as at March 31, 2016, as adjusted for the management financial information from April 1, 2016 till June 30, 2016, the audited financial statements of HNL as at and for the year up to June 30, 2016, and the relative valuations / calculations carried out by A. F. Ferguson & Co. (a member firm of PricewaterhouseCoopers network) in terms of the Swap Letter, as approved by the Board of Directors of each of HNL, MDPPL and HCPL.
- 9.6. At least 7 (seven) days' notice shall be given to the shareholders of MDPPL by MDPPL, specifying the Record Date in order to determine the identities of the MDPPL Shareholders. Such notice shall also specify the date by which the MDPPL Shareholders shall deliver to MDPPL, for cancellation, all the share certificates representing ordinary shares in MDPPL held by the shareholders and such share certificates shall be delivered to MDPPL on or before that date. The share certificates delivered by the MDPPL Shareholders as required above shall stand cancelled.
- 9.7. Within 7 (seven) days of the Record Date, MDPPL shall communicate the details of the MDPPL Shareholders to HCPL and HNL.
- 9.8. The allotment of the HCPL Shares (in accordance with the provisions of this Article 9) shall be made by HCPL within 30 (thirty) days from the date on which the identities of the MDPPL Shareholders have been provided to HCPL. 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 HNL and the MDPPL Shareholders in the manner provided in the Articles of Association of HCPL. 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. HCPL shall not be responsible for loss of the share certificates in such transmission.
- 9.9. The allotment of the HNL Shares (in accordance with the provisions of this Article 9) shall be promptly carried out by HNL after the date on which the identities of the MDPPL Shareholders have been provided to HNL. The share certificates for such shares shall be made ready for delivery as soon as practicable thereafter and notice of their readiness for their delivery shall be given to the MDPPL Shareholders in the manner provided in the Articles of Association of HNL. 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. Alternatively, at the option of each MDPPL Shareholders (as communicated by the respective MDPPL Shareholder to HNL within 10 (ten) days from the date on which MDPPL has provided details of the MDPPL Shareholders to HNL), HNL shall directly credit the respective MDPPL Shareholder's CDC account with book entries relating to the HNL Shares. Such allotment shall be carried out in accordance with the rules and regulations of the CDC.
- 9.10. The HCPL Shares and HNL, issued and allotted to HNL and / or the MDPPL Shareholders (as applicable) in accordance with the provisions of this Scheme shall, in all respect, rank pari passu with the ordinary shares of HCPL and HNL respectively and shall be entitled to all dividends declared by the respective companies after the Completion Date.

- 9.11. Subject to the sanction of the Scheme by the Court, MDPPL shall, without winding up, stand dissolved from the date on which (i) all the HCPL Shares, to be allotted and issued by HCPL, to HNL and the MDPPL Shareholders; and (ii) all the HNL Shares, to be allotted and issued by HNL, to the MDPPL Shareholders, in the manner stated above, have been so allotted and issued.

ARTICLE 10

EMPLOYEES

- 10.1. On and from the Effective Date, all full time officers and employees (including workmen) of MDPPL shall become the employees of HCPL 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 / Completion Date, including those relating to entitlements and benefits arising upon termination of services, on the basis of continuation of service.

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 HNL, MDPPL and HCPL 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 HNL and / or MDPPL and / or HCPL (as may be applicable) in its entirety and / or the Scheme, as approved by the respective companies, is modified by the Court, the Board of Directors of HNL and / or MDPPL and / or HCPL 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. Specific Performance

In the event of any breach of the provisions of this Scheme after the Completion Date by HNL, MDPPL, HCPL or any of their respective shareholders, any aggrieved party may take such steps necessary to specially enforce the provisions hereof.

11.5 Costs and expenses

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

Karachi.

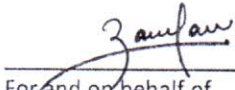
Dated: Dec 20, 2016.



For and on behalf of
HUM NETWORK LIMITED

Name: MOHSIN NAEEM

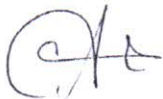
Designation: COMPANY SECRETARY



For and on behalf of
M.D PRODUCTIONS (PRIVATE) LIMITED

Name: Masood Zaman

Designation: Chief Financial Officer



For and on behalf of
HUMM CO. (PRIVATE) LIMITED

Name: SYED AMIR SHAHZAD

Designation: COMPANY SECRETARY

LIST OF ANNEXURES

- "Annexure A"** – List of members of Board of Directors of HNL.
- "Annexure B"** – List of members of Board of Directors of MDPPL.
- "Annexure C"** – List of members of Board of Directors of HCPL.
- "Annexure D"** – Swap Letter dated September 22, 2016, issued by A. F. Ferguson & Co. (a member firm of PricewaterhouseCoopers network).

ANNEXURE A

LIST OF MEMBERS OF THE BOARD OF DIRECTORS OF HUM NETWORK LIMITED

Mr. Mazhar Ul Haq Siddiqui

Mr. Duraid Qureshi

Mrs. Khush Bakht Shujaat

Mrs. Mahtab Akbar Rashdi

Mr. Muhammad Ayub Younus Adhi

Mr. Munawar Alam Siddiqui

Mr. Shunaid Qureshi

Ms. Sultana Siddiqui

ANNEXURE B

LIST OF MEMBERS OF THE BOARD OF DIRECTORS OF M.D PRODUCTIONS (PRIVATE) LIMITED

Ms. Momina Duraid Qureshi

Ms. Rana Gul

Syed Adnan Haroon Ahmed Qureshi

ANNEXURE C

LIST OF MEMBERS OF THE BOARD OF DIRECTORS OF HUMM CO. (PRIVATE) LIMITED

Ms. Sultana Siddiqui

Mr. Duraid Qureshi

Mr. Athar Viqar Azim

874/AD (3)
26/AD (2)
P/AD (2)

Presented on 26/12/2016
Deputy Registrar (O.S.)
1

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

J. C. M. PETITION NO. **46** OF 2016

In the matter of:
Sections 284 to 288 of the Companies Ordinance, 1984

1. **HUM NETWORK LIMITED**, a public company limited by shares, incorporated and existing under the provisions of the Companies Ordinance, 1984, having its Registered Office at Plot No. 10/11, Hassan Ali Street, Off I. I. Chundrigar Road, Karachi.

2. **M.D PRODUCTIONS (PRIVATE) LIMITED**, a private company limited by shares, incorporated and existing under the provisions of the Companies Ordinance, 1984, having its Registered Office at D-145, Block-5, Kehkashan, Clifton, Opposite PALPA Office, Karachi.

3. **HUMM CO. (PRIVATE) LIMITED**, a private company limited by shares, incorporated and existing under the provisions of the Companies Ordinance, 1984, having its Registered Office at Plot No. 10/11, Hassan Ali Street, Off I. I. Chundrigar Road, Karachi.



.....PETITIONERS

PETITION UNDER SECTION 284 READ WITH
SECTIONS 285 TO 288 OF THE COMPANIES ORDINANCE, 1984

ORDER SHEET
IN THE HIGH COURT OF SINDH AT KARACHI
JCM No.46/2016

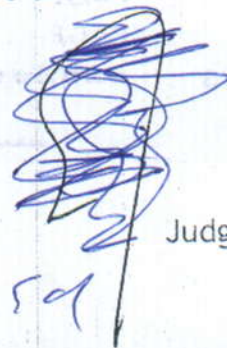
DATE ORDER WITH SIGNATURE OF JUDGE

1. For orders on CMA No.436/17
 2. For orders on CMA No.438/17
 3. For orders on CMA No.439/17
 4. For orders on main petition
-

12.1.2017

Mr. Mikael Azmat Rahim for petitioner.
.X.X.X.X

1. Urgency application granted.
2. Exemption application granted subject to all just legal exceptions.
3. Let the meeting be called in pursuance of this application.
4. Let notice be published as required in terms as prayed for. The advertisement in terms of Rule 76 read with Rule 19 of the Companies Ordinance (Court) Rules, 1997 be made. Notice be also issued to the regulatory authority/SECP to submit report before the next date.


Judge



CERTIFIED TO BE TRUE COPY

[Signature]
13-1-2017
Assistant Registrar (Copying)

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