



Meezan Bank
The Premier Islamic Bank

May 28, 2014

CS/KSE-11/051/2014

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

Dear Sir,

NOTICE OF EXTRAORDINARY GENERAL MEETING

We enclose a copies of the “**Notice of Extraordinary General Meeting to approve the Scheme of Amalgamation**” to be held on **June 18, 2014** at **9:00 a.m.** at **Meezan House C-25, Estate Avenue, SITE, Karachi**, published today in daily “**Business Recorder**” Karachi and “**Jang**” Karachi for your information and record.

Yours truly,

Tasnimul Haq Farooqui
Company Secretary

Encls.

budget as Government is fully convinced to facilitate the people as well as the business community.

Engr Suhail Bin Rashid said 'No Tax No Return' is one of the best options for exporters and Government must take

ment of industrial sector with adequate facilities and incentives. It would not only boost economic activities but also help government to get more taxes and duties in addition to creating new job opportunities for the unemployed youth.

Members are requested to intimate change of their address, if any, to the Company's Registrar & Transfer Agent immediately.

Karachi
Dated: May 27, 2014

Faiz Chapra
Company Secretary



Meezan Bank
The Premier Islamic Bank

Notice of Extraordinary General Meeting to Approve the Scheme of Amalgamation

Notice is hereby given that an Extraordinary General Meeting of the Members of Meezan Bank Limited will be held Insha-Allah on Wednesday, June 18, 2014 at 9:00 a.m. at Meezan House, C-25, Estate Avenue, SITE, Karachi to transact the following business:

Ordinary Business

1. To confirm the minutes of the 18th Annual General Meeting held on March 27, 2014 at Karachi.

Special Business

2. To consider and if thought fit, approve the Scheme of Amalgamation for the amalgamation of HSBC Bank Middle East Limited Pakistan Branch Operations into and with Meezan Bank Limited ("Bank"), pursuant to Section 48 of the Banking Companies Ordinance, 1962 ("BCO") and pass the following special resolution with or without modifications:

- a. Resolved that subject to all regulatory approvals required, including approval of the State Bank of Pakistan and the Competition Commission of Pakistan HSBC Bank Middle East Limited Pakistan Branch Operations be and is hereby approved to be amalgamated with and into the Bank in accordance with the Scheme of Amalgamation to be sanctioned by the State Bank of Pakistan ("Merger").
- b. Resolved further that the Scheme of Amalgamation under the provision of Section 48 of the Banking Companies Ordinance, 1962 circulated to the members of the Bank be and is hereby approved, subject to any modification which may be carried out as per requirements of the State Bank of Pakistan and/or for purposes of rectifying any error, clarification or elaboration.
- c. Resolved further that President & CEO of the Bank, be and is hereby authorized either by himself or by appointing the Company Secretary or any officer/external lawyer, to take all steps necessary, ancillary and incidental of the Merger including but not limited to (i) making such modifications and alteration to the Scheme of Amalgamation as may be deemed expedient; (ii) take all necessary steps and do all acts, things and deeds, as may be required by the law, for the purpose of approval of the Scheme of Amalgamation; (iii) submit the Scheme of Amalgamation before the State Bank of the

Pakistan for sanction; (iv) execute and deliver affidavits, affirmations, petitions and or other documents as may be required in respect of the Merger; (v) appoint consultant, attorneys, advocates, pleaders and counsel in respect of the Merger; (vi) make such alteration and modification in the Scheme of Amalgamation as the State Bank of Pakistan may requires; (vii) take such other steps and execute such other documents as may be necessary or expedient for the purpose of giving effect to the spirit and intent of above resolutions; and (viii) generally to submit all such documents as may be required by the State Bank of Pakistan in relation to the Merger, executing all such certificates, applications, notices, reports, letters and any other document or instrument including any amendments or substitutions to any of the foregoing as may be required in respect of the Merger or any action incidental thereto.

3. To transact any other business with the permission of the chair.

A statement under section 160(1)(h) of the Companies Ordinance, 1984 and a copy of Scheme of Amalgamation are being sent to the Shareholders along with this notice.

Karachi
May 28, 2014

By Order of the Board
Tasnimul Haq Farooqui
Company Secretary

Notes:

- i) The Members' Register will remain closed from June 09, 2014 to June 18, 2014 (both days inclusive) to determine the names of members entitled to attend and vote in the meeting.
- ii) A member eligible to attend and vote at this meeting may appoint any person as proxy to attend and vote in the meeting. Proxies in order to be effective must be received at the Registered Office of the Bank, duly stamped, signed and witnessed, not less than forty eight (48) hours before the holding of the meeting.
- iii) An individual Beneficial Owner of the Central Depository Company, entitled to vote at this meeting must bring his/her Computerized National Identity Card along with the participant ID numbers and sub account numbers with him/her to prove his/her identity, and in case of proxy must enclose an attested copy of his/her Computerized National Identity Card. Representatives of corporate members should bring the usual documents required for such purposes.

DAILY "BUSINESS RECORDER" KARACHI DATED MAY 28, 2014

ARGUS

اسم کی ملکیت کو درست حد تک اوزنوں اور اجزاء کے ساتھ دیکھتے ہوئے کہا ہے کہ پراسن اور سائز گارڈوں میں دونوں ملکوں میں تجارتی سرگرمیوں میں اضافہ ہوگا۔ پاک بھارت تجارت کے واقعات موجود ہیں دونوں ممالک کے درمیان تجارت سے دونوں

حیدرآباد: چیئر آف کانس کے صدر کو برائے کی جانب سے امریکی توفیقیت کراچی کے سینئر آفیسر راجا بیکوئل کے اعزاز میں دینے کے مشاغل کے موقع پر محمد شاہد غنیہ، والدین قریبی، عبدالمصطفیٰ اور عبدالرحمن صاحب کا گروپ (ف۔ر)



میزان بینک
بہترین مشہور اسلامی بینک

اطلاع برائے غیر معمولی جنرل میٹنگ انضمام کی اسکیم کو منظور کرنے کے لیے

دستاویز فراہم کرنا؛ (v) انضمام کے لیے کنسلٹنٹ، انٹرنی، ایڈووکیٹ، وکیل اور کونسل مقرر کرنا؛ (vi) اسٹیٹ بینک آف پاکستان کی ہدایت پر اور ضرورت پڑنے پر انضمام کی اسکیم میں ترمیم یا تبدیلیاں کی جاسکتی ہیں؛ (vii) قرارداد کے بعد ادارے کو چند دوسرے اقدامات اور دستاویزات فراہم کرنا ضروری ہیں؛ اور (viii) عام طور پر انضمام کی صورت میں اسٹیٹ بینک آف پاکستان کو درکار تمام دستاویز جمع کروانا، انضمام کے سلسلے میں یا اس سے متعلقہ کسی دوسری کارروائی میں متعلقہ سرٹیفکیٹ، درخواستیں، نوٹس، رپورٹس، لیٹرز اور کوئی دستاویز یا کسی بھی ترمیم شدہ اسٹرومنٹ یا اس معاملے میں کسی اور قبضہ ترمیم کو جمع کروانا جو اس انضمام یا اس کے نتیجے میں درکار ہوں گی۔

3- اجلاس کے سربراہ کی اجازت سے کسی دیگر کارروائی پر غور و خوض

کینیڈا آرڈیننس 1984 کی شق (b)(1) 160 کے تحت انضمام کی اسکیم کی کاپی متعلقہ نوٹس کے ساتھ تمام شیئر ہولڈرز کو فراہم کی جارہی ہے۔

بگم بورڈ
تسلیم الحق فاروقی
کمپنی سیکریٹری

کراچی
28 مئی 2014

نوٹس:

(i) میٹنگ میں شریک ہو کر ووٹ دینے کے حق دار ممبران کے ناموں کے تعین کے لیے کمپنی کے ممبران کا رجسٹر 9 جون 2014ء سے 18 جون 2014ء تک بند رہے گا (دونوں ایام شامل ہیں)۔

(ii) اس میٹنگ میں شرکت اور ووٹ دینے کا حق دار کوئی بھی ممبر کسی شخص کو میٹنگ میں حاضر ہونے اور ووٹ دینے کے لیے اپنا اپنی نمائندہ مقرر کر سکتا ہے۔ باضابطہ مہر، دستخط اور گواہی کے حامل نمائندگی کے تقررات سے میٹنگ کے انعقاد سے کم از کم اڑتالیس (48) گھنٹے پہلے بینک کے رجسٹرڈ آفس میں وصول ہونے کی صورت میں موثر سمجھے جائیں گے۔

(iii) میٹنگ میں ووٹ دینے کا اہل سینئر ڈپازٹری کمپنی سے استفادہ کرنے والا فرد اپنی شناخت ثابت کرنے کے لیے شرکت کے شناختی نمبروں اور سب اکاؤنٹ نمبروں کے ساتھ اپنا اصل کمپیوٹرائزڈ قومی شناختی کارڈ ساتھ لائے گا۔ نمائندہ ہونے کی صورت میں اپنے کمپیوٹرائزڈ قومی شناختی کارڈ کی تصدیق شدہ نقل منسلک کرنی ہوگی۔ کاروباری ممبران کے نمائندے کو معمول کی دستاویزات ہمراہ لانی ہوں گی جو اس طرح کے مقاصد کے لیے درکار ہوتی ہیں۔

تمام متعلقہ افراد کو مطلع کیا جاتا ہے کہ میزبان بینک لیٹڈ کے ممبران کی ایک غیر معمولی جنرل میٹنگ انشاء اللہ بروز بدھ، 18 جون 2014ء بوقت صبح 9:00 بجے برہم مقام میزبان ہاؤس، C-25، ایسٹ ایوینیو، سائٹ، کراچی منعقد ہوگی جس میں درج ذیل کارروائی پر غور و خوض کیا جائے گا:

عمومی کارروائی

1- 27 مارچ 2014ء کو منعقدہ 18 ویں سالانہ جنرل میٹنگ کی کارروائی کی توثیق

خصوصی کارروائی

2- غور و خوض کے بعد اگر ممبران مناسب سمجھیں تو HSBC بینک، لمڈل ایسٹ لیٹڈ پاکستان برانچ آپریشن کی میزبان بینک لیٹڈ میں اور میزبان بینک کے ساتھ انضمام کے لیے بینکنگ کینیڈا آرڈیننس 1962 ("BCO") شق نمبر 48 کے تحت انضمام کی اسکیم منظور کریں اور درج ذیل خصوصی قراردادیں کسی ترمیم کے ساتھ یا ترمیم کے بغیر منظور کر لیں۔

(a) قرار پایا کہ تمام قانونی منظور یوں کے بعد جس میں اسٹیٹ بینک آف پاکستان اور کینیڈا کیشن کمیشن آف پاکستان کی منظوریوں بھی شامل ہیں، HSBC بینک لمڈل ایسٹ لیٹڈ، پاکستان برانچ آپریشن کو انضمام کی اسکیم کے تحت اور اسٹیٹ بینک کی منظوری کے مطابق میزبان بینک میں اور میزبان بینک کے ساتھ ضم کر دیا جائے، ("Merger")

(b) مزید قرار پایا کہ بینک کے بینکنگ کینیڈا آرڈیننس 1962 کی شق نمبر 48 کے تحت انضمام کی اسکیم کے اس منصوبے کو جو ممبران میں تقسیم کیا گیا ہے منظور کیا جائے جو شرط ہوگا۔ کسی ایسی ترمیم کے ساتھ جو اسٹیٹ بینک آف پاکستان کی ہدایت کے مطابق کی جائے گی جس کی ضرورت کسی غلطی کی تصحیح وضاحت یا تفصیل کے لیے ضروری ہوگی۔

(c) مزید قرار پایا کہ بینک کے صدر اور چیف ایگزیکٹو آفیسر کو اجازت دی جاتی ہے کہ وہ خود ہی یا کمپنی سیکریٹری یا کسی آفیسر یا بیرونی وکیل کے ذریعے وہ تمام متعلقہ یا غرضی اقدامات کرے جو اس انضمام کے لیے درکار ہیں جن میں درج ذیل اقدامات (مگر انہی تک محدود نہیں) شامل ہیں۔ (i) انضمام کی اسکیم میں چند ترمیم اور ضروری تبدیلیوں کی متناہت سے کی جاسکتی ہے؛ (ii) انضمام کی اسکیم کی منظوری کے لیے قانون کے مطابق تمام ضروری اقدامات اور عمل کرنا؛ (iii) اسٹیٹ بینک آف پاکستان سے منظوری سے پہلے انضمام کی اسکیم جمع کروانا؛ (iv) انضمام کے لیے حلف نامہ، قرارداد، درخواستیں اور یا کوئی متعلقہ



Meezan Bank

The Premier Islamic Bank

NOTICE OF EXTRAORDINARY GENERAL MEETING TO APPROVE THE SCHEME OF AMALGAMATION

Notice is hereby given that an Extraordinary General Meeting of the Members of Meezan Bank Limited will be held Insha-Allah on Wednesday, June 18, 2014 at 9:00 a.m. at Meezan House, C-25, Estate Avenue, SITE, Karachi to transact the following business:

ORDINARY BUSINESS

1. To confirm the minutes of the 18th Annual General Meeting held on March 27, 2014 at Karachi.

SPECIAL BUSINESS

2. To consider and if thought fit, approve the Scheme of Amalgamation for the amalgamation of HSBC Bank Middle East Limited Pakistan Branch Operations into and with Meezan Bank Limited ("Bank"), pursuant to Section 48 of the Banking Companies Ordinance, 1962 ("BCO") and pass the following special resolution with or without modifications:

- a. *Resolved that subject to all regulatory approvals required, including approval of the State Bank of Pakistan and the Competition Commission of Pakistan HSBC Bank Middle East Limited Pakistan Branch Operations be and is hereby approved to be amalgamated with and into the Bank in accordance with the Scheme of Amalgamation to be sanctioned by the State Bank of Pakistan ("Merger").*
- b. *Resolved further that the Scheme of Amalgamation under the provision of Section 48 of the Banking Companies Ordinance, 1962 circulated to the members of the Bank be and is hereby approved, subject to any modification which may be carried out as per requirements of the State Bank of Pakistan and /or for purposes of rectifying any error, clarification or elaboration.*
- c. *Resolved further that President & CEO of the Bank, be and is hereby authorized either by himself or by appointing the Company Secretary or any officer/ external lawyer, to take all steps necessary, ancillary and incidental of the Merger including but not limited to (i) making such modifications and alteration to the Scheme of Amalgamation as may be deemed expedient; (ii) take all necessary steps and do all acts, things and deeds, as may be required by the law, for the purpose of approval of the Scheme of Amalgamation; (iii) submit the Scheme of Amalgamation before the State Bank of Pakistan for sanction; (iv) execute and deliver affidavits, affirmations, petitions and or other documents as may be required in respect of the Merger; (v) appoint consultant, attorneys, advocates, pleaders and counsel in respect of the Merger; (vi) make such alteration and modification in the Scheme of Amalgamation as the State Bank of Pakistan may requires; (vii) take such other steps and execute such other documents as may be necessary or expedient for the purpose of giving effect to the spirit and intent of above resolutions; and (viii) generally to submit all such documents as may be required by the State Bank of Pakistan in relation to the Merger, executing all such certificates, applications, notices, reports, letters and any other document or instrument including any amendments or substitutions to any of the foregoing as may be required in respect of the Merger or any action incidental thereto.*

3. To transact any other business with the permission of the chair.

A statement under section 160(1) (b) of the Companies Ordinance, 1984 and a copy of Scheme of Amalgamation are being sent to the Shareholders along with this notice.

By Order of the Board

Tasnimul Haq Farooqui
Company Secretary

Karachi
May 28, 2014

Notes:

- i) The Members' Register will remain closed from June 09, 2014 to June 18, 2014 (both days inclusive) to determine the names of members entitled to attend and vote in the meeting.
- ii) A member eligible to attend and vote at this meeting may appoint any person as proxy to attend and vote in the meeting. Proxies in order to be effective must be received at the Registered Office of the Bank, duly stamped, signed and witnessed, not less than forty eight (48) hours before the holding of the meeting.
- iii) An individual Beneficial Owner of the Central Depository Company, entitled to vote at this meeting must bring his/her Computerized National Identity Card alongwith the participant ID numbers and sub account numbers with him/her to prove his/her identity, and in case of proxy must enclose an attested copy of his/her Computerized National Identity Card. Representatives of corporate members should bring the usual documents required for such purposes.

STATEMENT UNDER SECTION 160 (1) (b) OF THE COMPANIES ORDINANCE, 1984

This statement sets out the material facts concerning the resolutions contained in item (2), of the Notice pertaining to the special business to be transacted at the Extraordinary General Meeting of the Bank to be held on June 18, 2014.

Scheme of Amalgamation:

The Bank has obtained approval of the Board of Directors and have also obtained in-principle approval of State Bank of Pakistan to proceed with the Merger in accordance with the provisions of Section 48 of the Banking Companies Ordinance, 1962, as a result of which the entire undertaking of HSBC Pakistan including all properties, assets, receivables, liabilities and all other rights and obligations of HSBC Pakistan shall stand amalgamated and merged with and into the Bank.

The Merger shall be effected by way of a Scheme of Amalgamation in accordance with the provisions of Section 48 of the Banking Companies Ordinance, 1962 which is required to be approved by the shareholders of the Bank and sanctioned by the State Bank of Pakistan.

The Bank has entered into an Amalgamation Agreement dated May 09, 2014 with HSBC Bank Middle East Limited pursuant to which the draft of the Scheme of Amalgamation has been agreed with HSBC Bank Middle East Limited and the State Bank of Pakistan has given approval to process the Merger on the basis of approval from shareholders of the Scheme of Amalgamation and therefore the Special Resolutions are proposed to be passed by the shareholders.

As a consequence of the Merger, no additional / new shares of the Bank are contemplated to be issued to HSBC Bank Middle East Limited.

None of the Directors of the Bank have any personal interest in the aforesaid Special Resolutions except in their capacity as shareholders or Directors of the Bank.



Meezan Bank

The Premier Islamic Bank

PROXY FORM EXTRA ORDINARY GENERAL MEETING

The Company Secretary
Meezan House C-25,
Estate Avenue, SITE,
Karachi, Pakistan.

I/We _____ of _____ being a member(s) of **Meezan Bank Limited**
and holder of _____ ordinary shares as per Share Register Folio No. _____
and/or CDC Participant I.D No. _____ and Sub Account No. _____
do hereby appoint _____ of _____
or failing him/her _____ of _____ as my/our proxy to vote and act for
me/us on my/ our behalf at the Extraordinary General Meeting of Meezan Bank Ltd. to be held on Wednesday,
June 18, 2014 at Meezan House C-25, Estate Avenue, SITE, Karachi, and at any adjournment thereof.

Signed this _____ day of _____ 2014.

Witness:

Signature _____

Name _____

Address _____

CNIC No. _____

Please affix
Rupees five
revenue stamp

Signature of Member(s)

Notes:

1. Proxies in order to be effective, must be received by the company not less than 48 hours before the meeting.
2. CDC Shareholders and their Proxies are each requested to attach an attested photocopy of their Computerized, National Identity Card or Passport with this proxy form before submission to the company.

PLEASE
AFFIX
CORRECT
POSTAGE

The Company Secretary
Meezan Bank Limited
Meezan House C-25,
Estate Avenue, SITE,
Karachi, Pakistan.

**HBME BRANCH BUSINESS
AND
MEEZAN BANK LIMITED
AMALGAMATION SCHEME 2014
(for the transfer of Banking Business in Pakistan)**

SCHEME OF AMALGAMATION

HBME BRANCH BUSINESS AND MBL AMALGAMATION SCHEME

Under Section 48 of the Banking Companies Ordinance 1962 (LVII of 1962) of Pakistan:

1. NAME

This Scheme of Amalgamation shall be called the "HBME Branch Business and MBL Amalgamation Scheme 2014" (the **Scheme**).

2. DEFINITIONS

For the purposes of this Scheme:

- (a) **Amalgamation Consideration** is defined in clause 9;
- (b) **Business Day** means a day (other than a Friday or Saturday or Sunday or a legal holiday for financial institutions as announced by the State Bank or the UAE Central Bank) on which commercial banks in Islamabad, Pakistan and Dubai, UAE are open for the transaction of normal banking business;
- (c) **Business Names** means all trade and business names and marks (whether or not registered) and any other business, logo, device, format or style owned or used by HBME (or any member of HBME's Group) whether in connection with the HBME Branch business or otherwise;
- (d) **MBL** means Meezan Bank Limited, a banking company incorporated in Pakistan whose registered office is at Meezan House, C-25 Estate Avenue, S.I.T.E., Karachi, Pakistan;
- (e) **Capital Deposit** means the capital deposit amount of US\$72,443,557 deposited in USD by HBME with the State Bank for the purposes of Section 13 of the Ordinance;
- (f) **Effective Date** means closing of banking business in Karachi, Pakistan on the date on which HBME and MBL jointly deliver to the State Bank an executed Scheme Effect Notice;
- (g) **Employees and Contracted Staff** means those: (i) employees; and (ii) staff retained through third party service providers (in each case whether Workmen or Non-Workmen) of HBME or any member of HBME's Group who are wholly or mainly engaged in the HBME Branch Business (including those identified by HBME as supporting the HBME Branch Business) as at the Effective Date;

- (h) **Encumbrance** means any mortgage, charge, pledge, hypothecation, lien, option, restriction, right of first refusal, right of pre-emption, claim, right, power of sale, retention of title, or preference granted to any third party, or any other encumbrance or security interest of any kind have a similar effect to any of them (or an agreement, arrangement or commitment to create any of the same);
- (i) **Head Office Related Assets** means the assets described in **Part 1** of **Annexure C** attached hereto;
- (j) **Head Office Related Business** means any contracts, products or services (or any other banking or other business relationship) which any customer of the HBME Branch Business (excluding for the purposes of this definition, any reference to the 'Head Office Related Matters' in the definition of 'HBME Branch Business') has or receives with, or from, any offshore branch, or branch not located in Pakistan, of HBME or any other member of HBME's Group;
- (k) **Head Office Related Contracts** means contracts of the type described in **Part 2** of **Annexure C** attached hereto;
- (l) **Head Office Related Matters** means the Head Office Related Assets, Head Office Related Contracts and the Head Office Related Business;
- (m) **HBME** means HSBC Bank Middle East Limited, a company incorporated in Jersey, the Channel Islands and having its registered office at HSBC House, Esplanade, St. Helier, Jersey, JE4 8UB;
- (n) **HBME Branch Business** means the banking business and operations carried on by HBME at or through its branch offices in Pakistan (set out in **Annexure B** attached hereto) as at the Effective Date, which comprise the activities for customers of such banking business involving the following lines of business:
- (i) the commercial lending, banking and investment banking business conducted under the Global Banking and Markets (GBM) banner;
 - (ii) the commercial lending and banking business conducted under the Commercial Banking (CMB) banner; and
 - (iii) retail banking and wealth management (including safe deposit boxes);
- but does not include the Head Office Related Matters;
- (o) **HBME's Group** means HBME and each company which is a Subsidiary or Parent Company of HBME or any other Subsidiary of such Parent Company, in each case from time to time;
- (p) **Information Technology Assets** means all information technology infrastructure hardware exclusively used in the HBME Branch Business and owned by HBME, including any printers, cables, Uninterruptible Power

- Supply, modems, telephones, scanners, desktops, laptops, routers and generators situated at the Leased Properties;
- (q) **Intellectual Property** means copyrights, (including, without limitation, rights in computer software), patents, trademarks, trade names, service marks, business names (including, without limitation, internet domain names), design rights, database rights, semi-conductor topography rights, know-how, rights in undisclosed or confidential information, and all other intellectual property or similar proprietary rights of whatever nature (whether registered or not and including, without limitation, applications to register or rights to apply for registration) which may now or in the future subsist anywhere in the world;
- (r) **Intellectual Property Rights** means all:
- (i) patents, the registered trade and service marks, registered designs (and applications for any of them) and internet domain names;
 - (ii) Business Names;
 - (iii) copyright and unregistered design rights; and
 - (iv) all other Intellectual Property which is owned or used by HBME (or any member of HBME's Group) whether or not used or enjoyed in connection with the HBME Branch Business;
- (s) **Law** means any applicable treaty, law, regulation or ordinance or any applicable principle of common law, civil law or equity or any direction, instruction, codes, guidelines, pronouncement, requirement or decision of an applicable Relevant Authority which is binding;
- (t) **Leases** means the leases, under which HBME holds the Leased Properties as tenant;
- (u) **Leased Properties** means the properties leased to the HBME Branch Business, as detailed in **Annexure A** attached hereto;
- (v) **Liabilities** means any and all debts, liabilities (including, for the avoidance of doubt, liabilities for or relating to Tax), commitments, Encumbrances and obligations of any kind, whether present or future, whether fixed, contingent or absolute, matured or unmatured, liquidated or unliquidated, accrued or not accrued, asserted or not asserted, known or unknown, determined, determinable, disputed, the subject matter of legal proceedings before any court or otherwise, and whether owed or incurred severally or jointly or as principal or surety, whenever or however arising (including whether arising out of any contract, common law, statute, tort based on negligence or strict liability or otherwise), and whether or not the same would be required by any relevant accounting standards to be reflected in financial statements or disclosed in the notes thereto;
- (w) **Non-Workmen** means those Employees which are not Workmen;

- (x) **Ordinance** means the Banking Companies Ordinance 1962 (LVII of 1962) of Pakistan;
- (y) **Pakistan** means the Islamic Republic of Pakistan;
- (z) **Parent Company** means any company which holds a majority of the voting rights in another company, or which is a member of another company and has the right to appoint or remove a majority of its board of directors, or which is a member of another company and controls a majority of the voting rights in it under an agreement with other members, in each case whether directly or indirectly through one or more companies;
- (aa) **PKR** means Pakistani Rupees, the lawful currency of Pakistan from time to time;
- (bb) **Preserved Guarantees** means a guarantee, bank guarantee, tender, due performance, facility or customs bond, advance payment, standby letter of credit or other similar obligation, issued by HBME in relation to the HBME Branch Business at the request of a member of HBME's Group and any related counter-guarantee issued by the member of HBME's Group in favour of HBME;
- (cc) **Retained IT Assets** means all information technology infrastructure and systems owned or used by HBME (or any member of HBME's Group), including hardware, software (in both object and source code), firmware, networks and connecting media, and all manuals and other documents relating thereto but excluding the Information Technology Assets;
- (dd) **Relevant Authority** means any supervisory body, any banking or financial services or other regulatory authority, relevant securities commissions, stock exchange authorities, foreign exchange authorities, foreign investment authorities, competition and anti-trust authorities or similar entities or authorities, any government, government department or governmental, quasi-governmental, supranational, statutory, regulatory or investigative body, authority, agency, bureau, board, commission, association, institution, department, court of judicial authority, arbitrator, tribunal or instrumentality thereof in any applicable jurisdiction, including a Tax Authority or any other such body to which the parties are subject;
- (ee) **Scheme Effect Notice** means a joint written notice by HBME and MBL notifying the State Bank of the Effective Date;
- (ff) **the State Bank** means the State Bank of Pakistan established under the State Bank of Pakistan Act, 1956;
- (gg) **Statutory Records** means all books, files, registers, documents, correspondence, papers and other records as are required by Law or by a Relevant Authority to be kept by HBME and retained in its possession;

- (hh) **Subsidiary and Subsidiaries** means any company in relation to which another company is its Parent Company;
- (ii) **Tax or Taxation** includes, without limitation, (a) taxes on gross or net income, profits and gains, and (b) all other taxes, levies, duties, imposts, charges and withholdings of any fiscal nature, including any excise, property, capital value, wealth, land transaction, value added, sales, use, occupation, transfer, franchise and payroll taxes, any social security, workers welfare fund or social fund contributions, any zakat and any stamp duties and customs duties, and any payment whatsoever which the relevant person may be or become bound to make to any person as a result of the discharge by that person of any tax which the relevant person has failed to discharge, together with all penalties, fines, charges and interest relating to any of the foregoing or to any late or incorrect return in respect of any of them, and regardless of whether such taxes, levies, duties, imposts, charges, withholdings, penalties, fines, and interest are chargeable directly or primarily against or attributable directly or primarily to the relevant person or any other person and of whether any amount in respect of them is recoverable from any other person;
- (jj) **Tax Authority** means any taxing or other authority competent to impose any liability in respect of Taxation or responsible for the administration and/or collection of Taxation or enforcement of any Law in relation to Taxation; and
- (kk) **Workmen** means those Employees and Contracted Staff which are defined as "workmen" under relevant Laws of Pakistan, including The Industrial and Commercial Employment (Standing Orders) Ordinance 1968 and The Sindh Industrial Relations Act 2013.

3. **OBJECT OF THE SCHEME**

The principal object of the Scheme is to effect an amalgamation of the HBME Branch Business with and into MBL by transferring to and vesting in MBL the HBME Branch Business, as of the Effective Date.

4. **OPERATIVE DATE AND THE DATE OF COMING INTO FORCE OF THE SCHEME**

The Scheme shall become operative and binding on the Effective Date, provided that the Scheme shall lapse and be of no legal effect unless the Effective Date occurs within 30 calendar days of the date on which the State Bank passes an order sanctioning the Scheme in terms of Section 48 of the Ordinance.

5. **AMALGAMATION**

- (a) With effect from the Effective Date, the undertaking of the HBME Branch Business, including all the properties, assets, Liabilities, rights and obligations of the HBME Branch Business as at the Effective Date shall, without any further act, action or deed and notwithstanding the terms of any contract or other document or any rule of law, stand amalgamated with and into the MBL and as a consequence the HBME Branch Business shall stand amalgamated with and into the MBL.

- (b) Subject to clause 5(c), the undertaking of the HBME Branch Business shall include (without limitation):
- (i) all rights, benefits and powers including those arising from or relating to any and all agreements, contracts, security and financing documents, guarantees, letters of credit, negotiable instruments, security interests (including without limitation mortgages, charges, promissory notes, liens, rights of combination or set-off, pledges, indemnities, hypothecations and other security for the payment or discharge of any liability) executed by or in favour of the HBME Branch Business and rights, benefits and powers in respect of any leases, loans, advances, finances and/or other banking and credit facilities provided by the HBME Branch Business, the right to rely on representations, rights of estoppel, powers, authorities, privileges, licences, permits, authorisations, and other permissions whatsoever of the HBME Branch Business subsisting as at the Effective Date; and
 - (ii) all properties and assets, movable or immovable (including the Leases) of whatsoever nature and all deposits, cash balances, reserves, revenue balances, investments and all title, rights or interest in or arising out of such property as may belong to or be in the possession (physical or constructive) of the HBME Branch Business as at the Effective Date; and
 - (iii) all books of account and documents of the HBME Branch Business as at the Effective Date; and
 - (iv) all debts, borrowings, Liabilities, commitments and other obligations of the HBME Branch Business of whatever kind as at the Effective Date (whether actual or contingent, disclosed and undisclosed).
- (c) The Head Office Related Matters and all contracts of personal service between HBME or any member of HBME's Group and any Employees and Contracted Staff do not form any part of the "undertaking" of the HBME Branch Business referred to in clause 5(a) above and are outside the purview of the Scheme.

6. MBL'S OBLIGATIONS

As of and after the Effective Date, the MBL shall undertake, pay, satisfy, discharge, perform and fulfil all the Liabilities and any other debts, contracts, engagements, commitments and obligations whatsoever relating to the HBME Branch Business, and all agreements, contracts, deeds, bonds, powers of attorney, grants of legal representation, guarantees, letters of credit, outstanding cheques, negotiable instruments and other recorded instruments of whatever kind subsisting or having effect as at the Effective Date, to which the HBME Branch Business is a party, shall have the same force and effect against the MBL as they had against the HBME Branch Business before the Effective Date, and may be enforced or acted upon as fully and effectually as if, instead of the HBME Branch Business, the MBL had been a party thereto or as if the same had been issued by or in favour of the MBL. On and from the Effective Date, HBME shall stand discharged from all Liabilities in relation

to the HBME Branch Business, regardless of the date on which such Liabilities arose or may arise.

7. LEGAL PROCEEDINGS

- (a) All tax assessments, suits, appeals and other legal proceedings (including arbitration proceedings) of whatsoever nature by or against the HBME Branch Business and which shall be current or pending as at the Effective Date in or before any court, tribunal or other authority shall be continued prosecuted and enforced by or against the MBL, and the same shall not abate, be discontinued or be in any way prejudicially affected by the provisions of the Scheme and any judgment, order or award obtained by or against the HBME Branch Business and not fully satisfied before the Effective Date shall, to the extent enforceable, be enforceable by or against the MBL and any rights of action enforceable by, or available to the HBME Branch Business, shall become enforceable by or available to the MBL.
- (b) All books and other documents which would have been evidence in respect of any matter, for or against the HBME Branch Business shall be admissible in evidence in respect of the same matter for or against the MBL.
- (c) Where by virtue of the Scheme any claim or liability of the HBME Branch Business becomes a claim or liability of the MBL, the MBL 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 claim or liability as if it had at all times been a claim or liability of the MBL, and any legal proceedings or application to any authority by or against the HBME Branch Business may be continued by or against the MBL.

8. EMPLOYEES AND CONTRACTED STAFF

The Employees and Contracted Staff shall not transfer automatically to the MBL by virtue of this Scheme.

9. CONSIDERATION

The consideration for the amalgamation shall be an amount to be determined on the basis of the net asset value of the HBME Branch Business as at the Effective Date (the **Amalgamation Consideration**).

10. RELEASE OF CAPITAL DEPOSIT

Following the sanctioning of the Scheme and concurrently upon the receipt of the Scheme Effect Notice by the State Bank, the State Bank shall release and effect the transfer of HBME's Capital Deposit on terms advised jointly in writing by HBME and MBL.

11. BANKING AND BRANCH LICENCES

With effect from the Effective Date, all banking and branch licenses issued by the State Bank to the HBME Branch Business shall stand cancelled and the HBME Branch Business shall become the branches of the MBL and shall be authorized to transact banking business.

12. AMENDMENT AND MODIFICATION

No amendment or modification of the Scheme shall be binding unless requested jointly by HBME and the MBL and approved by the State Bank.

13. GOVERNING LAW

The Scheme shall be governed by and be construed in accordance with the substantive and procedural Laws of Pakistan.

14. STATE BANK OF PAKISTAN'S DIRECTIONS

For the purposes of giving effect to the objects of the Scheme and for removing any lacuna, doubt or ambiguity contained in the Scheme, the State Bank may issue directions, either generally or specially, to the MBL and such directions shall be final and binding on it.

15. HEADINGS

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

16. SEVERABILITY

If any provision of the 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.

ANNEX A TO SCHEME OF AMALGAMATION

DETAILS OF LEASED PROPERTIES OF HBME BRANCH BUSINESS

List of Leased Properties owned by HBME Branch Business

Number	Description	Landlord/ Lessor	Tenant/ Licensee	Date of Tenancy Agreement/ Lease agreement	Term
1	HSBC Sialkot Branch	Ms Ayesha Khurram Qayyum w/o ShKhurram Qayyum	HSBC Bank Middle East, Pakistan Branch	15-Nov- 2013	11 Months
2	HSBC Faisalabad Branch	Mrs Ayesha Safdar w/o Mr Safdar Elahi	HSBC Bank Middle East, Pakistan Branch	20-Oct- 2013	11 Months
3	HSBC Rawalpindi Branch	Mohammad Saleem	HSBC Bank Middle East, Pakistan Branch	20-Nov- 2013	11 Months
4	HSBC Sharah e Faisal Branch	Hammad Bilal	HSBC Bank Middle East, Pakistan Branch	15 Aug 2008	6 Years
5	HSBC Lahore Model Town Branch Lahore	Muhammad Saddique / Zaheeruddin Babar / Arsalan Naveed Butt	HSBC Bank Middle East, Pakistan Branch	1 Nov 2008	6 Years
6	HSBC 26th Street Branch Karachi (KCL)	Asif Ikram Malik s/o Ikram ul Haq Malik	HSBC Bank Middle East, Pakistan Branch	01 Nov 2008	6 Years
7	Warehouse Agreement	Shirazi Investment	HSBC Bank Middle East, Pakistan Branch	01 Nov 2009	6 Years
8	Network Services Centre	Pakistan Ordinance Factory	HSBC Bank Middle East, Pakistan Branch	20 Sep 2010	5 Years
9	HSBC Shaheen Complex Branch Karachi	Shaheen Foundation	HSBC Bank Middle East, Pakistan Branch	01-Jan-2012	3 Years
10	HSBC Head Office - Bahria Complex Karachi	Bahria Foundation	HSBC Bank Middle East, Pakistan Branch	10-Jul-2007	7 Years
11	HSBC Premier Branch Karachi	Ahmad ur Rehman / Jawad ur Rehman	HSBC Bank Middle East, Pakistan Branch	01-Jun- 2013	11 Months

12	HSBC Islamabad Main Branch F 7	Ahmed Aziz Bilour / Rehan Aziz Bilour/ Mohammad Imran / Yasir Sakhi Butt	HSBC Bank Middle East, Pakistan Branch	15-Oct-2011	5 years
13	HSBC Gluberg Branch Lahore	Abdul Aziz Ghafoor Khan	HSBC Bank Middle East, Pakistan Branch	01-Jan-2006	8 Years

ANNEX B TO SCHEME OF AMALGAMATION

DETAILS OF HBME'S BRANCHES IN PAKISTAN

No.	BRANCH	ADDRESS
1	HSBC Sialkot Branch	Qayyum Trade Centre, Aziz Shaheed Road, Sialkot Cantt, Pakistan
2	HSBC Faisalabad Branch	Khewat No.24333, Khatooni No.2683, Khasra No. 1086/1/21 Chak No. 212/RB, Faisalabad, Pakistan
3	HSBC Rawalpindi Branch	Plot No.366 , Bank Road Saddar, Rawalpindi
4	HSBC Sharah e Faisal Branch	Citi Tower, Block 6, PECHS, Main Shahrah e Faisal, Karachi, Pakistan
5	HSBC Lahore Model Town Branch Lahore	Commercial Shop No. 16-18, Central Commercial Market, Block C, Bank Square Market, Model Town, Lahore, Pakistan
6	HSBC 26th Street Branch Karachi (KCL)	No.C38D, 26 th Tauheed Commercial Street, Phase V, Defence Housing Authority, Karachi, Pakistan
7	HSBC Shaheen Complex Branch Karachi	Shaheen Commercial Complex, M.R. Kayani Road, Box 121 GPO Karachi, Pakistan
8	HSBC Head Office - Bahria Complex Karachi	Bahria Complex, Khan Road, Karachi, Pakistan
9	HSBC Premiere Branch Karachi	Block 7, KDA Scheme No.5, Clifton, Karachi, Pakistan
10	HSBC Islamabad Main Branch F 7	Class III Shopping Centre, Sector F-7/2, Islamabad, Pakistan
11	HSBC Gluberg Branch Lahore	3-A, Block A, Gulberg II, Zahoor Elahi Road, Lahore, Pakistan

ANNEX C TO SCHEME OF AMALGAMATION

Part 1 - The Head Office Related Assets

1. All Intellectual Property and Intellectual Property Rights belonging to HBME or any member of HBME's Group, including those used by or in connection with the HBME Branch Business.
2. The benefit and burden of the Head Office Related Contracts.
3. The Statutory Records.
4. All Retained IT Assets.
5. Assets, rights and properties which relate in any way to the Head Office Related Business.

Part 2 - The Head Office Related Contracts

6. All policies and contracts of assurance, insurance, indemnity or as to credit risk at any time effected or maintained by HBME and in force at the Effective Date.
7. All guarantees, deposit contracts, bills of exchange and any other form of security whatsoever in each case used to secure obligations under loan agreements with customers of the Head Office Related Business.
8. All contracts entered into by HBME or any member of HBME's Group with any customer of the HBME Branch Business in relation to the PCM Platform including E-Channels and HSBCnet.
9. All contracts, securities, guarantees, indemnities, risk allocation letters or letters of support, in each case whether written or unwritten, between HBME and any other member of HBME's Group (or, as the case may be, between HBME in its capacity as the Pakistan branch and HBME in another capacity), other than the Preserved Guarantees and such contracts which relate to "nostro" or other deposit accounts which have a positive balance and which are held by HBME or any member of HBME Group with HBME in its capacity as the Pakistan branch.