



**PAKISTAN STOCK EXCHANGE LIMITED**

PSX/N-4307

**NOTICE**

July 14, 2017

Reproduced hereunder letter No. BPRD (R&P-02)/NBP/2017/16298 dated July 12, 2017 received from **STATE BANK OF PAKISTAN**, regarding **Amalgamation of NBP Leasing Limited with and into National Bank of Pakistan**, for information of all concerned.  
(Copy of the same is also available on our Website [www.Psx.com.pk](http://www.Psx.com.pk))

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**STATE BANK OF PAKISTAN  
BANKING POLICY & REGULATIONS DEPARTMENT  
KARACHI**

No. BPRD (R&P-02)/NBP/2017/16298

July 12, 2017

1. ~~The President~~  
National Bank of Pakistan  
~~Karachi.~~

2. ~~Managing Director~~  
NBP Leasing Limited  
~~Karachi.~~

Dear Sirs,

**Amalgamation of NBP Leasing Limited with and into National Bank of Pakistan**


Please refer to National Bank's letter No. NBP/IBG/2017/1050 dated May 30, 2017 and NBP Leasing's letter No NBPLL/MD/2017/625 dated June 23, 2017 and other relevant correspondence on the captioned subject.

2. In this connection, State Bank of Pakistan (SBP) is pleased to sanction the Scheme of Amalgamation of NBP Leasing Limited (NLL) with and into National Bank of Pakistan (NBP), under Section 48 of Banking Companies Ordinance 1962. A copy of the Governor's order ("the Order") dated July 12, 2017, passed in this regard is enclosed for information and further necessary action. You are advised to ensure compliance with the conditions stated in the Order as well as the following, while implementing the Scheme of Amalgamation:-

- i. NBP from its own resources shall, at all times meet the regulatory capital requirement as prescribed by SBP from time to time;
- ii. Depositors' funds will not at any time be used on account of this transaction;
- iii. Responsibilities to settle all the liabilities under the Scheme, once approved, will have statutory force;
- iv. Consolidated audited accounts of NLL and NBP shall be submitted as of the date of amalgamation indicating, *inter alia*, therein separate accounts for NLL and NBP within 60 days after the Effective Date of the amalgamation; Further, NBP is advised to report regulatory breach, noticed on account of the subject merger, to SBP, if any;
- v. NBP will retain the employees of NLL on mutually agreed terms and conditions

- vi. "Merger Reserve" shall be retained in the Equity as Capital Reserve. Any subsequent treatment of Capital Reserve shall be done under applicable International Accounting Standards and with the prior approval from SBP;
- vii. NLL post amalgamation, will intimate in writing the compliance of all the applicable regulatory/legal requirements generally and Securities & Exchange Commission of Pakistan particularly;
- viii. NBP shall ensure compliance with all applicable laws, rules and regulations.

Yours sincerely,

  
**(Muhammad Raza Khan)**  
Senior Joint Director

Encl: Sanction Order dated July 12, 2017

Copy forwarded for information and necessary action to:

- The MD, SBP,BSC (Bank), Karachi
- The Director, Exchange Policy Department
- The Director, Banking Inspection (On-site) Department
- The Director, Off-Site Supervision & Enforcement Department
- The Chairman, Securities and Exchange Commission of Pakistan
- ✓ The Managing Director, Pakistan Stock Exchange Limited



STATE BANK OF PAKISTAN  
I.I. CHUNDRIGAR ROAD  
KARACHI

ORDER UNDER SECTION 48 OF THE BANKING COMPANIES ORDINANCE, 1962

**For Amalgamation of NBP Leasing Limited  
with and into National Bank of Pakistan**

**National Bank of Pakistan**, a banking company incorporated as a body corporate under the National Bank of Pakistan Ordinance, 1949 (Ordinance No XIX of 1949), having its registered office at NBP Head Office, NBP Building, I. I. Chundrigar Road, Karachi (hereinafter referred to as "**NBP**"), and NBP Leasing Limited, a non-banking finance company incorporated under the laws of Pakistan, having its registered office at 4<sup>th</sup> Floor, PRC Towers, 32/A Lalazar Drive, M. T. Khan Road, Karachi (hereinafter referred to "**NLL**") [whereas NBP and NLL, where the context so permits, hereinafter collectively referred to as "**amalgamating entities**"] have forwarded scheme for amalgamation of NLL with and into NBP ("**the Scheme**") and have requested SBP to sanction the Scheme in terms of Section 48 of Banking Companies Ordinance 1962 ("**BCO**").

2. NBP and NLL have forwarded the following documents for the above purpose:

**NBP**

- (i) Certified copy of the Scheme;
- (ii) Certified copies of the Notices of the Annual General Meeting ("**AGM**") to shareholders of NBP in three newspapers published once a week for three consecutive weeks;
- (iii) Affidavit of NBP confirming that the shareholders meeting took place on March 30, 2016;
- (iv) Certified copy of the minutes of the shareholders resolution passed in the AGM held on March 30, 2016; and
- (v) Confirmation from legal counsel, M/s Mohsin Tayebaly & Co., that NBP has duly complied with the procedures for obtaining sanction of the Scheme by SBP under Section 48 of the BCO.

**NLL**

- (i) Certified copy of the Scheme;
- (ii) NLL being a wholly owned subsidiary of NBP, the notice of the Extra-Ordinary General Meeting ("**EOGM**") of NLL was issued directly to NBP and its nominees in accordance with the provisions of the Companies Ordinance 1984;
- (iii) Affidavit of the Chairman of EOGM of NLL confirming that the shareholders meeting took place on December 17, 2015;

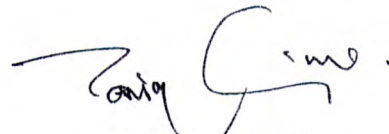




**STATE BANK OF PAKISTAN  
I.I. CHUNDRIGAR ROAD  
KARACHI**

- (iv) Certified copy of the minutes of the shareholders resolution passed in the EOGM held on December 17, 2015; and
  - (v) Confirmation from the legal counsel, M/s Mohsin Tayebaly & Co, that NLL has duly complied with the procedures for obtaining sanction of the Scheme by SBP under Section 48 of the BCO.
3. NLL and NBP have adduced evidence that the procedure for obtaining sanction of the Schemes by SBP under Section 48 of BCO has been duly complied with.
  4. In consideration of the foregoing and substantial compliance of requisite legal formalities, the Scheme submitted by NLL and NBP, is hereby sanctioned in terms of Subsection 4 of Section 48 of BCO. This sanction order is, however, subject to the compliance of provisions of all other applicable laws wherever attracted.
  5. The entire undertaking of NLL including all the properties, assets and liabilities and all the rights and obligations of NLL as at the "Effective Date" as provided in the Scheme 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 vest in NBP and as a consequence, NLL shall stand amalgamated with and into NBP.
  6. It is, however, clarified that in case, subsequent to sanctioning of the Scheme, any fact is found to have been misreported or misrepresented to SBP by the amalgamating entities, SBP shall have the right to take any appropriate measure as it may deem fit,
  7. The Scheme will be effective within 30 days hereof and if 30<sup>th</sup> day happens to be a Sunday or public holiday then on the working day preceding this day.

July 12<sup>th</sup>, 2017

  
(TARIQ BAJWA)  
GOVERNOR

Encl: Authenticated copy of the Scheme of Amalgamation



# SCHEME OF AMALGAMATION

UNDER SECTION 48 OF THE BANKING COMPANIES  
ORDINANCE, 1962 (LVII OF 1962)

INVOLVING

NATIONAL BANK OF PAKISTAN

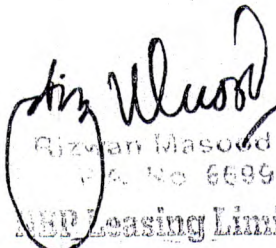
AND

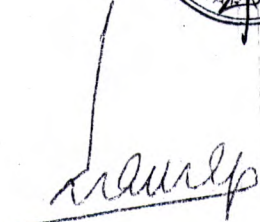
NBP LEASING LIMITED

FOR

The merger / amalgamation of the entire undertaking of NBP Leasing Limited with and into National Bank of Pakistan along with all ancillary matters.



  
Gizehan Masood  
No. 6699  
NBP Leasing Limited

  
Khawaja Muhammad Aminulazam  
Head of Islamic Banking Group

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# SCHEME OF AMALGAMATION

## UNDER SECTION 48 OF THE BANKING COMPANIES ORDINANCE, 1962 (LVII OF 1962)

BY AND BETWEEN

**NATIONAL BANK OF PAKISTAN**, a banking company established as a body corporate under the National Bank of Pakistan Ordinance, 1949 (Ordinance No. XIX of 1949), having its registered office at NBP Head Office, NBP Building, I. I. Chundrigar Road, Karachi (hereinafter referred to as "NBP", which expression shall mean and include, where the context so requires or admits, its successors-in-interest and permitted assigns);

AND

**NBP LEASING LIMITED**, a non-banking finance company incorporated under the laws of Pakistan and having its registered office at 4<sup>th</sup> Floor, PRC Towers, 32/A Lalazar Drive, M. T. Khan Road, Karachi 75400 (hereinafter referred to as "NLL", which expression shall mean and include, where the context so requires or admits, its successors-in-interest and permitted assigns).

### RECITALS

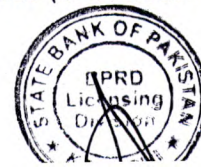
**WHEREAS** NBP is a banking company carrying on the business of banking in Pakistan and is duly licensed by SBP under section 27 of the Ordinance.

**AND WHEREAS** NLL is a non-banking finance company carrying on the business of leasing in accordance with the provisions of sections 282A to 282N of the Companies Ordinance, 1984 and the NBFC Laws under license from the SECP.

**AND WHEREAS** by this Scheme of Amalgamation ("Scheme"), it is, *inter alia*, proposed that the entire undertaking comprising all the Assets, Liabilities and Obligations of NLL shall, as at the Effective Date, stand merged with, transferred to, vested in, and be assumed by NBP, and NLL shall be dissolved without winding-up in the manner stipulated herein, subject to the sanction of this Scheme by SBP in accordance with section 48 of the Ordinance.

**AND WHEREAS** pursuant to the provisions of this Scheme, NBP shall be the surviving company by virtue of the entire undertaking and business of NLL being amalgamated with and into NBP. Consequently, in accordance with the provisions of section 48 of the Ordinance, upon the sanction by SBP, the Scheme shall be binding on NBP and NLL, as well as all the shareholders, creditors, employees, Customers, contracting parties and regulatory bodies of or with respect to NBP and NLL.

**AND WHEREAS** the Scheme has been approved by the Board of Directors of each of NBP and NLL, the SECP, as well as the requisite number of shareholders of NBP and NLL (in accordance with the requirements of Section 48 of the Ordinance).



## BENEFITS OF THIS SCHEME

### A. Larger Asset Base

The Amalgamation would lead to an increased asset base and the size of the surviving entity i.e., thereby improving its business potential. Moreover, access to larger resources would in turn improve NBP's growth prospects and ability to undertake large assignments.

### B. Synergies

The Amalgamation would provide an opportunity to operate the business of NLL through the existing operations department of NBP dealing with the business of leasing. Furthermore, the Undertaking of NLL along with the existing business of NBP may be managed and operated through one accounts department and one set of employees, thus resulting in economies of scales.

### C. Increase in Risk Absorption Capacity

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

### D. Reduction in Administrative Costs

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

### E. Single Corporate and Tax Reporting

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

### F. Strategic Geographical Locations

The Amalgamation will allow the leasing business of NLL to be undertaken through the vast network of NBP's branches, thus expanding the business potential of the merged entity.



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 meaning as ascribed thereto in Article 6.1.(i) of this Scheme;

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

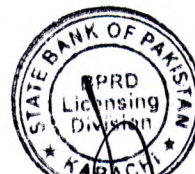
**"Annexure B"** is the annexure attached hereto which lists the members of the Board of Directors of NLL;

**"Assets"** mean all assets, properties, privileges and rights of every description and kind (whether present or future, actual or contingent, tangible or intangible, movable or immovable) and includes properties held on trust and benefit of securities obtained from Customers and third parties, benefits, powers, rights, authorities, privileges, contracts, Government and regulatory authority consents, sanctions and authorizations, including all registrations, licences, permits, categories, entitlements, sanctions, permissions and benefits relating to the business, all trademarks, patents, copyrights, licenses, liberties, secret processes, know-how and confidential information belonging / pertaining to a company. Without in any way limiting or prejudicing the generality of the foregoing, it is hereby clarified that the expression Assets shall include: (i) all properties, immovable and movable, real, corporeal or incorporeal, leasehold or freehold in possession or reversion, present or contingent of whatsoever nature and wheresoever situated belonging to a company; (ii) all choses-in-action, instruments, securities, 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 (actual or constructive), 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 and other installations, owned by, leased or licensed to a company; and (iv) the Contingent Claims and proceeds realized from the Liquidation of the Contingent Claims;

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

**"Completion Date"** shall have the 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;

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

**"Effective Date"** has the same meaning as prescribed thereto in Article 3.2. of this Scheme;

**"Existing"** means existing, outstanding or in force immediately prior to the Effective Date;

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

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

**"NBFC Laws"** means collectively the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 and the Non-Banking Finance Companies and Notified Entities Regulations, 2008 collectively;

**"NBP"** shall have the meaning as prescribed in the Preamble above;

**"NBP Islamic"** means the Islamic banking operations of NBP;

**"NLL"** shall have the meaning as prescribed in the Preamble above;

**"Ordinance"** means the Banking Companies Ordinance, 1962 (LVII OF 1962);

**"SBP"** means the State Bank of Pakistan established under the State Bank of Pakistan Act, 1956;

**"Scheme"** means this Scheme of Amalgamation in its present form;

**"SECP"** means the Securities and Exchange Commission of Pakistan established under the Securities and Exchange Commission of Pakistan Act, 1997;

**"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 owed to a company; and

**"Undertaking"** means and includes the entire undertaking, business, operations, systems, Assets, Liabilities and Obligations of a company as a going concern.



## ARTICLE 2

### OBJECTS OF THE SCHEME

- 2.1. The principal object of this Scheme is to effect the amalgamation of NLL, being the wholly owned subsidiary of NBP, with and into NBP in accordance with the provisions of section 48 of the Ordinance, by transferring to, merging with and vesting in NBP the whole Undertaking of NLL, including all Assets, Liabilities and Obligations of NLL, as of the Effective Date, without the issuance of any additional shares of NBP to the shareholders of NBP. Upon the sanction of the Scheme, and as of the Effective Date, the existing shares of NLL shall stand cancelled and NLL shall stand dissolved without winding up.
- 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.
- 2.3. It is intended that subsequent to the Amalgamation in accordance with this Scheme, the Undertaking of NLL may be parked under NBP Islamic through conversion of the lease / assets portfolio into Shariah compliant leases / assets.

## ARTICLE 3

### EFFECTIVE DATE

- 3.1. This Scheme shall bind NBP and NLL as soon as the same is sanctioned by SBP under Section 48 of the Ordinance (hereinafter referred to as the "Completion Date").
- 3.2. Notwithstanding the above, this Scheme shall become operative and treated as having effect from the close of business on a date to be notified to SBP jointly by NBP and NLL as the effective date (hereinafter referred to as the "Effective Date"), being not later than 30 (thirty) days from the Completion Date, or such other date that SBP may by order prescribe.
- 3.3. Accordingly, as of the Effective Date and thereafter, until the entire Undertaking of NLL has actually been transferred to and stands vested in NBP in terms of this Scheme, the business of NLL will be deemed to have been carried for and on account and for the benefit of NBP.
- 3.4. Furthermore, on the Effective Date, or such other date deemed fit by SBP, SBP shall transmit a copy of its order sanctioning the Scheme to the registrar, SECP before whom NLL has been registered, and the registrar shall, on receipt of such order, strike off the name of NLL (which shall stand dissolved without winding up in terms of this Scheme) in accordance with section 48(5) of the Ordinance.

## ARTICLE 4

### CAPITAL

- 4.1. The authorized share capital of NBP is PKR 25,000,000,000/- (Pak Rupees Twenty Five Billion) divided into 2,500,000,000 (Two Billion Five Hundred Million) ordinary shares of PKR 10/- (Pak Rupees Ten) each, out of which 2,127,513,100 (Two Billion One Hundred Twenty Seven



Million Five Hundred Thirteen Thousand One Hundred) shares have been issued, fully subscribed to and paid up.

- 4.2. The authorized share capital of NLL is PKR 500,000,000/- (Pak Rupees Five Hundred Million) divided into 50,000,000/- (Fifty Million) ordinary shares of PKR 10/- (Pak Rupees Ten) each, all of which have been issued, fully subscribed to and paid up.
- 4.3. Subsequent to the sanction of this Scheme and as of the Effective Date, the authorized share capital of NBP (as the surviving entity) shall remain at PKR 25,000,000,000/- (Pak Rupees Twenty Five Billion ) divided into 2,500,000,000 (Two Billion Five Hundred Million) shares of PKR 10/- (Pak Rupees).

## ARTICLE 5

### BOARD OF DIRECTORS

- 5.1. The present directors of NBP are listed in **Annexure A** attached hereto.
- 5.2. The present directors of NLL are listed in **Annexure B** attached hereto.
- 5.3. The directors of NBP are expected to continue as the directors after the Amalgamation / Effective 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.
- 5.4. All the directors of NLL, as on the Effective Date, shall cease to hold office as directors without any right to any compensation for loss of office. The respective offices of such directors shall stand relinquished.
- 5.5. The directors of NBP and NLL have interest in the Amalgamation to the extent of their respective shareholdings in NBP and NLL (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 each of NBP and NLL.

## ARTICLE 6

### AMALGAMATION

- 6.1. **General Description**
  - (i) With effect from the Effective Date, the entire Undertaking of NLL, as a going concern, shall be amalgamated with and vest in NBP upon the terms and conditions set forth in this Scheme without any further act, deed, matter or thing, process or procedure (the "Amalgamation");
  - (ii) Subject to the provisions of this Article and the terms of the Scheme, NBP shall be able to carry out all the business, functions, objects, activities and operations of NLL and shall be entitled to all the rights and the benefits thereof as from the Effective Date. Notwithstanding the above, with respect to any Liabilities, Obligations, Contracts, commitments and / or rights of NLL that NBP is not permitted to carry



out, fulfill and / or enforce as a banking company (if any) under the Ordinance or any applicable laws, NBP shall continue to carry out, fulfill and / or enforce such Liabilities, Obligations, Contracts, commitments and / or rights subject to their respective terms and conditions, till the expiry or termination thereof, and thereafter the same shall not be renewed, extended, assumed or acquired by NBP; and

- (iii) The existing shares of NLL shall stand cancelled and NLL shall be dissolved, without winding up, from the Effective Date or on such later date as SBP may prescribe.

#### 6.2. **Transfer of the Assets**

As at the Effective Date, all the Assets of NLL, including all immovable properties, shall immediately, without any conveyance or transfer, and without any further act or deed be vested in and become the undertaking and Assets of NBP, which shall have, hold and enjoy the same in its own right as fully as the same were possessed, held and enjoyed by NBP prior to the Amalgamation. However, the transfer of 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 NLL shall immediately and without any further act or deed be assumed by and become the Liabilities and Obligations of NBP, which shall pay, undertake, satisfy, discharge and perform, when due, all such Liabilities and Obligations.

#### 6.4. **NBP's Right to Execute Deeds**

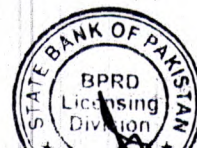
All Deeds, assignments or similar instruments to evidence the aforesaid transfer of Assets and / or assumption of Liabilities / Obligations may, if required, at any time may be executed by officers of NBP authorized in this regard.

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

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

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

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



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**6.7. Contracts**

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

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

**6.8. Bank Accounts**

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

**6.10. Negotiable Instruments**

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

**6.11. Custody of Documents**

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

**6.12. Securities:**

- (i) Any Security held immediately before the Effective Date by NLL or by a nominee or agent of or trustee for NLL, 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 NBP and be available to NBP (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 NBP, in accordance with the provisions of this Scheme, and any liabilities and obligations thereby secured, NBP shall be entitled to the rights and priorities to which NLL 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 NBP (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, NLL or, as the case may be, NBP were secured thereby immediately before that time.

**6.13. Legal Proceedings**

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

**6.14. Judgments**

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

**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 NLL, shall be admissible in evidence in respect of the same matter for or against NBP.

**6.16. Authorizations**

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

**6.17. Clarification**

The provisions contained in Articles 6.2. to 6.16. above are without prejudice to the generality of any other provisions in this Scheme, but subject to any provisions in this Scheme to the contrary effect.

**ARTICLE 7**

**CERTAIN OBLIGATIONS AND REPRESENTATIONS**

- 7.1. Subject to the provisions of Article 6.1.(ii) above, upon the Amalgamation becoming effective, NBP 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 Effective Date, NBP shall undertake, pay, satisfy, discharge, perform and fulfill all the Liabilities and Obligations, Contracts, engagements and commitments whatsoever of NLL.

## 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 on the Effective Date.
- 8.2. The execution of this Scheme, and the Amalgamation in terms hereof, 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 NLL.
- 8.3. As of the Effective Date, the terms of this Scheme shall be binding on NBP and NLL, and also on all the respective shareholders of NBP and NLL, the Customers of each of NBP and NLL, the creditors of NBP and NLL, and on any other person having any right or liability in relation to either of the companies.

## ARTICLE 9

### CONSIDERATION FOR THE AMALGAMATION AND RELATED MATTERS

- 9.1. Since NLL is a wholly owned subsidiary of NBP, no new shares of NBP are intended to be issued and / or allotted to the shareholders of NBP as consideration for the Amalgamation. Upon the Scheme being sanctioned by SBP and the Amalgamation being effected in accordance with the provisions of this Scheme, the existing shares of NLL shall be cancelled and extinguished and NLL shall stand dissolved without being wound up upon the directions of SBP in accordance with section 48(5) of the Ordinance.

## ARTICLE 10

### EMPLOYEES OF NLL

- 10.1. The employees / personnel of NLL (including all whole time officers, workmen and contractual staff) shall not transfer automatically to NBP by virtue of this Scheme. It being clarified that prior to the Completion Date, the employment / arrangement with such persons shall be / have been terminated based on terms mutually agreed between such persons and NLL, which termination shall be conditional and effective from the Effective Date (unless terminated earlier in accordance with the term of their existing contracts / arrangement).



- 10.2. It is intended that prior to the Effective Date, NBP shall offer all existing employees of NLL new employment contracts to commence from the Effective Date (or such other date as may be agreeable between the respective parties) on mutually agreed terms and conditions and in line with the policies of NBP (including enrolment in any pension, gratuity, provident funds or similar funds or schemes offered by NBP to its existing employees in similar positions).

## ARTICLE 11

### GENERAL

#### 11.1. Sanction and Modifications by SBP

This Scheme shall be subject to such modification of conditions, as SBP may deem expedient to impose, and the sanction of SBP in accordance with the provisions of Section 48 of the Ordinance. The Board of Directors of NBP and NLL may consent to any modifications or additions to this Scheme or to any conditions which SBP may think fit. For the purpose of giving effect to the objects of the Scheme and for removing any lacuna, doubt or ambiguity contained in the Scheme, SBP may issue directions, either generally or specifically, to NBP and / or the stakeholders thereof which shall be binding.

#### 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

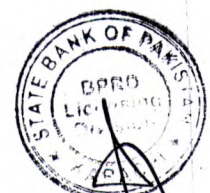
If any provision of this Scheme is found to be unlawful and unenforceable by a competent court of law, then to the fullest extent possible, all of the remaining provisions of the Scheme shall remain in full force and effect. Upon such happening, the Board of Directors of NBP, with the consent of SBP, shall as soon thereafter as possible, suitably substitute the relevant provisions which have been declared un-enforceable, which substituted provisions shall be in accordance with the directions of the court concerned to the extent as possible.

#### 11.4. Costs and expenses

All costs, charges and expenses in respect of preparation of this Scheme shall be borne by NLL. Other than as mentioned above, each party shall bear their own costs, charges and expenses incurred in respect of the Amalgamation.

#### 11.5. Governing Laws and Jurisdiction

This Scheme shall be governed in accordance with the laws of Pakistan and the courts at Karachi shall have non-exclusive jurisdiction to deal with matters with respect to the same.



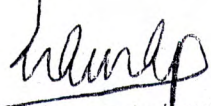
Executed at Karachi

Dated: \_\_\_\_\_

For and on behalf of  
**NATIONAL BANK OF PAKISTAN**

Name: \_\_\_\_\_

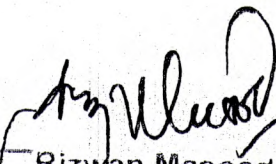
Designation: \_\_\_\_\_

  
Khawaja Muhammad Aminulazam  
Head of Islamic Banking Group  
National Bank of Pakistan  
Head Office, Karachi.

For and on behalf of  
**NBP LEASING LIMITED**

Name: \_\_\_\_\_

Designation: \_\_\_\_\_

  
Rizwan Masood  
PA No 6699  
NBP Leasing Limited



**LIST OF ANNEXURES**

**"Annexure A"** -- List of members of the Board of Directors of NBP.

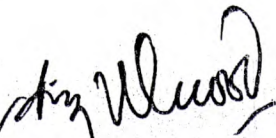
**"Annexure B"** -- List of members of the Board of Directors of NLL.

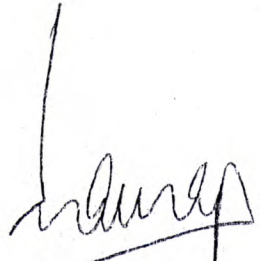


ANNEXURE A

LIST OF MEMBERS OF THE BOARD OF DIRECTORS OF NATIONAL BANK OF PAKISTAN

- |    |                             |           |
|----|-----------------------------|-----------|
| 1. | Mr. Muneer Kamal            | Chairman  |
| 2. | Mr. Syed Ahmed Iqbal Ashraf | President |
| 3. | Mr. Farrakh Qayyum          | Director  |
| 4. | Mr. Tariq Kirmani           | Director  |
| 5. | Mr. Iftikhar A. Allawala    | Director  |
| 6. | Mr. Muhammad Naeem          | Director  |
| 7. | Mr. Mir Balakh Sher Marri   | Director  |
| 8. | Mr. A. Akbar Sharifzada     | Director  |

  
Rizwan Maqsood  
P.A. No 6699  
NBL Leasing Limited

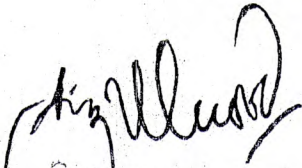
  
Khawaja Muhammad Aminulazam  
Head of Islamic Banking Group  
National Bank of Pakistan  
Head Office, Karachi.

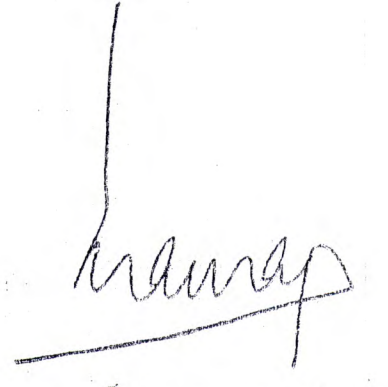


ANNEXURE B

LIST OF MEMBERS OF THE BOARD OF DIRECTORS OF NBP LEASING LIMITED

- |    |                            |                      |
|----|----------------------------|----------------------|
| 1. | Mr. Tariq Jamali           | Chairman / Director  |
| 2. | Mr. Mohammad Rizwan Masood | Chief Executive / MD |
| 3. | Mr. Nasir Husain           | Director             |
| 4. | Mr. Muhammad Naeemuddin    | Director             |
| 5. | Mr. Hamid Husain           | Director             |
| 6. | Mr. Rehman Ghani           | Director             |
| 7. | Syed Altaf Hussain Mashadi | Director             |

  
Mr. Mohammad Rizwan Masood  
F.A. No 6699  
NBP Leasing Limited

  
Khawaja Muhammad Aminulazam  
Head of Islamic Banking Group  
National Bank of Pakistan  
Head Office, Karachi.

